2015
REGISTRATION DOCUMENT
including the Annual Financial Report

CONTENTS

ELIS AT A GLANCE

REGISTRATION DOCUMENT

ELIS AT A GLANCE

CHAIRMAN OF THE SUPERVISORY BOARD'S MESSAGE AND INTERVIEW WITH THE CHAIRMAN OF THE MANAGEMENT BOARD

THIERRY MORIN – CHAIRMAN OF THE SUPERVISORY BOARD

In 2015, the Elis Group wrote a significant chapter in its history: with its successful initial public offering in February, it reached another important milestone and provided itself with the means to continue to grow and develop.

Despite the challenging economic situation of its main markets, Elis posted robust results in 2015, with revenue up 6.3% to €1,415.4 million and EBITDA of €446.1 million, leading to an operating margin of 31.5%. At the same time, Elis's share price climbed 17% over the year, outperforming the SBF 120. These excellent results demonstrate the relevance of Elis's strategy, which combines organic growth with targeted acquisitions, and the strength of its multi-service business model which benefits 240,000 Group customers in 13 countries.

Elis consolidated its position as the European leader in 2015 through value-creating acquisitions in France, Spain, Germany and Switzerland, and continued its growth in South America, its second largest market. With two major acquisitions in Brazil, Elis further strengthened its leading position in a market which offers an attractive growth outlook in a volatile economic environment. With the acquisition of Albia in September, Elis also became the leading player in Chile, the country in which GDP per capita is the highest in the region.

Elis also strengthened its financial structure in 2015 through a €800 million senior bond issue maturing in 2022. This transaction allowed the Group to significantly reduce the cost of its debt and thus provide itself greater leeway to continue its growth.

By renting articles rather than selling them, Elis's business model is based on a product-service system and adopts an active environmental and social responsibility approach. The Group continued its efforts in this field in 2015, for example by reducing its water consumption by 5.5% and further improving its energy efficiency. Elis has also introduced a governance system adapted to its status as a listed company, with a Supervisory Board mainly composed of independent members and an efficient Management Board which drives the Group's strategy.

With robust results, a clear strategy, strengthened financial means and committed teams, Elis has all the advantages required to continue its profitable growth.

Thierry Morin

Chairman
of the Supervisory Board

XAVIER MARTIRÉ – CHAIRMAN OF THE MANAGEMENT BOARD

How would you sum up 2015?

2015 was a very dynamic and eventful year for Elis. Our initial public offering helped us reduce our debt and provided us with the financial resources to accelerate our growth. Our business was very robust. We continued our growth by entering a new country, Chile. And we have continued to modernize our operating resources.

Our annual consolidated revenue increased 6.3% to €1,415.4 million, in line with the targets we had set. This good performance is due to solid organic growth of 2.9%, along with significant external growth, with nine major acquisitions in five different countries, representing combined aggregate revenue of around €70 million, a record for Elis.

We are proud of our expansion to Chile. With the takeover of the market leader, Albia, we have broken into a new market which offers attractive growth prospects. Our various acquisitions in Germany have also strengthened our position with customers in the Hospitality and Healthcare segments, increasing our number of laundries to nine. We continued to grow in Brazil and signed the acquisition of a new laundry based in the São Paulo region and dedicated to upmarket healthcare customers. Elis entered this country in 2014 via the acquisition of Atmosfera, the national incumbent in the sector. Brazil is currently one of the largest contributors to the Group in terms of revenue and, despite the challenging economic situation, this market offers attractive growth prospects in our line of business.

On the operational front, we also opened our new Nanterre Paris-Ouest processing center. This center is one of the jewels of our industrial facilities, due to its processing capacity, energy efficiency and innovations promoting the comfort and safety of our employees.

What is your growth model based on?

The success of our business model is based on an extremely dense local network of processing centers and dispatching centers allowing the Group to maintain close proximity to as many customers as possible, and thus guarantee optimal processing and dispatching times and better anticipate customer needs. Thanks to the density of our local network, 85% of our customers are located within 50 km of one of our 305 processing and dispatching centers or one of our 13 “Ultra-Clean” centers.

We also aim for a balanced presence within our four strategic operating segments: Hospitality, Healthcare, Industry and Trade and Services.

Lastly, we have a varied geographic presence, with leading positions in several European markets and in Latin America, markets which offer major growth prospects as they are driven by the general trend towards outsourcing.

Thanks to this model, we are in a position to generate organic growth in all of our markets, which we supplement by a sustained acquisition-driven growth strategy to take part in the sector’s consolidation.

What are your priorities for diversification?

Elis has always focused on innovation in our service offering to our customers. Offering new services and supporting our customers navigating changes within their industries is also key to our success.

In 2015, our 3D pest control service enjoyed major growth. We believe that this is an extremely promising market in which we can capitalize on our excellence and know-how, and at the same time benefit from synergies generated by our multi-service model.

France is the driver of this promising diversification, with revenue which should increasing from around €9 million in 2015 to almost €15 million in 2016.

We are also working on other innovative services, such as for example the development of an offer aimed at certain individual customers, in partnership with players in the housing rental market.

What is the outlook for the 2016 financial year?

We enter 2016 with confidence, following 2015 which was full of new developments. Against a still uncertain macro-economic backdrop, our Group will continue to demonstrate its solidity and the resilience of its growth model which, thanks to the major commitment of our teams, combines reactivity with a long-term vision. We are actively preparing tomorrow’s success.

In 2016, we are targeting revenue of €1.5 billion, driven by organic growth of 3% and external growth of 4% with an unfavorable currency effect which we currently estimate at -1%. In terms of margins, we expect to see a further 30bp drop in France, but are targeting an improvement in profitability in Europe and Latin America.

Xavier Martiré

Chairman of the Management Board

ELIS AT A GLANCE

Group profile

Elis, the multi-service leader in the rental, laundry and maintenance of flat linen, workwear and hygiene and well-being appliances in Europe and Latin America.

Elis' business model consists of renting articles rather than selling them. It therefore supports cost control, guaranteed quality control and an active environmentally responsible approach. This circular model is the sign of an industrial know-how that we provide our customers so that they can concentrate on their core business.

Present in Europe and Latin America, the Group provides multi-service offerings to more than 240,000 customers of varying sizes, in Hospitality, Healthcare, Industry and Trade and Services and to cleaning companies.

more than **240,000** customers

more than **305** processing and dispatching centers

Over a century of expertise

1968: Creation of Elis

Less than a century after its creation, the Group overhauled its organization and pooled all its operations within a single Group under the name Elis, an abbreviation of Europe Linge Service.

1999: Diversification of services

In the late 1990s, the Group began to diversify its activities. Thus, in 1999, the Group's activities were extended to the rental and maintenance of water coolers and espresso machines. In 2001, Elis became the European leader in Ultra-Clean services following the acquisition of the cleaning and disinfecting company Société de Nettoyage et de Désinfection d'Ivry.

1883 — 1968 — 1970 — 1999

1883: Origins

Creation of Elis in 1883 when the Grandes Blanchisseries de Pantin were founded by the Leducq family.

Beginning in the 1970s: European expansion

The Group's European expansion began in 1973 with the acquisition of Belgian company Hadès and the Group's arrival in Spain. These were followed by Portugal, the United Kingdom and Germany between 1987 and 1990, Switzerland in 1992, Luxembourg in 1994, Italy in 1999 and the Czech Republic in 2001.

For more information, see **chapter 1**, p. 16.

Locations

Leading positions in Europe and Latin America.

*In France, **85%** of our customers are located less than 50 km from an Elis center.*

Revenue of €978.1 million

FRANCE

Revenue of €327.7 million

EUROPE (EXCLUDING FRANCE)

Revenue of €92.2 million

LATIN AMERICA

more than **21,000** employees

13 countries in Europe and Latin America

2000-2007

Following BC Partners in 1997 and PAI Partners in 2002, Eurazeo acquired a stake in the Company in 2007.

2010

2010-2013: Continuing internationalization

Elis continued its expansion in Switzerland with the acquisition of Lavotel. The Group also made another six targeted acquisitions on the Swiss market between 2010 and 2013.

2014

Beginning of 2014: Expansion of Elis's Brazilian presence

In February 2014, the Group acquired Atmosfera, Brazil's leading industrial laundry group and continued to grow in this country through other acquisitions.

Mid-2014: Launch of "3D pest control"

Elis reinforced its presence in the pest control market with the launch of "3D pest control", an offer meeting the needs of all professionals.

2015

Listing on the Euronext Paris regulated market

Continuation of the Group's growth strategy

In Europe and Latin America, the Group acquired the Chilean N°1 (Albia).

ELIS IN 2015

€ **1,415.4** million in consolidated revenue in 2015 (+6.3% vs 2014)

2015 key figures

Revenue by region

Latin America
6.5%

France
69.1%

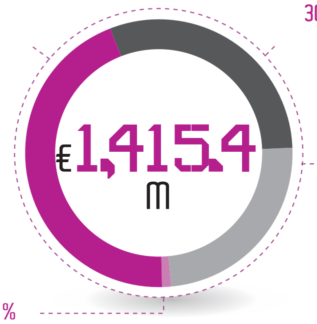
Manufacturing Entities
1.2%

Europe (excluding France)
23.2%

Revenue by business line

Flat linen
€ **659.5** m
46.6%

Workwear
€ **433.9** m
30.7%

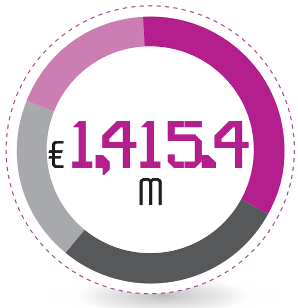


Hygiene and Well-being
€ **319.6** m
22.6%

Other
less than 1%

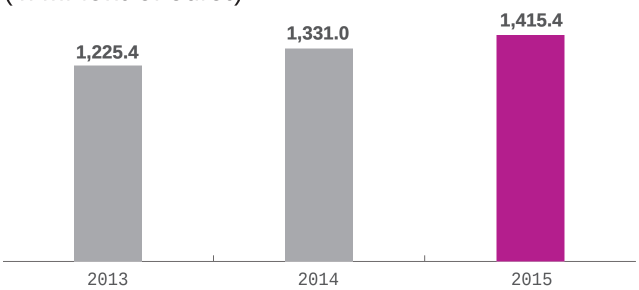
Revenue by customer segment

Hospitality: 34%
Trade and Services: 28%
Healthcare: 20%
Industry: 18%

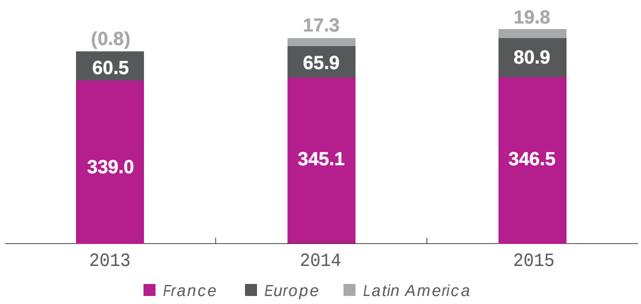


Change

Revenue
(In millions of euros)



EBITDA by region
(In millions of euros)



(In millions of euros)

2015 net income (loss) from ordinary operations **71.4**	2015 EBIT **208.4**	2015 free cash flow **56.6**	2015 investments **259.0**

For more information, see chapter chapter 5, p. 148

2015 highlights

Elis's initial public offering

In 2015, Elis wrote a significant chapter in its history with its successful initial public offering in February and provided itself with the means to continue to grow and develop.

Elis shares are listed on the Euronext regulated market in Paris.

Complete refinancing of the Group's debt

Elis strengthened its financial structure through the complete refinancing of its debt, for which interest expenses were divided by three providing fresh room for maneuver to accelerate the implementation of the Group's four strategic pillars.

Acquisition-driven growth and the strengthening of international positions

During the 2015 financial year, the Group continued its growth strategy and strengthened its international positions in Europe and Latin America with further acquisitions in Germany, Spain, France, Switzerland, Brazil and Chile.

Opening of the new processing center in Nanterre

10,000 m² dedicated to hospitality.
Processing capacity exceeding 450 tons over six days.

Signing of an agreement to sell the Puteaux site

A TAILORED MULTI-SERVICE APPROACH

Our businesses

Textile service

Workwear

The leader in the professional workwear rental and laundry services, Elis designs its outfits according to current regulations, with the desire to go a step further: better aesthetics, greater technical performance, increased comfort and safety. Thanks to a global service, Elis controls the whole supply chain of workwear, from its personalized design through to its replacement.

Flat linen

Elis's flat linen collections come in a wide range of quality levels, with turnkey services. Designed to withstand industrial cleaning, all items meet the various needs of professional customers. In the healthcare sector, Elis takes part in the development of protocols for use and also helps its customers achieve certification.

Hygiene and well-being service

Reception of your customers and employees

Elis also means reception area equipment. Floor protection, first of all, through a **wide range of dust mats** which meet the needs of each establishment. The new Tapis Créateurs range was introduced at the end of 2014 with dust mats created by designers and stylists to add a new decorative touch to all interiors.

Elis also offers a **beverage distribution service** (water fountains, espresso machines) to make reception areas welcoming.

Washroom hygiene

Undeniably the most visible service! Elis has six washroom hygiene product families in order to ensure a clean space at its customers' premises. The items in the Aqualine collection can be personalized in various colors to meet each customer's needs.

3D Pest Control

A new **pest control** service range was added to Elis's offering in 2014. With the **3D Pest Control** service, the Group supports its customers with all their pest control issues: the eradication of insects and rodents and disinfection services. These complete protection systems operate 24 hours a day, seven days a week.

For more information, see chapter chapter 1, p. 16

Our customers

Each day Elis makes deliveries to more than 240,000 customers present in four structural segments: Hospitality, Healthcare, Industry and Trade and Services. Elis's sales force is also structured in the same manner to provide the best adapted response to the specific needs of each customer.

Hospitality

Linen management is a major concern which requires the respect of hygiene issues, quality and precision. Elis provides a service to establishments which helps strengthen their image, regardless of their category, from local restaurants to palaces.

Elis offers its customers:

- **a wide choice of articles of consistent quality** (restaurant and kitchen linen, bedlinen and bathroom linen, bath robes, etc.);
- **coordinated ranges**;
- a **turnkey service**, which can even include providing on-site staff dedicated to linen management or automatic workwear distributors;
- **major flexibility** to accommodate the establishment's line of business;
- **complementary services** adapted to their needs;
- **innovative services** in response to market developments.

Healthcare

Be it for hospitals, clinics, nursery homes or rehabilitation centers, needs in the Healthcare segment vary widely. Elis's offering can be adapted to each request: provision of linen and workwear, laundry for nursing home residents, provision of complementary services. Thanks to Elis, each establishment can maintain its level of care and still **enhance its image while limiting its costs**.

Elis, a key player in this sector:

- **takes part in the development of tailored protocols;**
- provides linen laundry services, including their on line management;
- can help its customers with their **certification** and their **improvement plans** (analysis and advice for optimizing linen circuits, participation in self-assessment groups, etc.).

Industry, Trade and Services (ITS)

From the local shopkeeper to major food corporations, artisans to large industrial groups, the ITS division covers all sectors that are not related to Hospitality or Healthcare and is divided into segments of expertise:

- The **Industry segment**. These customers often have very few sites but a large number of wearers, and a major need for protective garments and uniforms.
- The **Food network segment**, which includes supermarkets and contract catering. This market is characterized by a large number of wearers, centralized decision making and high turnover, which raises major workwear management issues.
- The **Non-food network segment**. Customers in this market are often decentralized, own numerous sites at the national level and have very few wearers at each point of

delivery. The service industry is part of this market and are generally customers of the Group's HWB services.

A SUSTAINABLE POLICY TO ENSURE SUCCESS AND CONTINUITY

Elis's commitments

Participating in the development of a more sustainable business model

Providing a high quality responsible offering

Decreasing the environmental footprint of our business

Being a vector of personal development for our employees

For more information about our Sustainable Development initiatives visit
www.corporate-elis.com/RSE

Toward energy efficiency

Elis strives to limit its environmental footprint by reducing its greenhouse gas emissions and making better use of natural resources.

52 plants ISO 50001 certified in 2015 as part of the implementation of an energy management system.

Optimizing water and energy use

Since 2008, each year Elis has set a target of reducing its annual water, energy and laundry product consumption by 3% to 5% as part of its voluntary investment policy.

2020 target
-25%
in energy consumption

Water
-21%
(European scope)

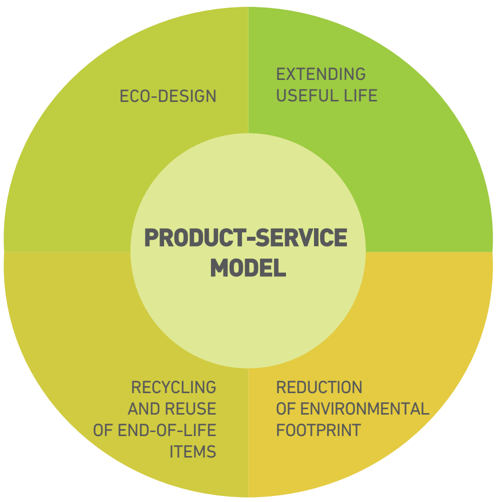
Europe
-16%
in energy consumption since 2010

The benefits of a product-service model

By favoring the **sale of the use** of goods rather than the goods themselves, Elis's business model is based on a product-service system and thus contributes to:

- reducing pressure on the environment;
- supporting the economic growth of a company and the sustainability of local jobs; and
- extending the useful life of products thus naturally encouraging their repair, reuse and recycling.

The product-service model therefore combines economic growth with the reduction in the Company's environmental footprint.



For more information, see chapter **chapter 3,** *p. 62*

Dialogue with employees

Elis is a company that listens to its employees and strives to ensure close relations between management and the teams on the ground on a daily basis.

122 agreements signed

18 employee opinion surveys

Guaranteeing the safety of our employees

Elis is committed to a safety approach which is based on the active dedication and involvement of each employee and management at every level.

Target
Zero accidents

730 employees received ergonomics training in 2015

Since 2012, the Elis Group has been implementing the Gest'Elis program, which, for each type of processing workstation, offers corrective ergonomic solutions to improve layout and organization, and recommends best practices for learning about caution.

An HR policy that attracts talent and helps them advance professionally

An integration program that runs over two to five weeks is aimed at new employees and facilitates their integration and development within the Group.

The "Club des Chevrons" rewards the most deserving employees since 1987.

The "Jeunes Talents" program aims to grow a community of talents based on the Company's key challenges.

The international best practices program: Elis offers 12 to 24-month training programs in France to newly-qualified Spanish engineers and graduates.

Fed'Elis is a course that was created in 2010 and aims to develop Group employees' skills.

FRANCE

2,830 employees trained

69,930 training hours

5 million invested in professional training

Source: Elis HR department.

Vision and Values

RESPONSIBILITY
INTEGRITY
RESPECT FOR OTHERS
EXEMPLARITY

The principles shared by Elis:

- Act with integrity, responsibility and exemplarity.
- Respect the dignity and rights of each person.
- Act in a way that respects the environment.
- Respect laws and regulations.
- Continuously improve performance.

Inspired by a number of texts:

- The United Nations Universal Declaration of Human Rights.
- The European Convention on Human Rights.
- The United Nations Convention.
- The United Nations Global Compact.
- OECD guidelines.

For more information, see chapter 4, p. 94

GOVERNANCE

Executive Committee

The Executive Committee is currently composed of nine members:


1


2


3


4


5


6


7


8


9

1 – Xavier Martiré
PRESIDENT OF THE MANAGEMENT BOARD

2 – Louis Guyot
MEMBER OF THE MANAGEMENT BOARD, CHIEF FINANCIAL OFFICER

3 – Matthieu Lecharny
MEMBER OF THE MANAGEMENT BOARD, DEPUTY MANAGING DIRECTOR IN CHARGE OF OPERATIONS

4 – Alain Bonin
DEPUTY MANAGING DIRECTOR IN CHARGE OF OPERATIONS

5 – Caroline Roche
DIRECTOR OF MARKETING AND INNOVATION

6 – Yann Michel
DEPUTY MANAGING DIRECTOR IN CHARGE OF OPERATIONS

7 – Frédéric Deletombe
INDUSTRIAL, PROCUREMENT AND SUPPLY CHAIN DIRECTOR

8 – Didier Lachaud
DIRECTOR OF HUMAN RESOURCES AND CSR

9 – François Blanc
TRANSFORMATION AND IT SYSTEM DIRECTOR

Supervisory Board

The Supervisory Board is currently composed of nine members:


1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1 – Thierry Morin
CHAIRMAN OF THE SUPERVISORY BOARD, INDEPENDENT MEMBER / MEMBER OF THE AUDIT COMMITTEE

2 – Marc Frappier
VICE-PRESIDENT OF THE SUPERVISORY BOARD / MEMBER OF THE APPOINTMENTS AND COMPENSATION COMMITTEE

3 – Philippe Audouin
MEMBER OF THE SUPERVISORY BOARD / MEMBER OF THE AUDIT COMMITTEE

4 – Michel Datchary
INDEPENDENT MEMBER OF THE SUPERVISORY BOARD / CHAIRMAN OF THE APPOINTMENTS COMMITTEE AND COMPENSATION

5 – Virginie Morgon
MEMBER OF THE SUPERVISORY BOARD

6 – Florence Noblot
INDEPENDENT MEMBER OF THE SUPERVISORY BOARD / MEMBER OF THE APPOINTMENTS AND COMPENSATION COMMITTEE

7 – Agnès Pannier-Runacher
INDEPENDENT MEMBER OF THE SUPERVISORY BOARD / CHAIRMAN OF THE AUDIT COMMITTEE

8 – Maxime de Bentzmann
MEMBER OF THE SUPERVISORY BOARD

9 – Philippe Delleur
INDEPENDENT MEMBER OF THE SUPERVISORY BOARD

2015

REGISTRATION DOCUMENT

including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the Financial Markets Authority (AMF) in accordance with Article 212-13 of its General Regulation on April 13, 2016 under number R. 16-019. This document may not be used to support a financial transaction unless it is supplemented by a transaction note approved by the AMF. This document was prepared by the issuer and is the responsibility of its signatories.

It was registered in accordance with the provisions of Article L. 621.8.1-I of the Monetary and Financial Code after the AMF had verified that "the document is complete and understandable, and the information that it contains is consistent". It does not imply authentication by the AMF of the accounting and financial information presented therein.

Pursuant to Article 28 of (EC) Regulation no. 809/2004 of the European Commission, the following information is included in this Registration Document by reference:

- the consolidated financial statements of the Elis group relating to the 2014 financial year and the Statutory Auditors' report appearing in Sections II and III of the 2014 Annual Report, available on the Company's website (www.corporate-elis.com);
- the consolidated financial statements of the Elis Group relating to the 2011, 2012 and 2013 financial and the Statutory Auditors' report thereon (appendix I to the document de base filed with the AMF on September 8, 2014 under number 1.14-053, available on the Company's website (www.corporate-elis.com);

Copies of this Registration Document are available free of charge at the registered office of Elis at 33 rue Voltaire, in Puteaux (92800), on the Company's website (www.corporate-elis.com) and on the AMF's website (www.amf-france.org).

CONTENT

GENERAL REMARKS

In this Registration Document, unless otherwise stated, the term **"Company"** and **"Elis"** refers to Elis, a joint-stock corporation *(société anonyme)* headquartered at 33 rue Voltaire, Puteaux (92800), France and registered with the Nanterre trade and companies register under number 499 668 440. The term **"Group"** refers to the Company and its consolidated subsidiaries combined.

ROUNDING

Certain figures (including figures expressed in thousands or millions) and percentages in this Registration Document have been rounded. The totals presented in this Registration Document may differ slightly from those obtained by adding together the non-rounded values of those figures.
Annual financial information is identified by the AFR pictogram AFR

Presentation of the Group
and its activities

The Elis Group is a European and South American leader in the rental, laundry and maintenance of textile, hygiene and well-being items. It operates in France, Europe and Latin America where it provides multi-service offerings to various types of customers.

1

1.1 A CENTURY OLD GROUP

1883: ORIGINS

The Group was created in 1883 when the Grandes Blanchisseries de Pantin were founded by the Leducq family. Within just a few years, the company's horse-drawn carriages were criss-crossing the whole East side of Paris delivering clean linen to restaurants, luxury hotels, public baths, and linen depots for private customers.

1945: THE EARLY YEARS

At the end of the war, Jean Leducq was sent by his father to revive the Rouen plant. Soon after his arrival, the US army placed an order to launder 50 tons of linen per week! The teams are mobilized: one month later the plant is laundering 80 tons per week. In the 1950s, Elis invented and developed the rental and laundry model.

1968: CREATION OF ELIS

A little less than a century after its creation, in 1968, Jean Leducq decided to bring together all of its activities into a single group. The new structure was renamed Elis, short for Europe Linge Service (Europe Linens Service).

BEGINNING IN THE 1970S: EUROPEAN EXPANSION

The Group's European expansion began in 1973 with the acquisition of the Belgian company Hadès and the Group's arrival in Spain. They were followed by Portugal, the United Kingdom and Germany between 1987 and 1990, Switzerland in 1992, Luxembourg in 1994, Italy in 1999 and the Czech Republic in 2001. Thus 1973 represents the beginning of a cycle of continuous growth which has made Elis the current European leader in its sector.

1991: THE DISNEYLAND PARIS CONTRACT

The Group won one of its most attractive contracts: the cleaning of costumes and linen for the whole of the Disneyland Paris amusement park and its hotels, representing more than 6,000 rooms and 10,000 dressed individuals. In order to cope with this contract, two new plants were built in Meaux and Saint-Thibault.

1997: 1ST LEVERAGED BUYOUT (LBO)

In 1997, the Group was acquired by BC Partners in a first LBO transaction.

1999: DIVERSIFICATION OF SERVICES

In the late 1990s, the Group began to diversify its activities. Thus, in 1999, the Group's activities were extended to the rental and maintenance of water coolers and espresso machines. In 2001, Elis became the European leader in Ultra-Clean services following the acquisition of the cleaning and disinfecting company SNDI (Société de Nettoyage et de Désinfection d'Ivry).

In 2013, the Elis Group launched a new activity specializing in disinfection and pest control which includes the eradication of insects and rodents, long-term preventive treatment and related one-off services (2D pest control, extended to 3D pest control in 2014).

2002-2007: 2ND AND 3RD LBO TRANSACTIONS

The Group was subject to a second LBO transaction in 2002 with the equity investment of PAI Partners (taking over from BC Partners), then in 2007 Eurazeo took over control of the Group from PAI Partners.

2010-2013: CONTINUING INTERNATIONALIZATION

Elis continued its expansion in Switzerland with, in particular, the 2010 acquisition of Lavotel. The Group also made another six targeted acquisitions on the Swiss market between 2010 and 2013.

2014: EXPANSION OF ELIS'S BRAZILIAN PRESENCE

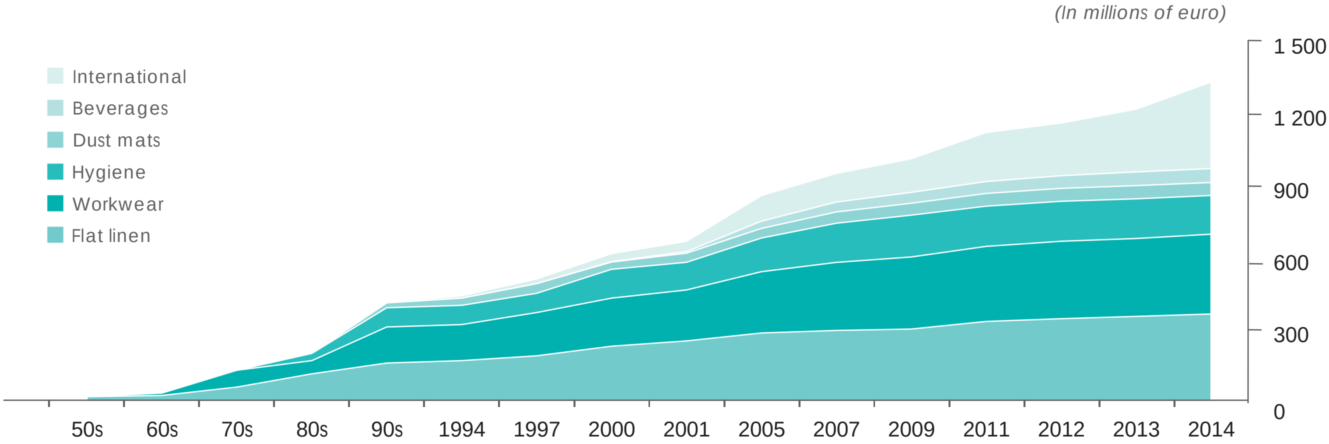
Following the creation of a trading company in São Paulo in 2012, the Group consolidated and expanded its presence in Brazil with the February 2014 acquisition of Atmosfera, the leading industrial laundries group in Brazil, then Acqua and SC Lavanderia and assets in Lavtec between May and September 2014.

2015: A NEW DIMENSION

Initial public offering: Elis was listed on the Euronext regulated stock market in Paris on February 11, 2015 and on the SBF 120 in June 2015.

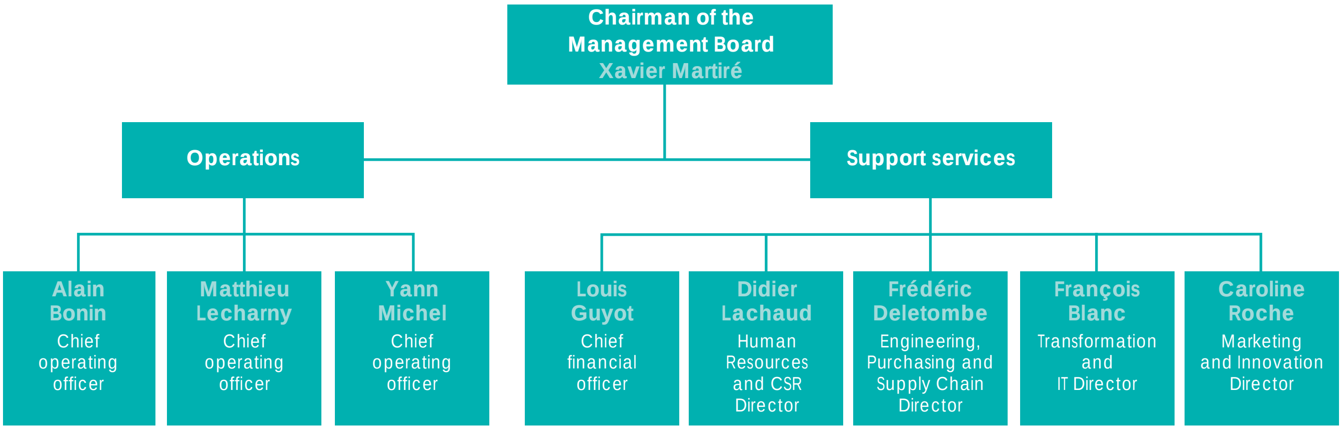
Continuation of the Group's growth strategy: the Group continues its growth strategy and consolidates its position through further acquisitions in Europe (France, Spain, Germany and Switzerland) and in Latin America (Brazil and the number one player in Chile, Albia).

The chart below shows the change in Group revenue for each product and service category:



1.2 GROUP OPERATION

The Group's general management is carried out by the Management Board and the Executive Committee, which are responsible for determining and implementing Group strategy. Its composition, as of the date of this registration document, is presented below:



The Executive Committee includes, in addition to the chairman of the Management Board, three Chief Operating Officers and five support function Directors.

A detailed presentation of the members of the Management Board and the Executive Committee is available in chapter 4 "Corporate governance", in section 4.1.1 "Management bodies" of this 2015 registration document.

1.3 BUSINESS OVERVIEW

1.3.1 AN INTEGRATED MULTI-SERVICE OFFER

Elis is Europe's leading renter of flat linen, workwear, and hygiene and well-being ("HWB") appliances and providers of associated laundry and maintenance services. It operates in France, Europe and Latin America, where it provides a broad range of services to over 240,000 business customers in four main end markets: Hospitality, Healthcare, Industry, and Trade and Services.

Rental, laundry and maintenance services

The Group provides the following services:

- **flat linen rental and laundry services:**

  These services consist mainly in the rental and laundry of restaurant linen (*i.e.*, tablecloths, napkins, dish towels, glassware towels and aprons) and hotel linen (bed sheets, duvets, duvet covers, pillowcases and bathroom towels). Flat linen rental and laundry services generated consolidated revenue of €659.5 million for the year ended December 31, 2015, or 46.6% of the Group's consolidated revenue for the period;

- **workwear rental and laundry services:**

  These services mainly comprise the rental, customization and laundry of several types of workwear, including (i) standard workwear (such as trousers, shirts, uniforms and jackets), (ii) personal protective equipment (PPE) (such as firefighter uniforms, suits for working with hazardous materials or in extreme temperature environments or for ensuring high visibility) and (iii) workwear for personnel who work in controlled atmosphere environments (clean rooms), and mainly in the pharmaceutical and semiconductor industries (*i.e.*, "Ultra-Clean" workwear).

  Workwear rental and laundry services generated consolidated revenue of €433.9 million for the year ended December 31, 2015, or 30.7% of the Group's consolidated revenue for the period;

- **HWB appliance rental and maintenance services:**

  These consist of the rental, installation and maintenance of hygiene appliances, mainly for toilet hygiene (toilet paper dispensers, disinfectant dispensers, feminine hygiene, etc.), for hand washing and drying (soap dispensers, textile and paper hand-towels and electric hand dryers) and for air freshening, and also supplying consumables for these appliances.

  These services also include the rental, installation and maintenance of water fountains and espresso machines and the supplying of consumables for these, and the rental, customization and cleaning of dust mats (made of absorbent microfibers). These services were extended to 3D pest control which include the eradication of insects and rodents and related one-off services.

  HWB appliance rental and maintenance services generated consolidated revenue of €319.6 million for the year ended December 31, 2015, or 22.6% of consolidated Group revenue for the period.

Manufacturing business

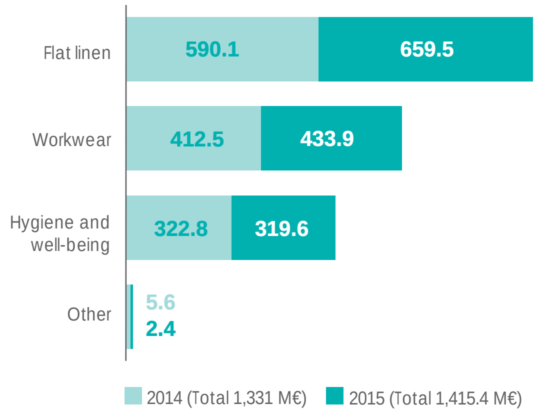
The Group also has a manufacturing business carried out by two entities, Le Jacquard Français and Kennedy Hygiene Products (the "Manufacturing Entities") which, together, form one of the Group's operating segments.

Le Jacquard Français, acquired in 1968 by the Group, designs and manufactures high-end flat linen and damask linen products. It has a weaving plant in Gérardmer, in the Vosges mountains in Eastern France, and it relies on its own Sales, Marketing and Distribution Departments. Le Jacquard Français mainly sells its products to consumers and through third parties, *i.e.*, department stores, shops, private sales websites and specialist boutiques. Le Jacquard Français also has five shops, including two in Paris. Le Jacquard Français exports its products to 50 countries and plans to develop sales outside of France.

Kennedy Hygiene Products Ltd, acquired in 1987, is one of Europe's leading designers and manufacturers of hygiene appliances, such as cotton and paper towel dispensers, no-touch hand dryers, soap and toilet paper dispensers, feminine hygiene disposal bins and fragrance dispensers. Kennedy Hygiene Products is based in the United Kingdom and exports its products to around 44 countries. Kennedy Hygiene Products has its own Sales, Marketing, Distribution and R&D Departments, but also works closely with the Group's marketing team to design products that meet its customers' specific requirements.

The Group's manufacturing business generated consolidated revenue of €17.5 million for the year ended December 31, 2015 (after intercompany eliminations), or 1.2% of the Group's consolidated revenue for the period.

The chart opposite presents the breakdown of consolidated revenue by business during the year ended December 31, 2015 by service:



1.3.2 AN INTERNATIONAL PRESENCE

The Group provides a broad and integrated range of flat linen, workwear and HWB appliance services to a diversified base of over 240,000 customers, in the regions descirbed below (excluding Manufacturing Entities).

These regions are included in the breakdown of revenue for the four operating segments: France, Europe, Latin America and Manufacturing Entities (see section 5.2 of this registration document).

France

In France, the Group generated consolidated revenue of €978.1 million for the year ended December 31, 2015 (excluding the manufacturing business), or 70% of the Group's consolidated revenue for the period (excluding Manufacturing Entities). In France the Group serves customers in four main end markets: Hospitality, Healthcare, Industry, and Trade and Services (see section 1.4 "Four end markets").

Europe

In Europe (which includes Germany, Belgium, Luxembourg, Spain and Andorra, Italy, Portugal, Switzerland and the Czech Republic), the Group posted consolidated revenue of €327.7 million for the year ended December 31, 2015 (excluding the Manufacturing Entities), or 23% of the Group's consolidated revenue for the period (excluding Manufacturing Entities). The Group serves customers in all its end markets in Europe.

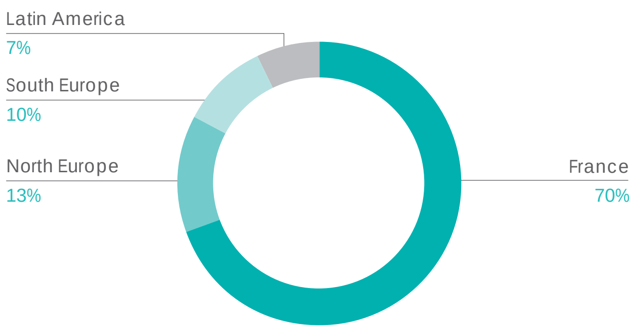
Latin America

In Latin America, the Group launched its activities in Brazil in December 2012 following the opening of a sales office in São Paulo. Expansion continued with the acquisition of the Atmosfera Group in February 2014. The Group strengthened its presence in Brazil with the acquisition in July 2015 of a laundry in Fortaleza (State of Ceara) on the country's northeastern coast, and entered the Chilean market in September 2015 through the acquisition of the number one player in Chile, Albia.

The Group serves customers in Latin America in the Hospitality, Healthcare and Industry end markets. In Latin America the Group posted consolidated revenue of €92.2 million for the year ended December 31, 2015, or 7% of its consolidated revenue for the period (excluding Manufacturing Entities).

Through organic growth and targeted acquisitions, over the past few years the Group has substantially increased the share of its revenue outside of France (excluding its manufacturing business) from 14% for the year ended December 31, 2008, to 30% for the year ended December 31, 2015 (excluding the Manufacturing Entities).

The chart below presents the breakdown of the Group's rental and maintenance activities by region as a percentage of consolidated revenue during the year ended December 31, 2015 (excluding the Manufacturing Entities):



1.4 FOUR END MARKETS

The Group provides services to the following four end markets:

- Hospitality;
- Industry;
- Trade and Services;
- Healthcare.

1.4.1 HOSPITALITY

Customers in the Hospitality end market include hotels (both chains and independents) and restaurants. The Group adapts its services to the size and rating of the hotels (number of stars) and restaurants it serves, both in terms of the quality of the linen provided (*i.e.*, the fabric quality, the size and number of linen items) and the frequency of delivery (either daily or weekly). In the largest hotels, the Group has an on-site linen agent whose job is to manage the hotel's linen and coordinate services with one of the Group's processing centers to ensure that all of the hotel's flat linen requirements are met.

The Group provides its customers in the Hospitality end market its range of bedroom linen (bed sheets, duvet covers and pillow cases), restaurant linen (tablecloths and napkins), kitchen linen (dish towels and aprons) and bathroom linen (towels, bath robes and bath mats).

The Group recently launched a new range of high-end bathroom linen for high-end hotel chains and luxury hotels. The Group can also provide these customers with workwear for their employees in direct contact with customers and for their kitchen and cleaning personnel.

To a lesser extent, the Group also rents HWB appliances to some customers in this end market and supplies them with the necessary consumables. Some Hospitality customers also use the Group's 3D pest control services.

1.4.2 INDUSTRY

Customers in this end market mainly consist of primary industry, manufacturing sectors, the construction industry (machine construction, the oil industry, automobile construction, aeronautic construction, construction and public works, etc.) and some clean industries such as high-technology, fine chemicals, pharmaceuticals and food-processing.

The Group provides its customers in the Industry end market with several types of workwear, including (i) traditional workwear (*i.e.*, trousers, shirts, uniforms and jackets), (ii) personal protective equipment (which protect against hazardous materials or extreme temperatures or ensure visibility) and (iii) workwear for Ultra-Clean environments.

1.4.3 TRADE AND SERVICES

The Trade and Services end market mainly consists of (i) customers in the retail sector (supermarkets and shops) and the services sector (customer-facing services, cleaning companies, independent professionals and head offices) and (ii) government and municipal services.

The Group provides its customers in the Trade and Services end market with a full range of workwear rental and laundry services (traditional workwear and aprons) and HWB appliance services, such as equipment and consumables for washrooms, water fountains and coffee machines, which use espresso and decaffeinated coffee pods purchased from Malongo, a French coffee supplier. The Group also provides Trade and Services customers with dust mats which they can have customized.

3D pest control services are also available for customers in this end market.

1.4.4 HEALTHCARE

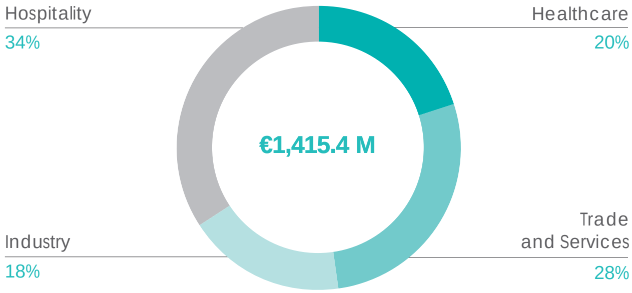
The Group's customers in the Healthcare end market are mainly public hospitals, private clinics and nursing homes.

The Group provides these customers with its range of rental and maintenance services for flat linen and articles used in all kinds of healthcare facilities. The Group has created a range of duvet covers capable of meeting the medical and sanitary requirements of its Healthcare customers. The Group also provides other services to customers in this end market, such as workwear rental and laundry services, the rental of HWB appliances and the supply of the necessary consumables, and its 3D pest control service.

Moreover, the AD3 subsidiary offers laundry services for the personal clothing of nursing home residents.

The chart below presents the breakdown of revenue by market as a percentage of consolidated revenue during the year ended December 31, 2015:

(in millions of euros)



THE TABLE BELOW SHOWS THE PRODUCTS AND SERVICES THE GROUP PROVIDES IN EACH END MARKET AND COUNTRY THAT ACCOUNT FOR AT LEAST 10% OF ITS REVENUE IN THAT END MARKET OR COUNTRY, BASED ON REVENUE GENERATED BY THE GROUP FOR THE YEAR ENDED DECEMBER 31, 2015:

	Services and products		
Country/End market	**Flat linen**	**Workwear**	**HWB**
France			
Hospitality	✓		✓
Healthcare	✓	✓	
Industry		✓	✓
Trade and Services		✓	✓
Europe			
Germany	✓	✓	
Belgium-Luxembourg		✓	✓
Spain-Andorra	✓	✓	✓
Italy	✓	✓	✓
Portugal	✓	✓	✓
Switzerland	✓	✓	
Czech Republic		✓	
Latin America			
Brazil	✓	✓	
Chile	✓	✓	

1.5 BUSINESS MODEL AND STRATEGY

1.5.1 BUSINESS MODEL

The Group's flat linen, workwear and HWB appliance services offer its customers a cost-effective alternative to owning and maintaining linen, workwear and appliances and consumables, by reducing their capital expenditure requirements, improving product and service quality, and enabling them to manage their operations more flexibly and concentrate on their core business.

The Group's business model is therefore based on the strategic deployment of a large number of processing centers and dispatching centers in each geographic market, to maintain close proximity with as many customers as possible and thus respond to and anticipate their needs more quickly and more effectively than the Group's competitors. The Group is convinced that it is one of the few providers of flat linen, workwear and HWB appliance services that has sufficient geographic coverage to serve the entire French market. This enables the Group to provide these services to customers with a national footprint under framework agreements that cover all of their operations.

In providing its flat linen, workwear and HWB appliance services to customers, the Group uses two operating models: an "industrial" model and a "Tribu" (or "Tribe") model:

- when volumes are significant, the Group applies the "industrial" model, with deliveries made by 12-ton or larger trucks;
- conversely, when customers' volumes are lower, the Group applies the "Tribu" model, whereby services are delivered by Field Agents that are members of teams or "tribes," made up of a customers service manager, a sales assistant and four or five Field Agents.

Each Field Agent generally completes one round a day, visiting approximately 40 customers, in a van. Each of these vans can deliver all the Group's services and products and thus offer every customer a unique one-stop shop for their usual products or services and for any new products or services a Field Agent may wish to present. As at December 31, 2015, the Group operated a fleet of 2,198 vans, used by its Field Agents, and 1,199 trucks. The Group estimates that its vans and trucks complete some 2,500 rounds a day, thus covering about 1,500,000 kilometers per week.

During the year ended December 31, 2015, the Group employed over 21,000 people in 13 countries in its 119 processing centers (industrial laundries equipped with industrial-type washing, drying, finishing, folding and wrapping machines and linen mending shops), dispatching centers (which may serve a single processing center or be independent), and "Ultra-Clean" centers, where Ultra-Clean workwear is serviced (see section 1.10 regarding real estate).

Together the Group's processing centers clean and process each week an average of about 10,640 tons of flat linen (peaking at 12,700 tons) and 3.5 million items of workwear.

1.5.2 THE GROUP'S STRATEGY

Each day, Elis provides multi-service offerings to more than 240,000 customers in various end markets, thanks to its good network coverage and industrial know-how. The Group aims to continue to strengthen its network and its offering to continue its growth and increase profitability, which is already one of the highest in the sector.

To reach this objective, the Group's strategy focuses on four strategic pillars:

- consolidating its positions through organic growth and acquisitions;
- developing its activities in Latin America;
- continuing to improve its operational excellence;
- introducing new products and services at limited marginal cost.

Consolidating its positions through organic growth and acquisitions

The Group's objective is to continue to grow its business both organically and through acquisitions to consolidate its existing market share and geographic coverage and deploy its expertise in each country in which it operates to become the market leader.

Switzerland offers a good example of this strategy, where the Group built its leading position in Switzerland through various acquisitions completed since 2010 and by transferring its expertise to the acquired companies, making it number one in the country in 2015.

In Brazil, at the beginning of 2014 the Group only had one representative office, before its acquistion of leading player Atmosfera and its consolidation of the market. By the end of 2015, the Group owned 15 processing centers and an Ultra-Clean center.

The Group therefore believes that its is the leading operator in France, Switzerland, Brazil, Portugal and Chile.

Developing its activities in Latin America

The Group became market leader in Brazil in 2014 following the acquisition of Atmosfera in February that year. Since then, the Group has made further acquisitions in the country, including Belo Horizonte, Ponta Grossa and Fortaleza, strengthening its leading position in a market undergoing major consolidation.

Moreover, it has begun to transfer its industrial and sales expertise to its Brazilian subsidiaries to improve the Group's positions and profit margins in this country.

The Group estimates that at the current stage of the market's development, sales of flat linen, workwear and HWB appliance services in Brazil represent only about €1 billion in revenue, compared with a French market that represents an estimated €2 billion. Customers in Brazil are essentially hospitals, hotels and industrial sector companies. Although many employees wear a uniform, the outsourcing of workwear rental and laundry services is still relatively uncommon. Considering the current size of the French and Brazilian markets for flat linen, workwear and HWB appliance services, relative to each country's land area, population and economic situation, the Group believes that Brazil offers considerable growth potential for flat linen, workwear and HWB appliance services.

Elis has also become the leader in Chile with the September 2015 acquisition of the country's number one player, Albia, which enjoys a market share of around 25%.

The Group now operates eight laundries across the country which mainly serve customers in the Healthcare, Hospitality and Industry (mining industry) sectors. This national network covers the major Chilean towns and cities, including Santiago and Valparaiso. The highly fragmented Chilean market also offers additional opportunities for consolidation.

Chile has the highest GDP per capita in Latin America. The country enjoys a favorable economic environment along with political and social stability particularly conducive to business.

The Group therefore intends to strengthen its position as leader on these two Latin American markets and the transfer of best practices should also contribute to Elis' continuing profitable growth.

Continuing to improve the Group's operational excellence

The Group plans to continue improving its operational excellence, by controlling costs, deploying its expertise to all centers, pursuing its projects to increase productivity and taking advantage of the economies of scale made possible by its dense network of processing and dispatching centers. To achieve these goals, the Group will leverage its marketing, sales, operational and logistics expertise as well as its large size. The latter, in particular, enables it to order large volumes of textiles and other consumables (such as laundry products) and purchase them at the lowest possible price.

The Group intends to press ahead with its policy of systematically striving to improve productivity and operational excellence. Its Engineering Department, composed of some fifty engineers and technicians with an average of five to six years of service with the Group, plays a key role in this respect. This department's mission is to improve the productivity of the Group's processing and dispatching centers and the allocation of resources throughout the Group. To do so, the Group's Engineering Department is implementing new projects and best practices disseminated in the Group's processing and dispatching centers. The Group also applies this strategy to the integration of newly-acquired entities and has, moreover, taken other steps to increase productivity and cut costs, for example by reducing its consumption of water (by reusing hotel linen laundry water to wash restaurant linen), of laundry products and of energy (by systematically using steam traps, for example), and also by optimizing washing programs to extend the service life of its flat linen and workwear.

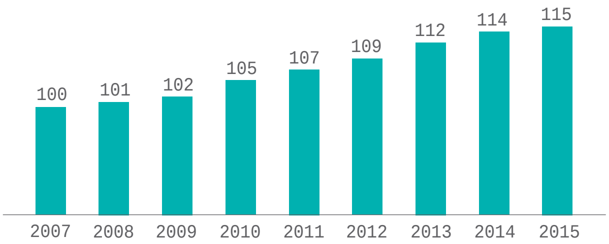
The Group's contracts with suppliers are generally relatively short-term (one year) and are not automatically renewed. This enables the Group to respond swiftly to changes in textile and other commodity prices. The Group currently sources flat linen items in France, Turkey, Egypt, India and Pakistan, and is looking for sourcing opportunities in Central Africa and the Balkans. The Group usually sources its workwear in Laos, Madagascar and Mauritius, or depending on its needs in more nearby countries such as Morocco, Tunisia or Bulgaria ("near sourcing" solution). The Group is also examining the possibility of sourcing workwear in Central Africa. The diversity of its supply sources generally enables it to avoid a disruption in its supply chain even if a given supplier is unable to honor a contract.

Lastly, the Group's "5-star" program helps it improve customer satisfaction. The program's objective is to ensure that all employees are committed to five things:

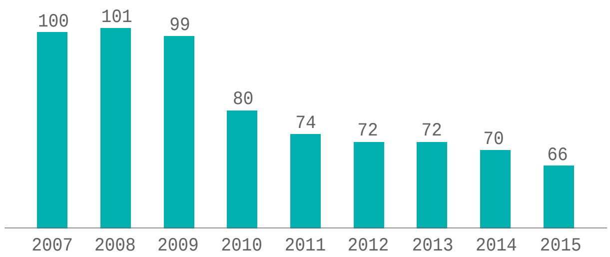
- making sure that customers are completely satisfied with the services they provide;
- providing service that meets customers' expectations;
- providing more personalized service by getting closer to customers;
- responding rapidly and effectively to customer needs; and
- being proactive and proposing solutions.

The charts below outline these productivity gains with the French scope (2007 base of 100).

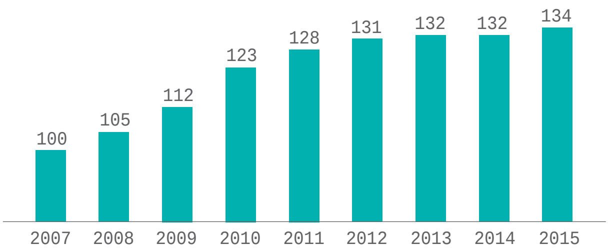
FLAT LINEN PROCESSED IN KG PER HOUR (FRANCE, 2007 BASE OF 100)



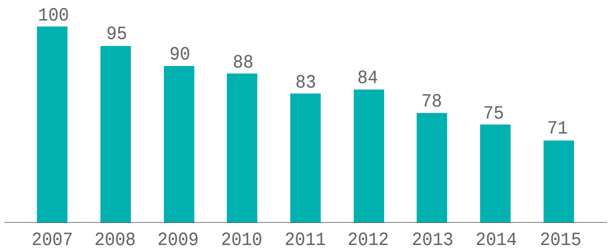
COST OF LAUNDRY PRODUCT IN € CENTS PER KG (FRANCE, 2007 BASE OF 100)



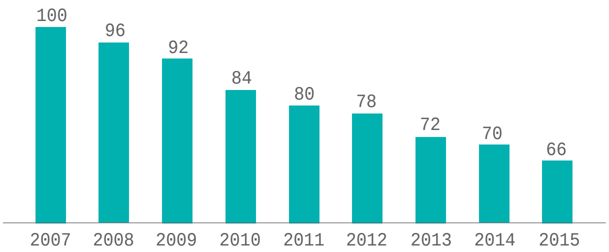
WORKWEAR PROCESSED IN UNITS PER HOUR (FRANCE, 2007 BASE OF 100)



ENERGY CONSUMPTION IN KWH PER KG (FRANCE, 2007 BASE OF 100)



WATER CONSUMPTION IN LITERS PER KG (FRANCE, 2007 BASE OF 100)



Introducing new products and services at limited marginal cost

The Group intends to continue developing new products and services that offer high margins and growth potential, by leveraging its current network of processing and dispatching centers and its multi-service business model, which enables the Group to provide its products and services via a single Field Agent and a van. This means that the Group can generally introduce new products and services at a low marginal cost (such as its 3D pest control service).

These developments focus on two key areas:

- the development of the existing range of services and products; and
- the launch of new products and services, such as the successful introduction of the beverage equipment rental and maintenance service in the 2000s with annual average growth of €5 million between 2000 and 2015.

As an example, the Group launched its 3D pest control service, which is currently following the same growth trend as the beverage service, with some €8 million invoiced in 2015 and a target of €15 million for 2016. The Group set up a sales force dedicated to the 3D pest control service for the first two years following the launch of this service at a European level. In France and Portugal, the 3D pest control service has shown very good initial performance.

The Group is also considering the launch of new textile services:

- aimed at accomodation rental between individual retail customers (bed linen, bathroom towel packs, etc.);
- aimed at the elderly in their own homes (three times as many as those living in Ehpad dependent elderly care facilities);
- laundry disintermediation for individual retail customers (shirts, duvets covers, etc.).

The Group also benefits from the expertise developed in-house by Kennedy Hygiene Products, its subsidiary that designs and makes hygiene appliances. Kennedy Hygiene Products has a dedicated R&D Department that works closely with the Group’s other teams to design products that meet its customers’ specific requirements. This enables the Group to diversify the range of products it provides in the context of its HWB appliance rental and maintenance services.

1.6 COMPETITIVE ENVIRONMENT

1.6.1 GENERAL PRESENTATION

The table below shows, for each of the countries in which the Group operates, the changes in its positioning since 2010, its market share in 2015 and the size of the market concerned.

	Estimated positioning of Elis			Estimated size of the market	Estimated market share of Elis in 2015
	2010	2014	2015		
France	1	1	1	€2.0bn	40% - 50%
Switzerland	Niche player	2	1	€400m	30% - 40%
Brazil	Not present	1	1	€900m	10% - 20%
Spain	3	3	2	€600m	10% - 20%
Germany	Present in 4 regions	Present in 5 regions	Present in 7 regions	€3.0bn	<10%
Portugal	1	1	1	€80m	40% - 50%
Luxembourg	4	4	4	€400m	<10%
Belux	Niche player	Niche player	Niche player	€1.0bn	<10%
Chile	Not present	Not present	1	€80m	20% - 30%

Source: KMPG (Report, August 2014) and management estimates.

1.6.2 MAIN COMPETITORS

The Group's competitors vary in terms of their operating segments and the types of services they provide.

With respect to flat linen and workwear rental and laundry services, the Group faces a diversified range of competitors: this includes in-house laundries installed on the premises of potential customers who have decided not to outsource or to stop outsourcing laundry services; shared hospital laundries; "ESAT" laundries, which employ disabled workers; local providers of laundry services; and employees whose work involves frequent workwear soiling and who receive an allowance to cover the expense of having their workwear cleaned.

With respect to HWB appliance rental and maintenance services, the Group's main competitors are cleaning service companies, which can also be its customers for this type of service, and facility management companies that offer a complete range of services including the rental and maintenance of HWB appliances.

In France, the Group's main competitors in terms of annual revenue are Rentokil Initial, RLD and Anett, and small local service providers. Some potential customers may also prefer to handle the procurement of flat linen, workwear or HWB appliances and the associated laundering or maintenance services themselves. There are few foreign groups in the French market, with the exception of the Rentokil Group (UK).

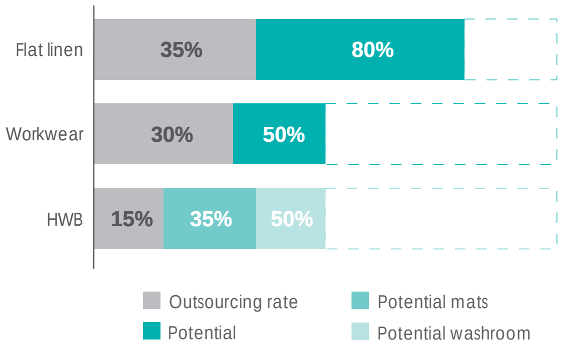
1.6.3 MARKET DEMAND DRIVERS FOR RENTAL, LAUNDRY AND MAINTENANCE SERVICES

The following general and sector-specific trends are the main drivers of demand for flat linen, workwear and HWB appliance services in the Hospitality, Healthcare, Industry, and Trade and Services markets:

Outsourcing

Demand for the Group's flat linen, workwear and HWB products and services in the Hospitality, Healthcare, Industry, and Trade and Services end markets is driven by a general trend toward outsourcing. The Group's customers in France tend to outsource these services to one service provider, such as the Group. According to a study carried out by KPMG, about one-third of textile rental and laundry services were outsourced in France and in Europe in 2013.

The chart below shows the outsourcing rates for flat linen, workwear and HWB appliance services in Europe in 2013 as well as outsourcing potential at maturity:



Source: KPMG (Study, August 2014).

The market's upside potential[1] (the study did not provide an exact date, only a time range) should mainly be driven by an outsourcing rate that is likely to double in Europe to reach 55% to 65% according to market estimates. According to ETSA, the European market should increase from between €10.5 billion and €11.5 billion in 2012 to between €21.5 billion and €26 billion in the future (based on a conservative scenario)[2][3]. For instance, the outsourcing rate is expected to increase by about 300% in Spain and more than double in Italy and Germany. In France, the outsourcing rate is expected to almost double, from around 30% to over 50%, boosted by significant upside potential of outsourcing in public hospitals (where the full outsourcing rate stood at 15% in 2011 versus 80% in the rest of Europe) and in Industry (the full outsourcing rate ranged between 25% and 33% for workwear in 2013).

By contrast, the upside potential for the outsourcing rate in certain countries where the Group does not operate seems less favorable. For example, the outsourcing potential in Nordic countries (Denmark, Norway, Sweden and Finland) as well as in the United Kingdom and Ireland should be lower than in France[4].

Contracts for flat linen, workwear and HWB appliance services that cover more than one country are still relatively scarce. However, major multinational groups, particularly in the Industry end market, are increasingly streamlining the purchasing and operation of these services. Few service providers have signed contracts to provide flat linen, workwear and HWB appliance services that cover multiple customer sites and countries, as most providers lack the necessary geographic coverage and logistic capabilities. The Group provides workwear and HWB appliance services to some customers in several countries where these customers have available facilities.

To ensure a constant quality of service, multinational groups in the Hospitality industry tend to select the same service provider in most of the countries where they do business. For example, the Group serves the Accor Group in several European countries and B&B in France and Germany.

Below are the main reasons why the Group believes its customers prefer to outsource the supply of flat linen, workwear and HWB appliance services:

- **to focus on their core business:** by outsourcing, the Group's customers do not tie up resources with activities that are ancillary to their core business;
- **to reduce fixed costs and manage spending more efficiently:** outsourcing turns fixed costs into variable costs and facilitates the planning and management of expenditures. Customers are usually billed for flat linen laundry service on a per-unit-laundered basis. This keeps their costs in proportion to their level of activity and enables them to adapt more flexibly to increases or decreases in staffing, as such fluctuations are noticeably significant in the Hospitality end market and other seasonal industries;
- **to simplify personnel management:** by outsourcing, the Group's customers in the Hospitality and Healthcare (especially public hospitals) end markets do not have to recruit and manage employees skilled in laundry flat linen or workwear;
- **to free up space for other use:** outsourcing enables Group customers (especially in the Hospitality segment) to better allocate the occupied space within their premises, in particular by saving on the space that would have been used to house a laundry service;

(1) *Source: ETSA, Quantifying the Opportunity, European Market Sizing study for ETSA, June 2014. This study did not give any precise dates but only a time range.*
(2) *Source: ETSA, Quantifying the Opportunity, European Market Sizing study for ETSA, June 2014.*
(3) *The ETSA study, Quantifying the Opportunity, European Market Sizing study for ETSA, June 2014 includes the United Kingdom and Ireland in the Continental European market.*
(4) *Source: ETSA, Quantifying the Opportunity, European Market Sizing study for ETSA, June 2014; KPMG study, August 2014.*

- **to improve workwear hygiene, cleanliness and safety:** outsourcing gives the Group's customers the assurance that their employees' workwear (and in particular their personal protective equipment) is regularly washed and properly maintained, which is not always the case when employees are responsible for taking care of their own workwear. Employees are also always certain to have a clean workwear, provided at the agreed frequency. Employers who require the wearing of personal protective equipment can obtain the cleaning expertise they lack in-house and thus comply with occupational safety and health regulations. If they fail to do so, they may be held liable for an injury an employee could suffer due to a deficiency in the protective properties of workwear;
- **to improve the quality of textile laundering and care:** customers who outsource the laundry of their flat linen or workwear have the assurance that the most effective methods will be used and that these methods will be optimized regularly and more frequently than if they laundered their textiles themselves;
- **to enhance brand image and reputation:** the uniform quality and customization of workwear, customized dust mats and value-added washroom services (such as air fresheners and feminine hygiene) made possible by outsourcing enhance the image of the Group's customers in the eyes of their own customers and employees;
- **to choose a supplier that supports sustainable development:** outsourcing allows the Group's customers to reduce the carbon footprint of the textiles used throughout their lifecycle. Since the Group's business is based on a more modern economic model, based on product functionality as opposed to ownership, it has an incentive to design products that will ensure the longest and most sustainable service possible, to find alternatives to throw-away products, and to make customers aware of the environmental advantages of the Group's business model. The Group has introduced a major sustainable development policy which is reflected in the following measures:
  - 12 products developed by the Group are made from organically grown cotton obtained from fair-trade suppliers (Bio's Fair range),
  - the Group has optimized and reduced its water consumption by favoring water recycling within and between its textile washing equipment,
  - the Group uses less laundry product, water and energy than a home wash (the machines used by the Group use four times less water than standard washing machines), and
  - the Group has signed contracts with specialized recyclers for end-of-life flat linen textile items for all its processing sites in France and for most of its sites for workwear;
- **to enable workwear traceability:** customers that outsource their workwear services to the Group do not risk losing an item of workwear since the Group inserts a microchip into the collar of each one. This ensures that every cleaned item of workwear will be distributed to the right employee.

The Group believes that growth in the market for textile services in Europe should be particularly robust over the next few years as business customers increasingly prefer to outsource rental and laundry/maintenance services, to reduce their costs, improve environmental performance, enhance brand image, comply with occupational health regulations, and focus on their core business.

General economic environment

Although the Group believes that its flat linen, workwear and HWB appliance services business is resilient in general as may be seen by its steadily improving financial performance since 2007, despite the economic crisis in Europe, its business in a given country may be affected by national macroeconomic factors, such as the unemployment rate, the level of inflation or deflation and the general business climate.

Furthermore, the Group's wide range of customers in various industries helps shield it from an economic downturn. For example, the Group's revenue in the Healthcare end market (and from nursing homes in particular) is relatively unaffected by the sluggish economy and is growing as populations age. Furthermore, as the Hospitality industry moves upscale, tourism-related business is making up for the economic slowdown's negative impact on the Group's revenue, in particular in France.

The indispensable nature of the Group's services

The flat linen, workwear and HWB appliance services the Group provide are essential to its customers' businesses, particularly those in the Hospitality and Healthcare end markets. Once these services have been outsourced they are very difficult to repatriate since doing so would require substantial capital expenditure.

Furthermore, the average monthly fee that customers pay for the Group's flat linen, workwear and HWB appliance services is relatively cheap compared to their other expenses. The Group estimates that half of its customers pay less than €150 a month.

Lastly, the Group is able to develop new and complementary products and services that its approximately 2,600 Field Agents, including almost 1,550 in France, 725 in Europe, 300 in Brazil and 30 in Chile, can cross-sell to its current customer base.

1.7 SALES AND MARKETING

1.7.1 SALES

The Group's Sales Department is in charge of prospecting for new customers, while the Service Department seeks to sell new services to the Group's existing customers.

Sales Department teams account for two-thirds of the Group's business growth (in value terms), while the Service Department accounts for one-third of its growth.

To grow revenue from new customers, the Group employs dedicated sales teams to identify potential new customers, negotiate business terms and sign contracts with customers. There are three levels of dedicated sales teams according to the customer's size:

- for Group key accounts, three Market Sales Departments (Hospitality, Healthcare, and Industry, Trade and Services) that report to the three chief operating officers and are made up of "key account managers" in charge of canvassing "very large" potential customers in the Hospitality, Healthcare, Industry, and Trade and Services end markets in each country in which the Group operates;
- for new medium-sized customers (50 wearers or more), each country has customer advisors, who report to a separate Sales Department at a national level and canvass medium-sized companies (50 employees and more) in each end market in which the Group operates (Hospitality, Healthcare, Industry, and Trade and Services);
- lastly, other customers (fewer than 50 wearers) are canvassed at a regional level by regional teams of sales representatives who report to their region's General Manager. These teams are supervised by a Group Sales Department. The Group has around 850 key account managers, sales representatives and customer advisors in Europe, including 625 in France.

To grow revenue from existing customers, the Group has implemented a "Tribu" (the "Tribe") model, as described above (section 1.5.1), in which teams are in charge of ensuring the satisfactory delivery of services as well as developing sales of complementary services to the Group's existing customers (the bonuses paid to Field Agents for such additional sales can double their monthly wage). Three months after a contract is signed, the Tribe takes over the management of customer relationships. Every customer is in contact with a dedicated Field Agent who is their point of contact. This strategy's success is based on the continuity of the relationship forged between the Field Agents and their customer, whom they generally meet once a week.

The Group also has a call center, located in Villeurbanne, where around 20 operators work. The Group's call center conducts customer satisfaction surveys (so-called Satisfelis surveys) and sets appointments for sales representatives, customer advisors and Field Agents in France with potential customers. Every year, the call center (i) handles around 7,000 to 8,000 appointments on outgoing calls (with appointments made on incoming calls, 40% of the call center's activity), (ii) makes over 340,000 calls and (iii) conducts about 38,000 Satisfelis surveys (50% of the call center's activity). 95% of unsatisfied customers are called back within two months to check the quality of the manner in which their complaint has been dealt with. Around 10% of the revenue generated by sales teams is accounted for by the call center, with 60% of this revenue due to incoming calls and 40% due to outgoing calls.

1.7.2 MARKETING

The Group steadily invests in its marketing policy, through a multi-channel customer acquisition strategy supporting its sales and a sustained pace of innovation in the products and services offered.

The regular launch of new workwear collections, the complete overhaul of its hygiene ranges, the launch of new services such as pest control in 2013 (3D pest control), investment in service traceability tools, are all part of this voluntarily innovative policy which was further strengthened by the creation of an innovative service marketing department in 2015.

In addition, the creation of a customer experience department within the marketing department provides a new dimension to the Group's aim to adopt a customer-focused approach. This intention had already been confirmed with the launch of the "5 star" quality program, aimed at Customer Satisfaction.

The Group's Marketing policy relies on a strong brand identity, which was entirely overhauled in 2010. Its internet site, available in seven languages, promotes this identity on an international basis and boasts various online services for customers (a customer area that provides customized monitoring of the delivery of a service, access to invoices, etc.).

1.8 THE GROUP'S CUSTOMERS

1.8.1 THE GROUP'S CUSTOMER BASE

The Group gives the greatest importance to managing relationships with its customers. The Group has an estimated number of customers in excess of 240,000, including 182,000 based in France.

The Group's customer base is highly diversified in terms of size, sector and profile.

Thus, the Group's ten largest customers account for less than 10% of consolidated revenue and the average monthly invoice of the Group's 240,000 customers is around €490. The median is around €150 per month, which means that half of the Group's customers receive a monthly invoice of less than €150.

Slightly more than half of the companies in the CAC 40[1] stock market index are customers of the Group. More than two-thirds of its customers are multi-service customers, in other words they use at least two flat linen, workwear and HWB appliance services offered by the Group. Moreover, the Group believes that every customer uses on average around 2.8 services it provides.

In 2015, no single customer accounted for more than 4% of the Group's consolidated revenue. During the same period, the annual average size of the contracts of the Group's ten largest customers in the Hospitality, Industry, Sales and Services, and Healthcare end markets in France were €9.1 million, €7.6 million and €5 million, respectively. Consolidated revenue generated by the Group's ten largest customers in the Hospitality, Industry, Trade and Services and Healthcare end markets in France accounted for 9.1%, 7.6% and 5%, respectively, of consolidated revenue for the year ended December 31, 2015.

1.8.2 KINDS OF CONTRACTS

The Group uses four kinds of contracts in its business, namely standard contracts, specific contracts, public market contracts and contracts signed with waste management companies. With its contractual clauses, the Group seeks to cover over the term of the contract the underlying investment made when acquiring various textile and HWB items necessary to put in place the contract. Thus:

- for its small customers (in terms of revenue), the Group enters into standard contracts, for a period of four years;

(1) *Stock market index that covers the 40 most representative stocks quoted on the Euronext market in Paris measured by free-float market capitalization and capital traded.*

- the Group can draw up a framework contract or a supplier listing agreement (completed at a local level by agreements signed with the customer's sites that set out the practical terms and conditions of services) with all its large customers (in terms of revenue) or customers operating on several sites. The Group negotiates with each customer the practical aspects of the contract. The contracts the Group signs with such customers usually run for three to five years;
- contracts with public-sector parties are signed by the Group at the end of a publicity procedure that includes a competitive bidding approach (such as a call for tenders). The term of these public market contracts generally does not exceed four years. When they expire, the public-sector parties must launch a new procedure in compliance with the laws and regulations applicable to the renewal of their services;
- the contracts the Group enter into with waste management companies have some specific features insofar as its relationship with these companies is based on the sub-contracting of operations and these contracts are ancillary contracts to the main contract signed by the waste management company and its own customer. For instance, these contracts can be terminated without any penalties being due if the main contract is terminated.

As part of the strengthening of the Marketing Department by focusing on "Customer Experience", the Group is currently working on adapting its contracts, in particular in terms of standards in France, to favor the quality of interaction with its customers and their satisfaction. Thus, in the future, these contracts should be signed for four year periods, and autormatically renewed for a further one year period, unless terminated by the customer who must provide three months' notice.

With the exception of contracts entered into with waste management companies (where the fact that the end customer needs to renew the competitive bidding procedure may have a negative impact on prices), prices in contracts entered into by the Group generally depend on the number of items delivered (for instance, for flat linen services) or on the number of employees wearing the Group's workwear. Moreover, in view of its initial investments, the Group's objective is to make its customers pay for a minimum volume of services, thereby guaranteeing long-term income for the Group.

In certain cases, a customer may terminate a contract entered into for a fixed term at any time upon payment of termination fees (generally equivalent to the contract's residual value calculated on the basis of the term remaining had the contract not been terminated), unless the Group has not complied with the terms and conditions of the contract. Its customers are also required, generally speaking, to buy specific or customized textile items (flat linen, workwear and floor mats) which they have been provided with by the Group when a contract expires, barring the case of early termination due to the Group being at fault.

1.9 GROUP PURCHASING AND SUPPLIERS

The Group's supplies consist of textiles, HWB appliances, consumables for HWB appliances, water, cleaning products, energy, business expenses and industrial supplies. The Group sources most of its supplies from third-party producers. It has an International Purchasing and Procurement Department that operates in many countries and buys textile items for its flat linen and workwear services according to their cost and their quality.

The Group sources part of its purchases in U.S. dollars and generates its sales in euros, while prices of textile items are related to cotton and polyester prices in particular. The sourcing of the Group's rented items in 2015 amounted to around €184.5 million, including 44% for flat linen, 42% for workwear and 14% for HWB appliances.

The Group sources textiles for its flat linen service mainly in France, Turkey, Egypt, India and Pakistan and is currently exploring opportunities for sourcing textiles for its flat linens in Sub-Saharan Africa and the Balkans. The India and Pakistan region is the biggest flat linen supplier of the Group in terms of quantity (61% of flat linen purchases in 2015). Textiles used for workwear are sourced in Laos, Madagascar and Mauritius, or in certain cases in countries nearer to the Group's sites such as Morocco, Tunisia and Bulgaria.

Purchases of workwear and flat linen without any customs duties represent 98% and 92% of purchases respectively. Moreover, the Group believes it stands out from its competitors thanks to its know-how that enables it to acquire supplies without needing an intermediary in countries such as Laos, Madagascar and Pakistan.

The most commonly used material at the Group is the fabric made available to customers in the linen rental and laundry service. To maximize the life of its fabrics, the Group has a monitoring system in place to track indicators related to fabric management, ensure optimal use of current inventories and manage purchases of new linen.

When a Group customer decides to change its collection of workwear, the old workwear can be reused and rented by the Group to its other customers.

In order to enhance its control of quality, fungibility and costs, the Group makes it compulsory for its manufacturers of workwear to buy materials it has listed and for which it has negotiated terms and conditions.

For its HWB appliances and consumables, the Group primarily uses suppliers in Western Europe. In addition, the Group also requires industrial supplies such as laundry equipment and materials for its processing centers. The Group believes it does not depend on any supplier. However, Malongo is its only supplier of espresso machines and coffee pods. Likewise, Jensen-Group and Kannegiesser are its only suppliers of tunnel washers, washing machines, dryers, ironers, tunnel finishers and sorters. Similarly, Christeyns and Ecolab are its only suppliers of washing products. As at December 31, 2015, the Group had some thirty active and significant suppliers for its flat linen, workwear and HWB appliance services. The Group can swiftly switch from one supplier to another and this enables it to maintain pressure on the prices of goods delivered by its suppliers as well as cope with any industrial or political problem.

Gas, electricity and water are the primary energy sources that the Group uses in its processing centers. It also requires gasoline for its service vehicles. The Group also uses substantial quantities of washing products and water.

The Group uses sea freight for its imports and makes minimal use of air freight, while it outsources road transportation to third-party logistics providers for its supplies.

The Group operates logistics systems that enable it to conduct automated and high-volume operations with high inventory turnover. The Group is also continuing to strengthen its central purchasing operations and to implement IT purchasing tools, enabling it to monitor the supply chain from the source to delivery at its processing centers. The Group's Purchasing and Procurement Department operates a workshop in Portugal (Gafides) in which workwear is stored and customized. There are 120 staff members employed full-time in this workshop that customizes and ships 20,000 items of workwear to all the Group's European units every day.

The Group's Purchasing and Procurement Department selects suppliers, products and services everywhere in the world who respect people and the environment.

Moreover, since 2006, the Group's supplier contracts have contained sustainable development guidelines and provided for regular audits. The Group's commitment is outlined in a sustainable and ethical purchasing charter describing its relationship with its suppliers which extends beyond the purchase and delivery of goods and services. This document, which is included in the Purchasing and Procurement Department's ISO 9001/2000 documents and appended to contracts signed with partners, complements elements found in the ILO convention and describes both Elis' commitments in terms of purchasing as well as requirements and recommendations for suppliers and subcontractors. The Group thus strictly regulates the use of subcontracting by preventing suppliers from subcontracting all or part of the contract awarded to them without the written consent of the Group.

The Group strives to maintain fair and loyal relationships with its suppliers. In all countries, Elis seeks to comply with the various laws and regulations in force and ensure its suppliers comply with them. It also strives to apply the values set out in the Group ethics charter in day-to-day operations (see chapter 3, "Sustainable development", section 3.3.9 "Promotion and observance of the core conventions of the ILO and other measures to support human rights" of the 2015 registration document).

For suppliers that do not have SA 8000 or ISO 14001 certification (or equivalent), Elis ensures that an audit exists or requests that an audit is carried out by an external body. Elis subsequently monitors the implementation of action plans arising from these audits. In the 2015-2016 cycle, 40 suppliers were audited or are due to be audited, with an emphasis on suppliers of flat linen and weavers for workwear.

The Purchasing and Procurement Department also set up in 2009 a partnership with Max Havelaar, the reference fair trade NGO. The Group is the first company providing flat linen, workwear and HWB appliance services to hold the Fairtrade/Max Havelaar license. Accordingly, the Group launched in 2009 a range of items of workwear in cotton based on organic and fair-trade cotton under the Fairtrade/Max Havelaar label (see chapter 3, "Sustainable development").

1.10 PROPERTY, PLANT AND EQUIPMENT

1.10.1 PROPERTY

The Group's main needs in terms of property and equipment relate to the activities of processing centers, dispatching centers and "Ultra-Clean" centers. To carry out its activities, the Group also requires independent storage centers (Purchasing and Procurement Department) and offices.

THE TABLE BELOW PRESENTS THE NUMBER OF PROCESSING CENTERS, DISPATCHING CENTERS WHICH SERVE A SINGLE PROCESSING CENTER, AS WELL AS THE NUMBER OF INDEPENDENT PROCESSING CENTERS WHICH THE GROUP OWNS OR LEASES:

	Regional presence as at 12/31/2015			
	Processing centers	Dispatching centers serving a processing center	Independent dispatching centers	"Ultra-Clean" centers
Europe	**96**	**96**	**68**	**12**
France	57	57	48	6
Andorra			1	
Germany	9	9		
Belgium	1	1	4	1
Spain	9	9	5	2
Italy	2	2	3	1
Luxembourg			1	
Switzerland	15	15	0	1
Czech Republic				1
Portugal	3	3	6	
United Kingdom				
Latin America	**23**	**22**	0	1
Brazil	15	15		**1**
Chile	8	7		
TOTAL	**119**	**118**	**68**	**13**

As at December 31, 2015, the Group owned land and buildings with a net carrying amount of €169.8 million.

The Group rents around 67% of its processing and dispatching centers in France and abroad.

In 2015, the Group finalized a call for tenders relating to the disposal of the Puteaux site on which the Company's registered offices and an old processing center is located. On July 2015, M.A.J., a subsidiary of the Company and the owner of the Puteaux site, signed an agreement to sell with a group of property developers. This agreement is subject to the condition precedent of obtaining a building permit that was requested in 2015 for a housing and retail activity scheme of around 26,000 m^2. The condition precedent must be lifted by March 30, 2017 at the latest. The Puteaux processing center was reinstalled in August 2015 in Nanterre on a new site created under an off-plan lease agreement. Moreover, the Group has signed an off-plan sale lease for its new headquarters in Saint-Cloud which should be completed at end-2016.

1.10.2 OTHER PROPERTY, PLANT AND EQUIPMENT

In addition to the properties described above, other property, plant and equipment mostly consist of industrial equipment and software programs, the textile items and devices the Group needs to provide its services, office software applications and information technology facilities, equipment, as well as expenses on the layout and fittings of premises.

The Group uses for its day-to-day operations 4,813 vehicles of which 2,198 light-duty vehicles (95% fully owned), 1,418 vans under long-term leases and 1,197 heavy-duty trucks (of which more than 96% are fully owned). The studies carried out by the Group led to favor the full ownership of its delivery vehicles and renting its commercial vehicles. The Group does not usually resale the vehicles it owns.

Property, plant and equipment held by the Group are described in note 6.3 to the Group's consolidated financial statements for the year ended December 31, 2015 included in chapter 6 "Financial statements for the year ended December 31, 2015" of this 2015 registration document.

Regulatory constraints and environmental information relating to property assets are included in chapter 2 "Risk factors and insurance policy" and in chapter 3 "Sustainable development" of this 2015 registration document.

1.11 INVESTMENT POLICY

The Group's investments include:

- own investments for around 18% of consolidated revenue, consisting of:
  - capital expenditure: mainly production facilities, logistics, IT, and hygiene appliances,
  - investment in textiles: mainly flat linen and workwear;
- the acquisition of small and medium-sized companies which provide flat linen, workwear, HWB appliance and 3D pest control services.

1.11.1 MAIN HISTORICAL INVESTMENTS

Capital expenditure and investment in textiles

The Group's main investments made during the financial years ended December 31, 2013, 2014 and 2015 included gross capital expenditure in industrial investments and linen capital expenditure. The table below presents the amount and percentage of this expenditure as a percentage of total consolidated revenue for each previous period:

	2015		2014		2013	
(In millions of euros)	Amount of expenditure	As a % of total consolidated revenue	Amount of expenditure	As a % of total consolidated revenue	Amount of expenditure	As a % of total consolidated revenue
Gross capital expenditure in industrial investments	100.1	7.1	68.2	5.1	88.8	7.2
Linen capital expenditure	167.8	11.9	168.2	12.6	126.0	10.3

Capital expenditure in industrial investments includes investments in property, plant and equipment (excluding hygiene appliances), and mainly relates to major projects including:

- 2013: the construction of new processing centers in Toulouse (6,000 m^2 extension and increase in treatment capacity) and Pantin and industrial maintenance investments (maintenance of industrial buildings, renewal of industrial equipment and facilities management in plants) in 2013;
- 2014: the completion of certain major projects launched in 2013, including the above mentioned construction of new processing centers in Toulouse and Pantin and maintenance capital expenditure (servicing of production facilities, replacement of production equipment and maintenance of plants' general services);
- 2015: the construction of the new processing center in Nanterre (10,000 m^2).

Acquisitions

The European market of rental and maintenance of textile items and HWB appliances remains relatively fragmented and there are interesting consolidation opportunities in the foreign countries in which the Group already operates.

With respect to acquisitions outside of France, the Group ascertains whether targeted acquisitions can be purchased in the relevant markets of other foreign countries. To do so, the Group in particular draws on indicators covering the following aspects: favorable business environment, geopolitics, population, per capita GDP, GDP growth, the tourism sector, the healthcare sector and the presence of international companies as potential customers. The Group's objective is to become one of the leading service providers in each country in which it operates and in each of the Group's market segments.

During the financial years ended December 31, 2013, 2014 and 2015 the Group carried out numerous acquisitions. Acquisitions made during financial years 2015 and 2014 are described in note 2.4 "Changes in the scope of consolidation" to the consolidated financial statements included in chapter 6 "Financial statements for the financial year ended December 31, 2015" of this registration document. Acquisitions made during the 2013 financial year are described in note 2.4 to the consolidated financial statements for the financial year ended December 31, 2014, which are included in section III of the 2014 annual financial report and are incorporated by reference on page 1 of this registration document.

1.11.2 FUTURE INVESTMENTS

The Group intends to continue its investment policy, with the same guidelines as in the past, in other words, on the one hand, investments related to its everyday activities that include capital expenditure to maintain and improve its facilities (plants, machines, service vehicles, information technology and rented hygiene appliances) as well as investments related to textile items rented to customers; and, on the other hand, external growth opportunities that will be characterized by an attractive profile in terms of return on investment and will meet the criteria defined in its acquisition strategy.

As of the date of this registration document, the Company is not subject to any binding commitments in relation to its future investments.

1.12 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES AFR

The Group has a portfolio of trademarks, patents and registered designs that give it a considerable strategic advantage over its competitors. It constantly protects this portfolio.

The Group uses various registered brands and logos, brand and trade names in its operations. The main brands the Group uses are “Elis”, “Le Jacquard Français”, “3D pest control”, “Presto,” “SNDI,” “AD3,” “Magic Rambo” and “Poulard”.

The Group owns a portfolio of nine patents that are valid in over 15 countries. These patents deal with processes involving workwear or the protection of workwear wearers, and the improvement of methods for industrial linen laundering/processing.

The Group also has a large portfolio of registered designs that it uses to create workwear (especially personal protective equipment) and table linen. The Group believes that the research and development work it has carried out enables it to conduct its business without depending on patents relating to its business that it does not own.

The Group also licenses patents under two agreements:

- the first is with Mistral Constructeur and involves two of its patents to manufacture water fountains equipped with a diode system and removable water circuit. The term of this licensing agreement coincides with the remaining periods of validity of these patents, *i.e.*, twenty years as of October 1, 1997 and as of September 4, 1998;
- the Group also has a licensing agreement with Osmooze for its patented liquid supply system for the Group’s washroom fragrance dispensers. The term of this agreement coincides with the remaining period of this patent’s validity, in other words twenty years as of October 20, 2005.

On July 7, 2014 the Group also signed a one-year contract with A Point Un that begins on September 1, 2014 and is automatically renewable. Under the terms of this contract A Point Un will provide Jacquard Français with table linen and kitchen linen designs for its exclusive use and with the color variations necessary to make a collection from these designs. This contract has been renewed for a further one-year period.

1.13 MAJOR CONTRACTS

1.13.1 FINANCING AGREEMENTS

During the past two years, the Company and the Group have signed financing agreements and have carried out the financing transactions described in note 3.6 "Refinancing" and note 8.3 "Gross debt" to the consolidated financial statements at December 31, 2015 included in chapter 6 "Financial statements for the financial year ended December 31, 2015" of the 2015 registration document.

1.13.2 LIQUIDITY AGREEMENT

The Company has signed a liquidity agreement, the details of which are presented in chapter 8 "Information about the Company and its share capital", section 8.4.3 "Liquidity Agreement" of this 2015 registration document.

Risk factors
and insurance policy AFR

Shareholders of the Company and potential investors should consider all the information contained in this registration document, including the risk factors such as those described in this chapter. The Company believes these risks could, as at the date of this registration document, have a material adverse effect on the Group and its business, financial position, results, or ability to achieve its objectives. The Company reviewed the risks that could have a material adverse effect on its business, financial position or results (or on its ability to achieve its objectives) and believes that, there were no other significant risks apart from those presented.

2

2.1 RISK FACTORS

The Group operates in a constantly changing environment. It is therefore exposed to risks that, if materialized, could have a material adverse effect on its business, results, financial position or outlook.

This chapter presents the significant risks to which the Group believes it has been exposed: risks related to the Group's business, risks related to the Group's business sectors, financial risks, legal risks, regulatory risks, tax-related risks and insurance risks.

In order to identify, predict and monitor these risks, the Group has set up an internal control and risk management process which is described in section 4.3.2 "Elis Group's internal control and risk management system" of the chairman of the Supervisory Board's report on corporate governance and internal control.

More specifically, the risk management process within the Group is described in section 4.3.2. "Risk management process (Group's risk map)".

The Group's risk mapping procedure identifies the main risks to which the Group is exposed and classifies them based on four areas: strategic, operations, financial and compliance. The risks have been identified by the Group's primary managers and prioritized based on their criticality (which combines the impact of the risk and its probability of occurrence) and level of control.

The incorporation of this exercise in strategic planning responds to the double objective of high involvement of management in managing risks and a focus on the action plans to carry out in order to better guarantee the fulfillment of the Group's strategic and operational targets.

These action plans are then regularly monitored during an Executive Committee meeting and reported to the Audit Committee twice per year. An operational follow-up is carried out by the Operations Committee, which is composed mainly of the chief operating officers, regional Directors and country Directors.

The risk map is updated annually with the main "risk owners" by incorporating possible new risks and monitoring the action plans.

2.1.1 RISKS RELATED TO THE GROUP'S BUSINESS

Risks related to the Group's inability to win new contracts

The Group's organic growth rests, in part, on its ability to win new contracts.

To grow revenue, the Group employs dedicated sales teams to identify potential new customers, negotiate business terms and sign approximately 40,000 contracts with customers per year. These new contracts may involve a bidding process, putting the Group in competition with several other service providers. The Group may be unable to win competitively-awarded or other new contracts, especially if its bid is less attractive than those of its competitors.

The realization of any or several of these risks could have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to the termination of a large number of customer contracts or the non-renewal of certain customer contracts

Most of the Group's contracts, usually entered into for a fixed duration, include tacit renewal clauses. The Group has an estimated number of customers in excess of 240,000 and the main term of the contracts is four years. To strengthen the Marketing Department and enhance the Customer Experience, the Group is working on adapting certain clauses of its contracts in France, particularly relating to their renewal (see section 1.8.2 of this registration document). Even if a contract has a tacit renewal clause, the customer may decide not to renew the contract at the expiration of the stated term. Some of the Group's contracts may be terminated at the customer's discretion before the stated term upon the payment of a termination fee (which usually equals the residual value of the contract, calculated on the basis of the period remaining until the stated term), unless the Group has not complied with its contractual obligations. Although the Group's business model is built upon, among other things, having a large number of small customers so that it is not overly dependent on a handful of customers in each market in which it operates, the simultaneous loss of several contracts, especially with key accounts, could have a material adverse effect on the Group's business, results, financial position or outlook. Such loss could harm the Group's reputation and make it more difficult to win contracts with other customers.

Risks related to the use of third-party suppliers

The Group may enter into agreements with third-party suppliers for the provision of services under its customer contracts. In this context, in 2015 the Group bought textiles from third-party suppliers for €168 million and industrial equipment for €100 million (including HWB appliances for €17 million and vehicles for €10 million). Reliance on such third parties reduces the Group's ability to directly control the quality of services it provides. This risk is greater for those markets in which the customer sometimes sets the choice of the supplier, as is the case with certain bids for professional clothing. Lastly, the frequent integration of newly-acquired companies also increases the risk, temporarily multiplying the number of suppliers for which control is limited and remains local. Accordingly, it is exposed to the risk that these third-party suppliers may fail to meet agreed quality standards under the contract or to generally comply with applicable legal or regulatory requirements.

As such, damage claims involving such third-party suppliers may be brought against the Group. Such claims could include accrued expenses for allegedly defective work or alleged breaches of warranty or health and safety requirements. The claims and accrued expenses can involve actual damages, as well as contractually agreed-upon liquidated sums. These claims, as well as any other legal action involving the Group, its customers, suppliers, or other parties, if not resolved through negotiation, could result in lengthy and expensive litigation or arbitration proceedings that could have a material adverse effect on the Group's business, financial position, results or outlook.

Furthermore, third-party suppliers may have inadequate insurance coverage or inadequate financial resources to honor claims or judgments resulting from damages or losses inflicted on a Group's customer as a result of their actions. Any failure of such third parties to meet their obligations could harm the Group's reputation, as well as result in lost customers and additional costs, which could have a material adverse effect on the Group's business, results of operations, financial position or outlook.

Risks related to the use of subcontractors

The Group has a strategy of avoiding the widespread use of subcontractors. However, the Group does occasionally call on subcontractors that act on behalf of and for the Group to provide services to the Group's customers, either because the Group has acquired an entity that uses subcontractors or because the Group does not have a processing center in a given region but must, for example, meet the needs of a customer establishment located there.

The Group thus faces risks related to managing its subcontractors, including the risk that subcontractors do not execute their services in a satisfactory manner or within the agreed timeframe. Such a situation could make it difficult for the Group to keep its commitments to its customers, comply with applicable regulations, or meet customers' needs. In extreme cases, the failure of a subcontractor to properly execute its services could cause a customer to terminate its contract with the Group. Such an event could damage the Group's reputation, hinder its ability to win new contracts, and incur its liability. In addition, if a subcontractor fails to properly execute its services, the Group may be required to perform unplanned work or provide additional services to fulfill the initial contract with the customer, without receiving any compensation for the extra work or services.

Some subcontractors may have inadequate insurance coverage or inadequate financial resources to honor claims resulting from damages or losses related to their services.

Any failure of subcontractors to meet their contractual or legal obligations could therefore have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to economic dependency on certain suppliers or subcontractors

In the context of its relations with suppliers or subcontractors, even if it endeavors to conduct business with a sufficiently large number of subcontractors to avoid any situation of economic dependency, the Group can nevertheless not exclude the possibility of being faced with such a situation (see section 1.9 of this registration document). In such a case, the Group may not be able to terminate its contracts with suppliers or subcontractors in a situation of economic dependency due to potential litigation and termination fees or the need to extend the notice period for terminating the contract. Additionally, in the event of the bankruptcy of or a default by one of its subcontractors, the Group cannot exclude the possibility that it could be considered a co-employer of the failed subcontractor, and, as such, be obligated to redeploy or indemnify the subcontractor's employees, particularly in the event of a redundancy plan.

Such claims could have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to the Group's organizational structure

The Group has a decentralized organizational structure in which its local sales, operations, and management teams retain substantial autonomy regarding the management of operations in their markets, and its business model emphasizes local decision-making and empowerment. If the Group's local sales, operations, and management teams do not have the required operational expertise or do not adequately manage the business, the Group may be unable to efficiently and profitably render its services and it could experience increased costs or operating losses, difficulty in obtaining timely payment for its services, or suffer from harm to its reputation – any of which could adversely affect its business, results, financial position or outlook to a significant extent.

Although the Group has adopted Group-wide control procedures and financial reporting requirements, it may experience incidents of local sales, operations, or management teams not complying with its control procedures, unintended accounting misstatements, or breaches of local legislation, any of which could have a material adverse effect on its business, results, financial position or outlook.

Risks related to labor relations

In the year ended December 31, 2015, the Group had over 21,000 employees in 13 countries. The Group's business is labor intensive, so maintaining good relationships with its employees, unions, and other labor organizations is essential. As a result, any deterioration in those relationships could have an adverse effect on its business, results, financial position or outlook.

The majority of the Group's employees are covered by country-specific collective bargaining agreements. These agreements typically supplement applicable laws on working conditions for employees, such as for maximum working hours, holidays, termination, retirement, welfare, and benefits. Country-specific collective bargaining agreements and company-specific agreements also contain provisions that could affect the Group's ability to restructure its operations and facilities or terminate employees. The Group may not be able to extend existing company-specific agreements, renew them under their current terms, or, upon the expiration of such agreements, negotiate new agreements in a favorable and timely manner or without work stoppages, strikes, or similar protests. The Group may also become subject to additional company-specific agreements or amendments to the existing country-specific collective bargaining agreements. Such additional company-specific agreements or amendments may increase its operating costs and therefore have an adverse effect on its business, results, financial position or outlook.

While in the last five years the Group has not experienced any material disruption to its business as a result of strikes, work stoppages, or other labor disputes, such events could disrupt its operations, harm its reputation, result in increased wages and additional benefits, and therefore have a material adverse effect on its business, results, financial position or outlook.

Risks related to hiring and retaining key people

The Group's success is largely dependent on the skills of its existing management team. The Group cannot guarantee that it will be able to retain its executives and other key personnel. If one or more executives or other key personnel are unable or unwilling to continue in their present positions, the Group may not be able to replace them easily and its business may be disrupted, which may materially and adversely affect its results, financial position or outlook.

In addition, if any of the Group's executives or other key personnel joins a competitor or forms a competing company, the Group may lose customers, know-how and other key personnel, which may have an adverse effect on its business, results, financial position or outlook. Given that the Group's business depends to a certain extent on its relationships with customers, departing members of its central or local management teams could attract customers and persuade them to reduce or terminate their business with the Group.

Risks related to intellectual property rights

The Group's principal brand names, such as Elis, the Elis logo, Le Jacquard Français, Presto, SNDI, AD3, Magic Rambo, Poulard, and Prévention 3D, are key assets of its business.

The Group also fully owns a portfolio of nine active patents in over fifteen countries, and also has a large portfolio of registered designs that it uses to create workwear (especially personal protective equipment) and table linen (see chapter 1, section 1.12 "Research and development, patents and licenses" of this 2015 registration document).

The Group relies on a combination of copyright, brand, and patent laws and regulations to establish and protect its intellectual property rights, but it cannot guarantee that the actions it has taken or may take in the future will be adequate to prevent violations of or challenges to its intellectual property rights. There can be no assurance that litigation will not be necessary in order to enforce the Group's brand or other intellectual property rights or to defend against third-party claims of infringement of their rights. Should any such litigation occur, there is no guaranty that it will have a favorable outcome for the Group. The adverse publicity of any such legal action could harm the Group's brand image, which could in turn lead to decreased consumer demand and have a material adverse effect on its business, results, financial position or outlook.

Risks related to IT systems

The Group has several information technology (IT) systems which manage the operations of its centers and central support services.

The IT systems of the centers cover the customer order and supply processes, as well as the activities related to production, dispatching, delivery of services and billing. These processes apply to all the service lines (workwear, flat linen, HWB appliances and 3D pest control).

The Group's central systems cover marketing, purchasing, accounting and finance, human resources, communication tools, and the supply of digital services to customers.

The primary risk concerns disturbances or failures of IT systems which could have a material adverse effect on the quality and timeliness of the services offered by the Group, leading to efficiency losses in internal processes. To mitigate this risk, the Group regularly renews its hardware and has put in place security and/or redundancy procedures for its critical systems. Recovery operations are documented. In addition, the Group relies on a single communication network. To secure access, this network will be progressively split, each center having access to two parallel networks able to secure each other.

The second risk is related to internal or external threats of theft, duplication or destruction of information (virus, malware, etc.). In order to protect itself, the Group continues a specific segregation policy for information access rights. The systems of high technical complexity are entrusted to specialized service providers. All the workstations and servers are equipped with protection tools systematically updated at defined time intervals.

The last risk concerns the flexibility and upgradeability of the IT system. As the applications have a long life span, their upgrading must be managed over the long term and the Group has a dedicated six-year strategic plan. It has recently replaced the IT systems for central support services. The systems for the centers are older and diverse. They will be upgraded with modern development tools. During the upgrade, the part that manages physical flows (collection, cleaning, shipping, delivery) will be transferred to a commercially-available software package. All these systems will be deployed across all of the Group's centers over several years.

The Group plans to spend less than 1% of its revenue on IT systems. In particular, it will invest in customer-oriented systems to either improve marketing efficiency or offer new digital services to its customers.

Risks related to supply chain disruptions

The Group's businesses rely on a small number of suppliers, notably for the supply of coffee machines and coffee pods, heavy-duty washing tunnels, ironers, dryers, sorting machinery and equipment, and laundry products (see section 1.9 of this registration document). Any adverse change affecting the Group's relationship with any of its main suppliers, or more stringent supply terms, price increases, the non-renewal of supply contracts or renewal under less favorable terms, or the failure of one of the suppliers, could have a material adverse effect on the Group's business, results, financial position or outlook.

Some suppliers may be unwilling to provide the Group with merchandise if it does not place orders on attractive terms or on terms competitive with the suppliers' other customers. In the event that one or more of the Group's main textile suppliers decide to terminate the contractual relationship or experiences operational difficulties, and the Group is unable to secure alternative sources in a timely manner or on commercially equivalent or better terms, the Group may experience inventory shortages or an increase in procurement costs. If the Group's suppliers are unable or unwilling to continue to provide it with merchandise under terms comparable with those previously applicable, or if the Group is unable to obtain merchandise from suppliers at prices that will allow its services to be competitively priced, there could be a material adverse effect on its business, results, financial position or outlook.

Moreover, the Group purchases the majority of its textiles in markets outside of Western Europe, primarily in Africa and Asia, and the number of foreign suppliers may increase as the Group proceeds with its strategy to partner with suppliers in low-cost countries. The Group faces a variety of risks generally associated with importing merchandise from foreign markets, including: currency risks; political instability; increased requirements applicable to foreign goods (such as the imposition of duties, taxes, and other charges); restrictions on imports; risks related to suppliers' labor and environmental practices or other issues in the foreign factories in which the merchandise bought by the Group is manufactured; delays in shipping; and increased costs of transportation. The Group also faces the risk that suppliers subject their employees to poor working conditions or do not comply with applicable legislation, which could result in the Group being held liable.

In addition, the ongoing challenging economic environment could have a number of adverse effects on the Group's supply chain. The inability of suppliers to access funding, or the insolvency of suppliers, could lead to delivery delays or failures.

In some countries, the Group's supplier relations could be affected by local government policies such as the introduction of customs duties or other trade restrictions that, if enacted, could increase the cost of products purchased from suppliers in such countries or restrict the importation of products from such countries.

The realization of any of these risks, which are all beyond the Group's control, could have a material adverse effect on its business, results, financial position or outlook.

Risks related to the Group's international operations

Because of the international scope of its activities, the Group is subject to a number of risks beyond its control. In 2015, the share of revenue generated abroad was 30% (excluding Manufacturing Entities). The revenue generated in Latin America was €92.2 million mainly in Brazil. Organic growth in Brazil was 3.2% for the year, driven by a good business momentum despite a challenging macroeconomic environment. These risks include political, social and economic instability, corruption, unexpected changes in government policies and regulations, devaluations and fluctuations in currency exchange rates – in particular for the pound sterling, the Swiss franc, and the Chilean peso – and the imposition or reduction of withholding and other taxes on payments by foreign subsidiaries. The management of a decentralized international business requires compliance with the legal and regulatory requirements of many different jurisdictions, especially related to tax, labor, and environment. In addition, decision making and local legal compliance may be more difficult due to conflicting laws and regulations, specifically those relating to employment, health and safety, public procurement, competition, and environmental protection.

Risks related to acquisitions and divestments

The Group's business has grown significantly in recent years, in large part through acquisitions in various countries in Western and Southern Europe, and more recently through the February 2014 acquisition of Atmosfera in Brazil and the September 2015 acquisition of Albia. In 2015, the Group made nine significant acquisitions (see section 5.1.2 of this registration document). The Group intends to continue to develop and expand its business through acquisitions, primarily in the regions where it already has operations.

Acquisitions and external growth of the Group may strain its management and financial resources. Note 2.4 to the 2015 consolidated financial statements describes the contribution of the new acquisitions to revenue and operating income before amortization of customer relationships for the year. The risks associated with the acquisitions which could adversely affect the Group's business, operating results, financial position or outlook to a significant extent include the following:

- the Group may not find suitable acquisition targets;
- the Group may not plan or manage an acquisition efficiently;
- the Group may face increased competition for acquisitions as the flat linen, workwear, and HWB appliance services markets undergo continuing consolidation;
- the Group may incur significant costs, delays or other operational or financial problems in integrating acquired businesses, in particular due to potential incompatibilities of their information systems and accounting procedures with those of the Group;
- the Group may experience problems in adapting its services to their local markets and local business practices, and its ability to predict the profitability of acquired businesses may be reduced if the Group has less experience in the market of those businesses than in the markets in which it already operates;
- the Group may incur impairment losses or unforeseen liabilities, or encounter other financial difficulties with completed acquisitions;
- the Group may not be able to retain the key personnel or key account contracts of acquired businesses; and
- the Group may encounter unanticipated events, circumstances, or legal liabilities related to acquired businesses or an acquired customer base, without the certainty of receiving compensation from sellers under warranties and indemnity undertakings, if applicable, granted within the framework of the acquisitions concerned.

In addition, there can be no assurance that, following its integration into the Group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows or achieve the anticipated synergies or other expected benefits. Although the Group carefully studies each acquisition target, these assessments are subject to a number of assumptions and estimates concerning markets, profitability, growth, interest rates, and company valuations. There can be no guarantee that the Group's assessments of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from expectations.

Furthermore, acquisitions of companies expose the Group to the risk of unforeseen legal obligations to public authorities or to other parties such as employees, customers, suppliers, and subcontractors of acquired businesses and in relation to real estate owned or leased by acquired businesses. Such obligations could have a material adverse effect on the Group's business, results, financial position or outlook.

The Group may also face risks related to any divestments it may undertake. Among the risks associated with such divestments, which could adversely affect its business, results, financial position or outlook to a significant extent, are the following:

- the Group may not obtain a waiver (if required) under its New Senior Credit Facilities Agreement, allowing it to undertake a proposed divestment (see note 5.6 to the 2015 parent company financial statements and note 8.3 to the 2015 consolidated financial statements included in chapter 6 of the 2015 registration document);
- divestments could result in losses or lower margins;
- divestments could result in impairments on goodwill and other intangible assets;
- divestments could result in the loss of qualified personnel associated with the divested businesses.

The Group may encounter unanticipated events or delays and retain or incur legal obligations related to the divested business with respect to employees, customers, suppliers, subcontractors of the divested business, public authorities, and other parties.

The policy for managing the risks related to acquisition and divestment projects notably relies on a dedicated team. During the analysis phase prior to any major acquisition or divestment project, the Group carries out due diligence procedures to review financial, legal, tax, labor, regulatory and environmental information. Any risks identified may be covered by seller guarantees.

Risks related to damage to the Group's image

The Group's image, its primary brand Elis, and its reputation are fundamental elements of its positioning and its value. The Group's success over the years has been due largely to its ability to establish its brand image as a leading provider of a broad range of flat linen, workwear, and HWB appliance services. Accordingly, the Group's image, brand, and reputation are important assets to its ability to market its services and win new customers. Although the Group closely monitors the quality of its services, it may not be able to protect its business against damage to its image, brand, or reputation vis-à-vis current and potential customers, and, more generally, in the regions and sectors in which it operates. Any such event or perception could have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to non-recovery of customer receivables

Across each of its business lines, the Group relies on the ability of its customers to pay for the services it provides. If a customer undergoes financial difficulties, its payments can be significantly delayed and ultimately the Group may not be able to collect amounts payable under the corresponding contracts, resulting in write-offs of such debt. The Group maintains reserves for doubtful accounts and amounts past due and has credit insurance to protect it against bad debt. However, there can be no assurance that those reserves and insurance are sufficient to cover the credit risks the Group faces. Significant or recurring payment defaults could have an adverse effect.

2.1.2 RISKS RELATED TO THE GROUP'S BUSINESS SECTORS

Risks related to the overall economic conditions

The growth in demand for some of the Group's services, such as the services it provides to customers in the Hospitality, Industry, and Trade and Services sectors, correlates with economic conditions, including growth in gross domestic product (GDP) in France, the Group's principal geographic market by revenue (the French rental, laundry, and maintenance services market accounted for 69.1% of consolidated revenue and 77.7% of consolidated EBITDA for the year ended December 31, 2015), and GDP growth in the other countries in which the Group operates. Periods of recession or deflation, when combined with potential customers' financial troubles and downsizing of their activities, could have an adverse impact on prices and payment terms, and make customers delay their outsourcing projects or reduce their demand for services.

The Group's financial and operating performance could be adversely affected by declining economic conditions in the countries in which it operates and by the international economic environment. In particular, during the global economic downturn that started in 2008 – and more specifically during the European sovereign debt crisis that began in 2009 – the Group faced lower demand in certain countries in which it operates for services ordered by customers in the hospitality, workwear, and hygiene and well-being (HWB) appliance services markets. Customers indeed typically scale back such services in a difficult economic environment because they either reduce staff working hours (for example, they might cut down on night staff) or view some HWB services as non-essential. Accordingly, the Group's ability to maintain business volumes and growth in France and other countries where the Group operates, will depend on the economic circumstances of these countries and on their growth in demand for the Group's services. But the economies of France and the other countries in which the Group operates may not experience growth – or may experience insufficient growth – in the future, thereby negatively affecting general outsourcing trends, and therefore growth in demand for the Group's services in these markets. In addition, further expansion into new sectors or geographical markets may not be successful in a depressed economic context.

Lastly, the Group's business is sensitive to developments that materially impact the French economy or otherwise affect its operations in France, since that country accounts for a major part of its consolidated revenue. Although demand for the Group's services is typically not highly affected by a slowdown in GDP growth, since the Group generally provides services essential for its customers, negative developments in France, including with respect to the general business climate, could impact the Group's customers' businesses. If these risks materialize, they could adversely affect the Group's business volumes, ability to win new customers or contracts, increase the cost of acquiring new customers, or negatively impact the Group's prices and, accordingly, have a material adverse effect on its business, results, financial position or outlook.

Risks related to price and margin pressure on the Group's services

The Group might be forced to cut prices for its services, or be unable to raise prices to the level necessary to stabilize or grow margins, due to a number of factors such as challenging macroeconomic conditions and existing competition, especially during contract renewals or the periodic renegotiation of pricing terms for contracts. The Group may be unable to compensate for these price decreases or insufficient price increases by attracting new business, reducing its operating costs (for example, through headcount reductions, increases in labor productivity, or other gains in cost efficiency) or otherwise, which could lead eventually to a decline in its earnings.

As regards new contracts, the Group might poorly evaluate the price level necessary for the provision of the service and the contract might not produce the expected results.

In addition, the impact of laws and regulations, particularly in terms of labor and environmental protection, may restrict the Group's ability to achieve cost reductions and other efficiency gains and may increase its operating costs. Price and margin pressure may therefore lead to a reduction in the Group's margins and the average prices for the Group's services (as was the case in 2015), which could have a material adverse effect on its business, results, financial position or outlook.

Risks related to the competitive landscape

The Group faces significant competition from a variety of companies across each of its markets and host countries. Its success is therefore dependent on its service quality and prices, especially relative to its competitors. The Group's customer segments and types of services face specific competitors. In France, the Group's principal market, it competes against some large companies like Rentokil Initial, RLD, and Anett, as well as smaller local or regional service providers. There are few foreign groups in the French market, with the exception of the French subsidiary of Rentokil Initial plc. Some of the Group's customers may decide to use their in-house resources to not only launder their own flat linen and workwear required for their activities, but also offer supply and maintenance services to third parties for flat linen, workwear, and HWB appliances. For example, in flat linen and workwear services, the Group faces competition from the shared laundry facilities that some hospitals have pooled their resources to create. These shared laundry facilities serve many different hospitals and could also serve other customers like nursing homes. The Group's competitive positioning could also be affected by new market entrants, such as cleaning and facility management companies that offer a full range of services including HWB services.

If customers or potential customers do not value the quality and cost proposition of the Group's services, or if there is not sufficient demand for new services, its business, results, financial position or outlook could be adversely affected to a significant extent.

In addition, the markets for some services – such as the provision of basic flat linen to small and medium-sized companies – are relatively fragmented, with many companies competing primarily on price. Over time, the Group's competitors could merge or further consolidate, and the diversified service offerings or greater synergies of these consolidated businesses could increase the intensity of the competition the Group faces, especially if it cannot take part in the consolidation trend.

The development of new products or new technology by competitors may also affect the Group's competitive positioning. For example, the widespread adoption of electric hand-dryers and paper hand towels has had a negative impact on the Group's rental and laundry services for textile hand towels. The Group's failure to adapt successfully to these or other changes in the competitive landscape could also result in a loss of market share, decreased revenue, or a decline in profitability, and could therefore have a material adverse effect on its business, results, financial position or outlook.

Risks related to fluctuations in textile prices

The Group is exposed to changes in the prices of the raw materials used to make the consumables and textile products (flat linens and workwear) it provides as part of its rental and laundry services. The price of textiles, especially those made from cotton and polyester, is primarily determined by the cost of the production time required to manufacture them. To a lesser extent, the price of textiles is also determined by the prices of their ingredients – mainly cotton and polyester – which are subject to considerable volatility. For example, the cotton price varied widely between the second quarter of 2010 and March 2011. If textile prices increase again, and if the Group is not able to fully or immediately allocate the higher costs by raising the prices it charges customers-in particular due to the scale of the higher costs, price pressure from existing competitors, or market conditions-the Group's business, results, financial condition, or outlook could be adversely affected to a significant extent. In 2015, the Group purchased textile items for €168 million.

Risks related to energy prices

Most of the services the Group provides rely on frequent delivery and collection services by its vehicle fleet. As a result, the Group uses a great deal of gasoline. The Group estimates that its vans and trucks complete some 2,600 rounds a day, thus covering about 1,500,000 kilometers per week. In addition, the Group's laundry facilities and processing centers run on gas and electricity.

In 2015, electricity consumption totaled 131,457 MWh and gas consumption totaled 731,053 MWh.

The price of the gas and electricity necessary for the operation of the Group's laundries and processing centers and the price of the gasoline necessary for its delivery and collection vehicles are unpredictable and fluctuate, sometimes substantially, based on events outside the Group's control including: the supply and demand for gas, electricity, and gasoline; actions by central governments, local governments, and government agencies, actions by oil and electricity producers, war and political unrest in oil and gas producing countries, limits on refining capabilities; natural disasters; and environmental concerns.

Moreover, the water used by the Group comes primarily from wells at its processing centers that tap into underground reservoirs, meaning the Group has to pay water royalties of an amount set by local authorities and subject to change.

The Group does not hedge its energy costs. Nevertheless, the Group has signed gas procurement contracts at fixed prices covering 2015, 2016, and 2017. If the Group is not able to increase the prices it charges to customers as a result of increases in gas, electricity, water, or gasoline prices, its business, results, financial position or outlook could be affected. In addition, any disruption in the supply of the Group's various sources of energy may impair its ability to conduct its business and meet customer demand, and could have a material adverse effect on its business, results, financial position or outlook.

Risks related to trends in the outsourcing of services provided by the Group and the re-insourcing of those services by some customers

The decision by an existing or potential customer to outsource flat linen, workwear, and HWB appliance services is dependent upon, among other things, its perception regarding outsourcing in general and the price and quality of such outsourced services in particular. The Group estimates that the average outsourcing rate for services in Europe is 30% (see section 1.6.2 of this registration document). Negative perceptions regarding outsourcing may adversely impact trends in the outsourcing of flat linen, workwear, and HWB appliance services, lead to decreased consumer demand, cause the Group to lose contracts, and prompt the re-insourcing of certain services provided by the Group – this relates mainly to HWB services – which would have a material adverse effect on the Group's business, results, financial condition, or outlook.

In addition, the development of new, more cost-effective methods that can be directly performed by customers could have a material adverse effect on the Group's business, results, financial position or outlook. For example, replacing the textiles currently used in operating rooms with disposable textiles could lead to a reduction in the demand for the Group's services. This could have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to public sector spending

In some of the countries in which the Group operates, a part of its revenue comes from contracts with the government and other public sector agencies. In 2015, the Group estimates that at least 10% of its revenue was generated with public sector agencies. The Group's public sector business may be adversely affected by political and administrative decisions about levels of public spending. Moreover, decisions to reduce public spending may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to the capital intensive nature of the Group's business

The Group's flat linen and workwear purchases are classified as capital expenditure, meaning its flat linen and workwear activities are capital intensive. These activities are also capital intensive because a high degree of mechanization is required to launder flat linens and workwear.

The Group's capital expenditure for 2015 represent approximately 18% of revenue.

In order to continue to provide reliable, high-quality services, the Group must continue to invest in new equipment and products that can improve its laundering and manufacturing processes, and to renew its vehicle fleet as needed. The Group might experience technical failures and may not be able to invest adequate resources into state-of-the-art equipment, which could impair its service quality and consequently have a material adverse effect on its business, results, financial position or outlook.

2.1.3 FINANCIAL RISKS

Risks related to the holding company structure

The Company is a holding company and its assets consist primarily of the equity interests it holds, directly or indirectly, in each of its subsidiaries, which generate the Group's cash flows. In the event of a decline in the earnings of its operating subsidiaries, the Group's cash flows and earnings could also be affected and such subsidiaries may not be able to meet their obligations, including their financial liabilities, or pay dividends to the Company or other subsidiaries. The Company's cash flow essentially comes from dividends, interest, and intra-group loan repayments from its subsidiaries.

The ability of the Group's operating subsidiaries to make these payments depends on economic, commercial, contractual, legal, and regulatory factors. Any decline in earnings, or the incapacity or inability of subsidiaries to make payments to the Company or to other Group subsidiaries, could adversely affect to a significant extent the subsidiaries' ability to pay their debts or meet their other obligations, which could have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to the Group's indebtedness and restrictive clauses in financing agreements

Risks related to the Group's indebtedness

On April 28, 2015, the Group issued an €800 million seven-year bond and on September 2, 2014 it signed a New Senior Credit Facilities Agreement with a syndicate of international banks (the "New Senior Credit Facilities Agreement"), whose main features are described in note 8.3 to the 2015 consolidated financial statements, which is included in chapter 6 "Financial statements for the year ended December 31, 2015" of this 2015 registration document.

The restructuring of its liabilities carried out in 2015 following the initial public offering and the renegotiation of its debt with banks and capital markets reduced the Group's net debt from €2.019 billion as at December 31, 2014 to €1.441 billion as at December 31, 2015. These transactions reduced the Group's annual interest expense by two thirds, with no major debt maturing before 2020.

The Group still carries a substantial amount of debt, which could have adverse consequences such as:

- requiring the Group to dedicate a significant portion of its net cash from operating activities to interest and debt payments, thus reducing the availability of cash to fund organic growth, capital expenditure, and other needs of the Group;
- increasing the Group's vulnerability to a downturn in business or economic conditions;
- placing the Group at a competitive disadvantage compared to less-indebted competitors;
- limiting the Group's flexibility in reacting to changes in its businesses and markets;
- limiting the Group's capacity to invest in growth opportunities, particularly external growth; and
- limiting the Group's and its subsidiaries' ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financing.

The Group’s ability to meet its obligations, make interest payments on its borrowings, or refinance or pay off its debt under the agreed terms will depend on its future operating performance and could be affected by several factors (such as the economic conditions, debt market conditions, regulatory changes, etc.), including some beyond the Group’s control.

If the Group cannot generate sufficient cash, it may need to scale back or delay planned acquisitions or capital expenditure, sell assets, refinance its debt, or seek additional financing, which could adversely affect its business and financial position. The Group may not be able to refinance its debt or obtain additional financing under satisfactory terms. The Group reviews its liquidity risk on a regular basis and is able to meet its future payments.

These risks could have a material adverse effect on the Group’s business, results, financial position or outlook. The Group is also exposed to interest rate risk, which mainly relates to the risk of fluctuations in interest rates (see paragraph below, “Interest rate risk”, of this 2015 registration document).

Risks related to restrictive covenants in financing agreements

The New Senior Credit Facilities Agreement requires the Group to comply with specified ratios and covenants, particularly financial ones. These covenants restrict the Group’s ability to:

- change the nature of its business (except for expanding into complementary areas);
- carry out any merger that would cause a borrowing entity to disappear;
- make acquisitions, unless the acquisition is of a company or group of companies with an identical or complementary business to the Group and, if the acquisition is financed by drawing down credit lines under the New Senior Credit Facilities Agreement, provided that certain other conditions are met (including compliance with maximum leverage ratios if the acquisition target has an enterprise value of more than €50,000,000 and the pledging of securities of the acquisition target if it has an enterprise value of more than €30,000,000); and
- carry out certain asset sales or disposals.

Furthermore, the indentures for the High-Yield Bonds contain covenants that restrict the Group’s ability to incur additional debt, pay dividends or make other types of distribution, make certain payments or investments, issue security interests or guarantees, sell or dispose of assets or stock, enter into transactions with affiliates, and merge or consolidate with other entities.

The restrictions contained in the indenture for the High-Yield Bonds and the New Senior Credit Facilities Agreement could affect the Group’s ability to operate its business and may limit its ability to react to market conditions or take advantage of business opportunities as they arise. For example, such restrictions could adversely affect the Group's ability to finance its capital expenditure, make strategic acquisitions, investments, or alliances, restructure its organization, or finance its capital needs. In addition, the Group’s ability to comply with these covenants and restrictions may be affected by events beyond its control, such as prevailing economic, financial, and industry conditions. If the Group breaches any of these covenants or restrictions, it could be in default under the terms of the aforementioned agreements.

Risks related to goodwill and deferred tax assets

Under IFRS, the Group evaluates and measures the potential impairment of the value of goodwill annually or at interim closing dates if an impairment indicator, both internal or external, is identified. The Group recognizes any impairment losses in its financial statements. A loss in value may result from, among other things, deterioration in Group performance, a decline in expected future cash flows, unfavorable market conditions, unfavorable changes in applicable laws and regulations (including changes that restrict the activities of or services provided by the Group’s processing centers) and a variety of other factors. The amount of any impairment loss must immediately be recognized in the Group’s income statement and cannot be reversed. Sensitivity to the assumptions used for impairment tests as at the date of this document is shown in note 6.5 to the 2015 consolidated financial statements included in the 2015 registration document.

Any further impairment losses on goodwill may result in material reductions of the Group’s income and equity under IFRS.

Furthermore, the Group may record deferred tax assets on its statement of financial position, reflecting future tax savings resulting from discrepancies between the tax and accounting valuations of the assets and liabilities or in respect of tax loss carryforwards from Group entities or tax credit carryforwards the Group has benefited from. The actual realization of these assets in future years will depend on tax regulations, the outcome of any tax audits and tax claims, and the future results of the relevant entities. Any reduction in the Group’s ability to use these assets due to changes in regulations, potential tax reassessments, or lower-than-expected earnings could have an adverse effect on its results, financial position or outlook.

Liquidity risk

The Group must always have financial resources available, not just to finance the day-to-day running of its business, but also to maintain its investment capacity.

The Group manages liquidity risk by paying constant attention to the duration of its financing arrangements, the permanence of its available credit facilities and the diversification of its resources (bank financing or bond/commercial paper). The Group also manages its available cash prudently and has set up cash management agreements in the main countries in which it operates in order to optimize and facilitate cash flow to M.A.J., the Group's central treasury entity.

As at December 31, 2015, the Group's adjusted net debt was €1,440.7 million. Some of the debt was contracted under loan agreements containing the usual legal and financial covenants for this kind of transaction and providing for early repayment in the event of non-compliance.

The financial undertakings notably include an obligation for the Group to maintain certain financial covenants, which were upheld as at December 31, 2015.

The breakdown of financial liabilities by contractual maturity as at December 31, 2015 is presented together with the Group's debt in note 8.1 of the 2015 consolidated financial statements, included in chapter 6 of the 2015 registration document.

The Group reviewed its future payments and considers that it is able to meet these payments.

Credit or counterparty risk

Credit or counterparty risk is the risk that a party to a contract with the Group fails to meet its contractual obligations, leading to a financial loss for the Group.

The main financial assets that could, by nature, expose the Group to credit or counterparty risk are as follows:

- trade receivables: the Group insures its customer's risk in France with a well-known insurance company. Trade receivables are managed in a decentralized manner by operational centers and by the key account management. Their amount and age are monitored in detail as an integral part of the monthly reporting system. Because of the very large number of Group's customers, the risk is distributed and there is no material concentration of credit risk (meaning no one counterparty or group of counterparties accounts for a material proportion of trade receivables);
- financial investments: the Group's policy is to invest cash in money market managed funds (OPCVM) with short-term maturities in order to achieve yields close to EONIA, in compliance with diversification and counterparty rules. Thus, as at December 31, 2015, short-term investments which totaled €34.5 million consisted mainly of money market mutual funds managed by one of the largest players in the global asset management in industry. In the Group's view, therefore, those investments do not expose it to any material counterparty risk. As part of its policy for managing interest rate and exchange rate risks, the Group arranges hedging contracts with top-ranking financial institutions and believes that counterparty risk in this respect can be regarded as insignificant.

Market risks

The Elis group is exposed to market risk, particularly concerning the cost of its debt, and to a lesser extent as a result of foreign currency transactions. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize any potentially adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Interest rate risk

Interest rate risk mainly includes the risk of future fluctuations in flows relating to floating- rate debt, which is partly linked to Euribor. As at December 31, 2015, the Group had €485.7 million of floating-rate gross debt outstanding and €1,017.6 million of fixed-rate gross debt outstanding.

To manage this risk effectively, the Group has taken out certain derivatives contracts (swaps), under which it has undertaken to swap, at specific times, the difference between the fixed rate agreed to in the swap contract and the floating rate applying to the relevant debt, based on a given notional amount. The Group's financing terms are monitored regularly, including in monthly financial performance monitoring meetings. As at December 31, 2015, the Group was a party to interest rate hedging contracts covering a total amount of €450.9 million of debt. These contracts effectively convert some of the Group's floating-rate debt into fixed-rate debt. However, no guarantee can be given regarding the Group's ability to manage its exposure to interest rate fluctuations appropriately in the future or to continue doing so at a reasonable cost.

The risk rate exposure and the sensitivity analysis (calculated before tax) are presented in note 8.1 to the 2015 consolidated financial statements included in chapter 6 "Financial statements for the year ended December 31, 2015" of this 2015 registration document.

Currency risk

The majority of the Group's operations are located in eurozone countries. For the year ended December 31, 2015, countries outside the eurozone – mainly Brazil, Chile, Switzerland and the UK, where the Group operates through its Kennedy Hygiene Products subsidiary – accounted for 13.8% of consolidated revenue (Brazil – 6.2%, Chile – 0.3%, Switzerland – 6.7%, and the UK – 0.5%).

When the Group prepares its consolidated financial statements, it must translate the accounts of its non-eurozone subsidiaries into euros at the applicable exchange rates. As a result, the Group is exposed to fluctuations in exchange rates, which have a direct accounting impact on the Group's consolidated financial statements. This creates a risk relating to the conversion into euros of non-eurozone subsidiaries' statements of financial position and income statements.

The Group's external financing is generally denominated in euros.

The unhedged residual exposure at the Group level comes mainly from the translation of the financial statements of the Latin American subsidiaries The sensitivity analysis of this risk, calculated before tax, is detailed in note 8.1 to the 2015 consolidated financial statements included in chapter 6 "Financial statements for the year ended December 31, 2015" of this 2015 registration document.

The Group is also exposed to operational exchange rate risk through its purchases of goods for resale, which are partly denominated in pounds sterling and US dollars. In 2015, purchases of goods for resale denominated in foreign currencies totaled US$46.8 million and £3.9 million. However, the Group seeks to reduce the impact of exchange rate movements on its income by using currency hedging in relation with the procurement of goods for resale. As at December 31, 2015, the Group had made forward purchases with a 2016 maturity amounting to US$50 million.

Equity risk

As at December 31, 2015, the Group's exposure to equity risk mainly involves the Elis treasury shares held for the requirements of the liquidity agreement implemented on April 13, 2015, as described in note 8.1 to the 2015 financial statements. The Group did not consider it necessary to introduce an equity risk management policy.

Commodities risk

While the Group does not purchase raw materials directly, it is indirectly exposed to raw material volatility through its purchases of linens and workwear, the manufacturing price of which is partially linked to the price of cotton or polyester, and through its consumption of oil products (mainly gas and fuel).

2.1.4 LEGAL, REGULATORY, TAX AND INSURANCE RISKS

Risks related to compliance with antitrust regulations

The Group is subject to various country-specific, European and international antitrust laws and regulations. In particular, in France, in accordance with decision no. 07-D-21 of the French antitrust authority on June 26, 2007 – which imposed a penalty for specific anti-competitive practices – and as part of a compliance program, the Group has adopted internal directives regarding compliance with antitrust laws and regulations and has set up an alert mechanism. In addition, mandatory annual compliance reports are prepared and made available to the French antitrust authorities.

Although the application of those internal directives is closely monitored, executives and employees working inside and outside France could fail to comply with the Group's instructions and, either voluntarily or involuntarily, breach the relevant laws and regulations by engaging in prohibited practices, such as colluding on price or working with competitors in certain markets or for certain customers. Such actions could damage the Group and, if the Group were found liable, could lead to considerable fines and other penalties. If such events occur, this could have a material adverse effect on the Group's business, results, financial position or outlook.

In addition, the Group occasionally faces claims from suppliers, customers and other commercial partners asserting that, given its position as market leader, its pricing policies could be considered as abusive (excessive, improper or predatory pricing), and damaging competition in the markets concerned. Even if the Group's policy is to strictly comply with applicable antitrust laws and regulations and it has adopted the antitrust compliance program described above, the commercial partners or the relevant authorities could commence proceedings for non-compliance with those rules and the outcome of such proceedings could be damaging to the Group, for example requiring a change in some of the Group's pricing practices, which could have a major adverse effect on the Group's financial position, results or outlook. The Group was informed of an inquiry by the

French competition authorities following a complaint relating to some of the Group's pricing practices, which was filed by a self-catering cottage, a customer of the Group, with the Pays de Loire DIRECCTE. The Group cannot rule out the investigation being extended to practices other than pricing practices.

The relevant authorities and courts, and some governments of certain countries, could adopt measures or decisions aimed at maintaining or increasing competition in certain markets, to the detriment of the Group's economic and financial interests, which could have a significant adverse effect on the Group's image, business model, business, strategy, results, financial position or outlook.

There are no other governmental, arbitration or legal proceedings, including any unsettled or threatened proceedings which are or were in the past twelve months liable to have material adverse effects on the Group's financial position or profitability.

Risks related to restrictive regulations in some of the Group's business sectors

The Group provides services to certain companies operating in highly regulated business sectors such as healthcare. In those sectors, the Group and its customers are subject to very complex and restrictive laws and regulations applying to the provision of services. For example, the collection of potentially infectious healthcare waste is subject to particularly strict regulations, especially regarding its transportation.

The Group could be liable if it failed to comply with the relevant standards and if that failure caused damage to natural or legal persons, including, for example, if workers wearing workwear provided by the Group were to suffer injuries.

In these highly regulated sectors, the need to comply with increasingly restrictive standards means that the Group has to dedicate an increasing proportion of its technical and financial resources to complying with standards. For example, compliance monitoring and control of Group departments involved in healthcare activities (particularly the supply of healthcare linen), certain types of workwear classified as personal protective equipment, "Ultra-Clean" (lint-free) workwear and beverage activities (water dispensers and coffee machines) are monitored and managed through ISO 9001 and or RABC certified Quality Management Systems (QMS).

Breaches of those standards could expose the Group to fines, penalties, claims for injury or property damage and other charges or liabilities, as well as negative publicity. In addition, the introduction of stricter laws and regulations could have an adverse impact on the long-term growth of sectors in which the Group provides services, and on the level of demand from customers operating in those sectors. This could have a material adverse effect on the Group's business, results, financial position or outlook.

Risks related to compliance with labor and employment regulations

The Group's activity is subject to a large number of employment laws and regulations. Due to the scale of the Group's workforce – more than 21,000 employees in 2015 – and the significant amount of the Group's staff costs (equal to 42.8% of Group revenue for the year ended December 31, 2015), a change in laws and regulations relating to labor and employment in the countries in which the Group operates could limit the Group's ability to provide services to customers or increase its operating costs. This could have a material adverse effect on the Group's business, results, financial position or outlook. In addition, the failure to comply with labor and employment regulations in the countries in which the Group operates – particularly Brazil, where regulations are complex and constantly changing – could result in substantial fines, penalties, litigation or claims.

Any adverse development in laws and regulations relating to welfare law or increase in the mandatory minimum wage or social security contributions in the countries in which the Group operates could have a material adverse effect on the Group's business and profitability. For example, in France the Group benefits from reductions in employer social security contributions in respect of certain salaries (the "Fillon exemption") and from the competitiveness and employment tax credit (CICE). Any adverse development in the Fillon exemption, the CICE or any other law or regulation relating to labor or employment law, and any change in the terms of collective bargaining agreements applicable to the Group's activities in countries or sectors in which the Group operates, could increase its staff costs and adversely affect its operating margins and operational flexibility. This could have a material adverse effect on the Group's business, results, financial position or outlook. Some of the Group's commercial partners such as customers and suppliers could demand a share of the benefits arising from the CICE, and this could affect the Group's revenue and margins, reducing or cancelling out the impact of the CICE.

Risks related to compliance with health and safety regulations

Since human resources are the foundation of the Group's business, employment regulations, particularly relating to health and safety at work, have a significant impact on its business. Although the Group makes significant efforts to ensure compliance with those regulations, it cannot guarantee the absence of potential breaches. If the Group, its employees or its subcontractors failed to comply with such obligations, this could lead to significant fines, claims against the Group in relation to regulatory breaches, and the loss of authorizations and qualifications. In addition, regulations change frequently as the authorities seek to strengthen them. Adjusting the Group's organization in order to comply with changing regulations may lead to significant additional costs.

Group employees working in processing centers are exposed to risks arising in their workplaces and from their working conditions, which naturally show a higher level of hazard. A significant number of Group employees also drive Elis service vehicles daily, and may cause or be the victims of road accidents. Despite its attention to safety and working conditions, the Group cannot rule out an increase in the frequency or number of occupational accidents and illnesses (see section 3.3.4 of this registration document).

In addition, new technologies and the introduction of new procedures, services, tools and machines may have unexpected effects on the working conditions of Group employees.

The occurrence of such events could have a material adverse effect on the Group's business, financial position, results or outlook.

Risks related to disputes and litigation

In the normal course of its business, the Group is involved or may be involved in a certain number of administrative, court or arbitration proceedings. In some of these proceedings, the amounts claimed or potentially claimed from the Company are significant, and penalties, including administrative and criminal penalties, may be handed down against the Group. If such penalties were handed down against the Group, their application could have a material adverse effect on the Group's business, financial position, results or outlook. In addition, any provisions set aside by the Company in respect of administrative, court or arbitration proceedings in its financial statements could prove insufficient, and this could have material adverse consequences on the Group's business, results, financial position, liquidity or outlook, regardless of whether or not the underlying claims are well founded.

In particular, the Group is subject to an inquiry by the French competition authorities referred to in section 2.1.4 of this registration document. Additionally, the Group is involved in various labor disputes and labor court proceedings involving employees in France and abroad, particularly in Brazil, usually regarding compliance with working time regulations and payment of termination benefits. In general, although none of these proceedings involve large sums taken separately, if taken together, or if they were to increase in number, they could have a material adverse effect on the Group's business, results, financial position or outlook. As at December 31, 2015, the provision for tax, commercial and employee-related disputes amounted to €13.4 million (see note 7.1 to the consolidated financial statements for the year ended December 31, 2015 included in chapter 6 "Financial statements for the year ended December 31, 2015" of this 2015 registration document).

The Group could be held liable for the acts or omissions of some of its employees. As part of the Group's activities, its employees provide services on customers' premises. As a result, the Group could be the subject of claims for safety breaches or damage to the assets, premises or agents of a customer, or for spreading infections in healthcare facilities. Such claims could have a material adverse effect on the Group's business, results, financial position or outlook.

A civil action is currently underway in the State of Rio de Janeiro (Brazil) against Atmosfera and other industrial laundry service providers in relation to alleged acts of administrative improbity vis-à-vis officials relating to industrial laundry services provided by Atmosfera to public entities in the State of Rio de Janeiro that date back to the 2003-2011 period. Atmosfera filed a preliminary response in December 2014. The public prosecutor rejected arguments put forward by Atmosfera and ruled to continue the action.

As at the date of this registration document and if Atmosfera were to be held liable for administrative improbity, the sanctions that may be imposed could be either or both of the following: (i) reimbursement to the public treasury of all monies illegally obtained by Atmosfera from the acts of improbity and/or (ii) a civil fine of up to three times the amount referred to in (i). In addition, Atmosfera could potentially be prohibited from entering into agreements with any Brazilian public entities or receiving tax benefits in Brazil for five or ten years. In 2015, a major portion of Atmosfera's revenue was generated with Brazilian public entities. If such sanctions were handed down against Atmosfera, they could have a material adverse effect on the Group's business, results, financial position or outlook. Even though a notice regarding these proceedings has been served by the

Group on Atmosfera's former owners under the guarantee agreement relating to the acquisition of Atmosfera, the Group cannot guarantee that the consequences of these proceedings will be effectively covered by an indemnification pursuant to this agreement.

Moreover, after the inspection in February 2014 by the Brazilian federal police of the premises of Maiguá – one of Atmosfera's suppliers – and the sanction announced by the Ministry of Labor against Atmosfera, two civil actions are underway, namely a public action by the public prosecutor and a civil action opened by Atmosfera before the Labor Court to challenge the decision of the Ministry of Labor.

As regards the civil action opened by the public prosecutor, after a hearing held on April 20, 2015, the public prosecutor and Atmosfera failed to reach an agreement on a settlement that would have required Atmosfera to adopt a series of measures. The public prosecutor is analyzing Atmosfera's defense and could initiate a civil action to compel Atmosfera to pay punitive damages.

As regards the civil action before the Labor Court, it should be noted that the sanction of the Ministry of Labor included the inclusion of Atmosfera in the "blacklist" described below.

While a decision on the merits was pending, Brazil's Ministry of Labor and Employment attempted to challenge the Supreme Court's preliminary injunction through an executive order aimed at permitting publication of the blacklist. Simultaneously, Atmosfera submitted an 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.

If the sanction of the Ministry of Labor had been confirmed, Atmosfera would have been included on the "blacklist". Inclusion on the "blacklist" is for a period of two years from when it is published, unless this inclusion is abolished as the result of an interim suspension order or decision on the merits of the case.

The decision on the substance of the case is to be rendered by the Labor Court with the next hearing expected to take place some time in 2016. The decision should be rendered in the weeks following the hearing, unless the judge accepts the production of evidence, including witness statements, in which case it may be several months before a decision is rendered.

If Atmosfera is included on the "blacklist" and even if this is not mandatory, ministries, federal agencies and public sector bodies could terminate service agreements with Atmosfera on the next renewal date. Furthermore, some private companies may have internal regulations that require them not to work with suppliers on the "black list", even if this is not stated in contracts.

Regulations for the states of São Paulo, Rio de Janeiro and Bahia require removal of the state tax number *(Inscrição Estadual)* of any companies added to the "blacklist", and the regulations of the states of São Paulo and Bahia require this to be done for a period of 10 years (the state of Rio de Janeiro does not provide a time frame). The cancellation of Atmosfera's state tax number could make it necessary to use external service providers for transportation relating to Atmosfera's rental and laundry business.

If Atmosfera is included on the "blacklist", it is possible that Atmosfera's image and that of the Group could be affected by negative publicity in the Brazilian press in particular. However, it should be noted that the case has been public since May 2014 and as at the date of this registration document, just one customer had asked for their contract to be terminated. It is nevertheless possible that more Brazilian customers may decide to terminate their contracts with Atmosfera, even if the Company has now opened its internal manufacturing workshop and has launched a major advertising campaign targeted at its customers.

The inclusion of Atmosfera on the "blacklist" could therefore have a material adverse effect on the Group's business, results, financial position or outlook.

Although a risk management system has been implemented within the Atmosfera Group, it is possible that events may occur that result in legal proceedings or litigation and that these may become known to the Group belatedly, or such events may occur in the future.

To the best Company's knowledge, as at the date of this registration document, there were no other governmental, arbitration or legal proceedings, including any unsettled or threatened proceedings which are or were in the past twelve months liable to have material adverse effects on the financial position or the profitability of the Company and/or the Group.

Generally, it is however possible that in the future, new proceedings – connected with those described above and currently underway – may be brought to the Company's knowledge or initiated against Atmosfera and its subsidiaries or other Group companies in Brazil. Such proceedings, as well as those described above, could therefore have a material adverse impact on the Group's business, results, financial position, cash position or outlook.

Environmental risks

The Group's activity is subject to particularly strict environmental regulations. Changes in laws and regulations relating to the environment, the use, transportation and disposal of hazardous substances, safety equipment, rodent control, insect control, disinfection and energy efficiency could have a material adverse effect on the Group's business, results, financial position or outlook. Environmental standards applicable to the Group's processing centers, defined by law or expected or desired by the Group's customers, are increasingly restrictive. The Group's processing centers in France are regarded as facilities classified for protection of the environment (ICPE facilities) under the French Environmental Code, requiring the Group to obtain and maintain authorizations required to operate those centers. Similar requirements exist in the other countries in which the Group operates. These authorizations and/or statements provide for numerous obligations and restrictions relating to the Group's activities, including the types of chemicals that may be used, the type of methods for processing and disposing of waste, management of water resources and management of industrial waste water, protection of soil and sub-soil, as well as risk control and potential land and groundwater rehabilitation. The public authorities and courts may impose fines or civil or criminal penalties in response to a failure to comply with relevant environmental regulations, and may also require remediation or pollution clean-up work. In addition, in certain cases, the authorities could amend or revoke the Group's operating authorizations, which could force it to close sites temporarily or permanently and to pay the resulting shutting down, maintenance and repair costs.

In certain processing centers, the Group uses and handles hazardous chemical substances on a daily basis. For example, in two of its processing centers in France, the Group use perchloroethylene, a hazardous chemical, in the dry-cleaning process. More generally, as part of the laundry process, the Group uses large quantities of detergents. As a result, the Group is exposed to risks related to the use of chemicals and the storage, transportation and disposal of hazardous substances, products and waste. Industrial environmental risks (such as any potential contamination or pollution of ground or water on or close to land that the Group owns, leases or operates, or has in the past owned, leased or operated or may acquire in future), could give rise to civil proceedings or criminal prosecutions, along with claims relating to property damage or personal injuries suffered by the Group's employees, customers or third parties. This could have a material adverse effect on the Group's business, results, financial position or outlook.

As a result, the Group could also be liable for material financial expenses due to the cost of cleaning up land it owns or occupies as lessee.

The Group could also be the subject of nuisance claims, given that a large proportion of its processing centers is located in urban areas. In addition, some of the Group's products and services, such as its workwear, rodent control, insect control, disinfection, water fountains and removal of potentially infectious healthcare waste (DASRI), are subject to very strict environmental, safety and cleanliness standards.

The Group could also incur large costs, including costs and fines and other penalties under environmental laws and regulations, arising in particular from specific regulations applying to waste management or the presence of asbestos.

The Group expects to be exposed to expenditure arising from the need to comply with applicable environmental laws and regulations and with future or existing clean-up obligations relating to former and current processing centers, and to other environmental liabilities, to the extent that such expenditure is not covered by its insurance policies or other third-party compensation agreements. The Group cannot guarantee that such expenditure will not exceed its estimates or that it will not have a material adverse effect on its business, results, financial position or outlook.

As at December 31, 2015, the provision for environmental risks totaled €15.3 million (see note 7.1 to the consolidated financial statements for the year ended December 31, 2015 included in chapter 6 "Financial statements for the year ended December 31, 2015" of this 2015 registration document).

Provisions for environmental risks carry a high level of uncertainty regarding the amount and timing of any obligations. Environmental risks that are currently unknown, such as the discovery of new contamination, changes to local urban development programs or the imposition of additional clean-up obligations at former, current or future sites or at third-party sites, could lead to material additional costs, and material expenditure could be necessary to comply with future changes to environmental laws and regulations or to their interpretation or application.

Risks related to road traffic accidents

With a total automobile fleet of over 4,800 vehicles, road accidents represent a significant risk for the Elis Group in terms of human (bodily injury) and financial (vehicle repair costs) resources. A steady increase in the number of accidents could have a major financial impact for the Group. As the centers manage their vehicles, each immobilized vehicle could disrupt rounds planning, with negative financial consequences for the Group. In the event of major claims, the Group's image could also be affected, which could result in the loss of customers and legal proceedings against the Group.

Therefore, for many years the Group has used a proactive approach for the prevention of road risks based around two areas – accident risk mitigation and reduced sanctions:

- user training to promote awareness about road risks;
- targeted communication intended for field and marketing agents;
- internal bonus-malus principle for assessing the various centers according to their performance;
- individual post-accident interviews.

New prevention initiatives are implemented on a regular basis to maintain a strong road risk prevention culture within the Group (see chapter 3, section 3.3.4 "Health and safety" of the 2015 registration document).

Risks related to fires and industrial accidents

The Group's processing centers present a certain number of safety risks, due in particular to the flammable nature of textiles, the toxic nature of substances used in processing them and the potential for malfunctions affecting industrial facilities and equipment. In particular, the Group's processing centers show a high risk of fire and industrial accidents. It is also possible that the Group's liability may be invoked in relation to accidents involving the Group's activities or products. The occurrence of such events could have a material adverse effect on the Group's business, results, financial position or outlook.

The Group has therefore used a proactive prevention/protection approach to industrial hazards related to its business by relying on its insurer for over 13 years. The insurer, which has expertise in engineering, fire prevention and consulting, conducts on average over 20 prevention visits at the processing sites per year.

Furthermore, a specialized firm appraises the real value of the operating premises and their content. The sites are visited regularly, on average every three years, so that the values declared to the insurers are as close as possible to the real values of the properties and their content.

Risks related to tax and social security mandatory deductions

The Group is exposed to risks relating to tax and social security deductions in the various countries in which it operates.

The Group organizes its commercial and financial activities on the basis of varied and complex legislative and regulatory requirements in the various countries in which it operates, particularly as regards tax and social security deductions. Changes in regulations or their interpretation in the various countries in which the Group operates could affect the calculation of the Group's overall tax burden (income tax, social security contributions and other taxes), along with its financial position, liquidity, results or outlook.

In addition, the Group must interpret French and local regulations, international tax agreements, legal theory and administrative practice in each of the jurisdictions in which it operates. The Group cannot guarantee that its application and interpretation of such provisions will not be challenged by the relevant authorities or that the tax and social security treatment adopted by the Group in respect of reorganizations and transactions involving affiliates of the Group, their shareholders and their representatives or employees will not be challenged by the competent authorities in the relevant jurisdictions.

In general, any breach of tax laws or regulations applicable in the countries in which the Group operates may lead to tax adjustments, late-payment interest, fines and penalties. The Group's business, results, financial position, liquidity or outlook could be materially affected if one or more of the aforementioned risks materialized.

Risks related to insurance policies

The Group has taken out insurance policies of various kinds, including policies for property damage, general liability and executive liability. Although the Group seeks to maintain adequate levels of coverage, its insurance policies may provide only partial coverage of certain risks to which it may be exposed. Insurers may also seek to limit or challenge the Group's claims following a loss, which could limit the Group's ability to receive full compensation or any compensation at all under its insurance policies. Such limitations, challenges or delays could affect the Group's results, financial position or outlook. In addition, the occurrence of several events giving rise to substantial insurance claims during a given calendar year could have a material adverse effect on the Group's insurance premiums. Lastly, the Group's insurance costs may increase in the future in response to a negative change in the history of the Group or losses due to significant price increases in the insurance market generally related to external events. The Group may not be able to maintain its current level of insurance cover or maintain it at a reasonable cost, and this could have an adverse effect on its business, results, financial position or outlook.

To address these risks, the Group's centralized management of insurance policies enables it to insure its activities, sites and vehicles upstream of any developments of new products or services. Moreover, the Group is very attentive to the evolution of market conditions related to insurance guarantees and favors long term relationships with the insurers.

2.2 GROUP INSURANCE

2.2.1 POLICY ON INSURANCE

The Group's policy on insurance is coordinated by the Administrative Department, whose task is to identify the main insurable risks and to quantify their potential consequences. The aim is to:

- keep the intensity of some risks to a minimum by implementing prevention measures in collaboration with other Group departments;
- partially or fully cover risks by taking out insurance policies. This is the case of exceptional risks with high potential impact and low frequency, and risks relating to the services provided (claims from third parties and customers).

The Administrative Department is assisted by the Group's various departments, each Group entity in France and each Group subsidiary outside France, in obtaining the information needed to identify and quantify insured and insurable risks, and in activating the necessary resources to ensure business continuity in the event of a loss. The insurance unit negotiates with major insurance and reinsurance providers to arrange the coverage that is best suited to insuring those risks.

Local entities also take out specific insurance policies to cover risks for which local coverage is necessary or required, such as auto insurance policies.

Insurance policies are arranged on the basis of the level of coverage needed to deal with the materialization, based on reasonable estimates, of liability risks, property and casualty risks or other risks. That analysis takes into account assessments made by insurers as risk underwriters, and by brokers and the Group as specialists in the insurance market and experts of the business and the risks involved.

2.2.2 INSURANCE PROGRAMS

The Group's insurance programs are taken out with leading insurers.

The Group has deployed worldwide programs for property & casualty and general liability insurance policies. This insurance coverage is supplemented by local policies taken out as necessary in certain countries where they are customary and/or the Group so chooses.

The Group-level insurance programs aim to cover the business activities when local policies are insufficient or do not apply.

The insurance policies taken out by the Group contain:

- coverage exclusions, which are public policy exclusions, meaning they cannot be removed under insurance law. Those exclusions are common to insurance policies provided by all insurance companies. However, where legally possible and where appropriate given the risk concerned, the Group pays to remove the exclusions stipulated in insurance companies' general terms and conditions; and
- coverage limits and deductibles, the amounts of which are set when the policy is taken out and customized to the Group's risks. The Group negotiates those limits and deductibles with the insurance company on a case by case basis.

The property & casualty insurance program primarily covers goods, additional costs and potential operating losses of the Group, and specifically its processing centers.

It has an overall coverage of €100 million per claim, with deductible levels that vary based on the nature of the insured sites.

An automobile fleet program has been set up for France to insure all of the fully-owned vehicles and vans under long-term leases. Foreign entities have local coverage.

A general liability insurance program has been set up for all Group entities to cover damage, injury or loss caused to third parties arising in the course of the Group's business or due to goods/services and products delivered to third parties. In 2015, it had coverage of €38 million, with deductible levels that vary based on the nature of the insured activities.

An executives liability insurance program has also been implemented, which is intended to insure managers (natural persons) and the Company (legal entity) for the Company's management acts and the management of the Company.

In addition, the Group has created a transportation insurance program intended to cover merchandise imported by the Group's Purchasing Department and dispatched by road, sea or plane.

Social and environmental responsibility

"Elis is a pioneer and European market leader in the rental and laundering/maintenance of workwear, hotel linen, mats, hygiene appliances and beverage dispensers. The Group enjoys continuous growth thanks to the quality of its business model and the expertise of its employees. Based on a product-service model, our business focuses on product functionality as opposed to ownership. This modern vision of the economy incites us to design products that will ensure the longest and most sustainable service possible. Our resource-friendly business model, in particular in terms of water, energy and commodities, combines savings with environmental benefits and encourages trust-based relationships with our suppliers and customers to whom we are committed to providing a high quality service over the long term.

Our employees share and promote this vision of a socially and environmentally responsible company while pursing its growth objectives which are key to its success."

Xavier Martiré

Chairman of the Management Board

All data included in this chapter falls within the scope defined in section 3.2.

3.1 ELIS'S CSR APPROACH

3.1.1 VISION

The Group's corporate social responsibility and substantial developpement (CSR) policy is based on the values that have always made up Elis's DNA – respect for others, exemplarity, integrity and responsibility.

Running the Group responsibly safeguards its success and durability.

The principles shared by Elis and all of its employees, and which apply to all corporate measures with both internal players (employees) and external players (conducting of business with suppliers and customers) can be summarized as follows:

- act with integrity, responsibility and exemplarity;
- respect the dignity and rights of each person;
- act in a way that respects the environment;
- respect laws and regulations;
- continually improve performances.

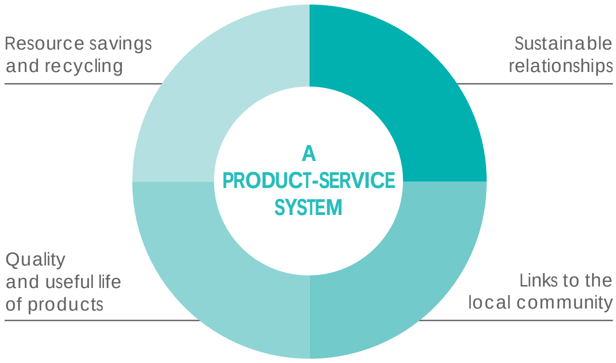
All of these principles are inspired by a number of texts, including:

- the United Nations Universal Declaration on Human Rights and the European Convention on Human Rights;
- the United Nations Convention on the Rights of the Child;
- the ten principles of the United Nations Global Compact;
- OECD Guidelines for Multinational Enterprises.

The Company's development is based on the quality and involvement of the people who work for it.

The Elis Group therefore endeavors to maintain harmonious human relations and pays particular attention to the correct application of principles such as constructive and open dialogue founded on trust and respect as part of a policy of local management, non-discrimination, maintaining safe working conditions, the continuous training and professional development of its employees.

The Elis Group has also constructed a business model centered around the concept of the product-service economy, offering a range of high-quality products and services. Conscious of the life cycle of its products by working on eco-design and durability, this business model helps reduce pressure on the Group's environment, unlike conventional consumption practices that encourage disposable products and planned obsolescence.



The Elis Group does not make any compromises when it comes to integrity, which it believes must govern its business relations and professional practices on a daily basis.

With a view to limiting its environmental footprint by reducing its greenhouse gas emissions and making better use of natural resources, the Elis Group strengthened its sustainable development approach by obtaining ISO 50001 certification for 50% of its processing plants in December 2015. This certification, issued by Afnor Certification, relates to energy management systems.

The professional expertise cultivated by the Group on a daily basis has already helped it improve its thermal energy performance within its European scope by 16.1% over the past five years. Thanks to this, the Group demonstrates its determination to strengthen its leading position and encourages all players (from the design to the purchase of appliances, through to the daily operation of our plants) to permanently strive to optimize their energy consumption.

This approach, adopted in 2015 at 52 processing sites, is part of the Elis Group's drive for operational excellence.

3.1.2 GROUP COMMITMENTS

The Group's commitments include:

- **Participating in the development of a more sustainable business model:**
  - **strengthening** the development of its activity around a product-service economy;
  - **innovating** to develop alternatives to disposable solutions;
  - **raising customer awareness** of the environmental benefits of the rental and maintenance model.
- **Providing a high quality responsible offering:**
  - **meeting** customers' quality requirements;
  - **promoting** fair trade;
  - **working** on the eco-design of products.
- **Decreasing the business' environmental footprint:**
  - **reducing** the consumption of natural resources;
  - **managing** the plants' industrial emissions;
  - **increasing** the recyclable rate of end-of-life products;
  - **optimizing** the flow of logistics.
- **Being a vector of personal development for employees:**
  - **ensuring** the well being of employees;
  - **enabling** employees to develop both personally and professionally;
  - **promoting** equal opportunities.

COMMITMENTS SUPPORTED BY THE ETHICS CHARTER

The ethics charter formalizes Elis' commitments

The Group's ethics charter, published in 2012 and which regulates its approach in terms of sustainable development, provides a detailed presentation of what underpins the Group's culture and commitments and is based on six Elis CSR values: integrity, responsibility and exemplarity within the Group's commercial environment, respect for each of its employees, the reduction of its environmental footprint, and the continuing improvement of Group performance.

A summary of the Group's environmental and social performance covering all issues addressed by Article R. 225-105-1 of the French Commercial Code is available on pages 92 and 93 of this registration document.

3.2 SCOPE OF CSR AND REPORTING METHODOLOGY

The Elis Group has compiled a corporate social responsibility report ("CSR reporting") since 2011, which until 2013 was consolidated by the Eurazeo Group to which Elis belonged up until its stock market listing. Since the listing of the Company's shares on the Euronext Paris regulated market, the Group has compiled its own CSR report while maintaining the same methodology to ensure the continuity of data.

3.2.1 CSR REPORTING SCOPE

CSR reporting for year N covers all Group entities for which consolidation is possible and can be verified. Thus, each year, the CSR Department is informed of any disposals or acquisitions in order to adjust the CSR reporting scope.

The Elis Group's CSR approach applies to all Group companies.

Therefore, for the 2015 financial year, CSR reporting covers the calendar year from January 1 through to December 31, 2015.

CSR reporting data corresponds to the scope defined by the Grenelle II law dated July 12, 2010 and Article L. 225-102-1 of the French Commercial Code and covers the activities of Elis and its subsidiaries present from January 1 to December 31, 2015.

- **DETAILS REGARDING THE ENTITIES AND SITES INCLUDED OR EXCLUDED FROM THE SCOPE:**
- the newly included companies in the reporting scope are PSE (Pro Service Environnement) in France, Atmosfera Gestao e Higienizacao De Texteis SA and l'Acque Lavanderias Ltda in Brazil;
- a new site following the acquisition of business goodwill was included in the scope: Villepreux within M.A.J. in France;
- certain sites were transferred from one company to another: Chilly-Mazarin and Coignières were transferred from M.A.J. to Grenelle Service during 2015;
- companies acquired during the 2015 financial year (Albia SA and Servicios Hospitalarios SA in Chile, Lavalia in Spain, Kress Textilpflege GmbH and Zischka Textilpflege GmbH in Germany, Teclav, AJS, MPW Lavanderia Comercio e Serviços Ltds, Reis & Nobrega Lavanderia Ltda, Lavanderia Espirito Santo Norte Ltda-ME, Megalav Lavanderia Hospitalar Ltds-ME, Lavanderia Verde Ltda and Martins e Lococo Lavanderia Ltda in Brazil, Wäscherei Textil Service, Wäscherei Textil Service Bad Ragaz and Pro Hotel Wäscherei in Switzerland, and Blanchisserie Professionnelle d'Aquitaine and Hygiène Contrôle in France) are excluded from the scope.

- **ENTITIES INCLUDED IN 2015 CSR REPORTING**

Country or region	Number of entities	Nature of establishments, entities (head office, offices, factory, processing plant, branches, etc.)	New entity vs 2014 reporting (yes/no and number of new entities)
France	13[(a)]	Head office, offices, processing plants and service centers	Yes (1)
Brazil	2	Head office, offices, processing plants and service centers	Yes (2)
Germany	4	Head office, offices, processing plants and service centers	No
Switzerland	10	Head office, offices, processing plants and service centers	No
Italy	1	Head office, offices, processing plants and service centers	No
Spain-Andorra	3	Head office, offices, processing plants and service centers	No
Portugal	2	Head office, offices, processing plants and service centers	No
Belgium	1	Head office, offices, processing plants and service centers	No
Luxembourg	1	Head office, offices and service centers	No
Czech Republic	1	Head office, offices, processing plants	No
United Kingdom	1	Head office, offices, processing plants	No
11	**39**		**3**

(a) Including M.A.J.

Indicators show consolidated figures for the Elis Group and its subsidiaries.

Pursuant to Article L. 225-102-1 of the French Commercial Code, key indicators relating to M.A.J. are included in the environmental and social performance summary, which is included on pages 92 and 93 of this 2015 registration document. Qualitative data relating to M.A.J. is included in this chapter 3.

3.2.2 COLLECTION AND VALIDATION OF DATA

The CSR strategy is defined by the CSR Department, which reports to the Group's Human Resources Department.

The Head of Elis's Human Resources and CSR is responsible for the final validation of all CSR data.

Four Elis departments are involved in the CSR reporting process: General Management, the Quality, Safety and Environment Department, the Human Resources Department and the Purchasing and Procurement Department.

Each department involved in the data collection process identifies all contributors which must have access to the CSR reporting software. This data is translated into the various languages used within the Elis Group to ensure that definitions are correctly understood. An annual meeting is organized with the heads of Human Resources from each country, excluding France, to present the CSR challenges and reporting methods.

Data is consolidated by the Human Resources Department, the Quality, Safety and Environment Department and the Purchasing and Procurement Department based on data collected by each entity.

The heads of these departments carry out the necessary strict procedures and checks to ensure the precision and reliability of the collected data.

Collection of employee-related data

To collect and consolidate extra-financial information in 2015 relating to its employee-related performance, the Elis Group used an online CSR reporting, processing and consolidation software package. Contributors from each country connected to the software in order to enter extra-financial information.

Collection of environmental data

Extra-financial information relating to environmental performance in 2015 was collected by the Elis Group by sending out an internal form to be completed by each operating entity. Data for each site was consolidated by the Environment Support Department, at a central level. This consolidated environmental data was then entered by staff from the Environment Support Department into the CSR reporting software.

Collection of Supply Chain data

Extra-financial information relating to the Supply Chain was collected by the Elis Group's Purchasing and Procurement Department, which used the online collection, processing and consolidation software package.

Indicators

The CSR reporting software presents indicators in a tree structure with the following main sections: social, environmental and supply chain. Each indicator is accompanied by a precise definition in French and English. For each piece of data, the scope covered is specified in order to calculate the rate of coverage.

As standard:

- the coverage rate for employee-related indicators is calculated on the basis of the number of employees (total employees of contributing entities/total consolidated employees;
- the coverage rate for environmental indicators is calculated on the basis of revenue.

Indicators for 2014 and 2015 are not comparable due to a change in scope, following the integration of the Brazilian sites within the Group, but also the increase in the coverage rate for the latter for the existing scope in 2014.

3.2.3 METHODOLOGY AND LIMITATIONS

Elis's CSR report complies with the provisions of Article R. 225-102-1 of the French Commercial Code.

The methodologies used to calculate certain indicators may present some limitations as a result of:

- a lack of recognized definitions at the international level (examples: articles of incorporation or types of work contracts);
- the limited availability and/or lack of certain underlying data required to calculate the necessary estimates;
- difficulties with collecting data.

3.2.4 CHECKS AND VERIFICATIONS

Data is subject to consistency checks at the time of consolidation.

For 2015, PricewaterhouseCoopers Audit (PwC), appointed as an independent third party, accompanied Elis for this second exercise of reviewing the fairness and presence of consolidated social, environmental and corporate information relating to the Elis Group.

The independent third party's report is presented in section 3.6 of chapter 3 "Auditor's report".

3.3 EMPLOYEE-RELATED INFORMATION

"Our employees, the living forces of the Company: Elis employs more than 20,000 personnel in Europe and South America. Our culture of service and quality makes our employees the Company's main capital."

Didier Lachaud, Head of Human Resources & CSR.

Elis ensures that it meets conditions to allow it to grow in accordance with best practices in terms of employee management, regardless of the sector and country of activity. Elis strives to be a vector of personal development for its employees, and bases its policy on the following commitments:

- ensuring the well-being and safety of its employees;
- enabling employees to develop both personally and professionally;
- promoting equal opportunities.

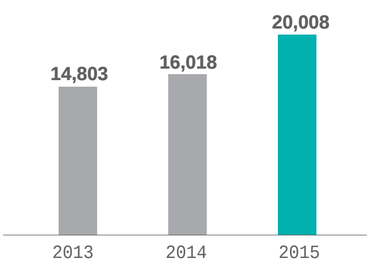
3.3.1 EMPLOYMENT

Total number of employees and breakdown by type of contract, gender, age and region

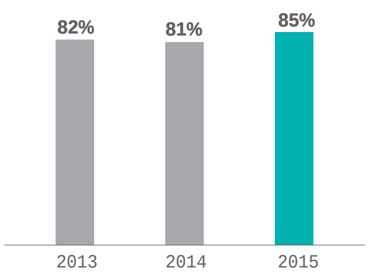
Breakdown of employees by type of contract and gender

The charts below present the change, over the past two financial years, in the Group's employees, registered under permanent contracts and fixed-term contracts, and by gender (in France – including M.A.J. – and abroad):

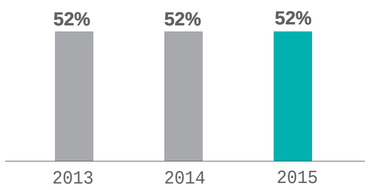
NUMBER OF EMPLOYEES



PROPORTION OF PERMANENT STAFF



PROPORTION OF WOMEN STAFF (1)



As at December 31, 2015, the Elis Group employed 20,008 people, which represented a 25% increase in the workforce compared with 2014. This increase is mainly due to the acquisitions policy which the Group has adopted for many years and the growth of its activities in European countries, excluding France, and in Brazil.

In terms of diversity, Elis strives to maintain the share of men and women making up the Group's total workforce equal. Nonetheless, gender equality is unbalanced for certain categories of personnel. The number of women continues to increase thanks to the implementation of various gender equality initiatives.

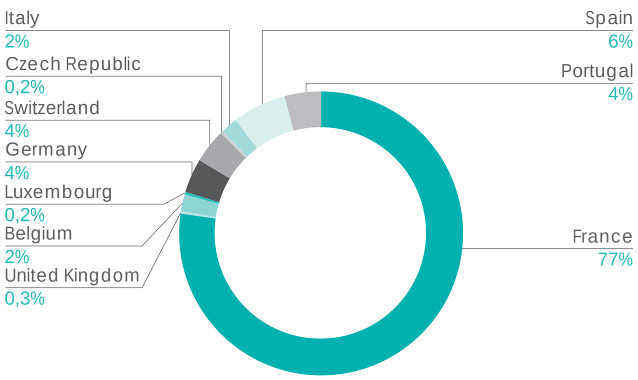
As at December 31, 2015, 15% of the Elis Group's personnel were employed on a non-permanent basis due in particular to the seasonal nature of part of the Group's activity requiring the use of fixed-term contracts. In 2015, this corresponded to an average of 3,017 full-time equivalent employees.

(1) Permanent staff in 2015 includes permanent contracts whereas permanent staff in 2014 includes permanent contracts and fixed-term contract without motive for replacement. The number of employees included trainees in 2014. This was no longer the case in 2015. Permanent staff in 2013 includes permanent contracts and contracts of more than 18 months.

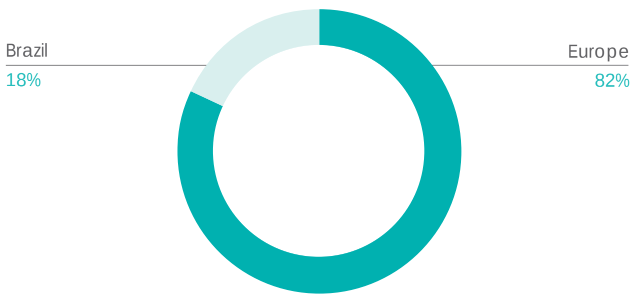
Breakdown of total employees (permanent and non-permanent) by region at December 31, 2015

Due to the acquisitions policy which the Group has adopted for many years and the growth of its activities in European countries, excluding France, and in Brazil, 37% of employees are currently based in a country other than France (versus 22% in 2014).

TOTAL EMPLOYEES EUROPE

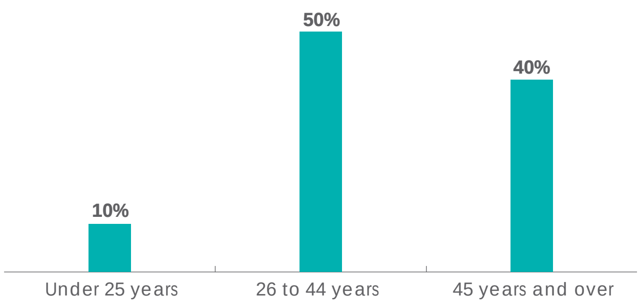


TOTAL EMPLOYEES WORLD



Breakdown by age of permanent staff

The chart below presents the breakdown of permanent staff of the Elis Group (including M.A.J. staff) in France and abroad by age group:



Recruitment and departures of staff

During the 2015 financial year, the Group recruited 24,070 employees, under permanent and fixed-term contract, in the 11 countries included in the CSR reporting.

Reasons for departures break down as follows:

(Permanent and non-permanent staff, number of employees)	**2015**
Retirement and early retirement	155
Departure at the initiative of the employee	1,280
Departure at the initiative of the employer	1,880
Other departures[a]	20,250
TOTAL DEPARTURES	**23,565**

The coverage rate was 100% in 2015.

(a) Other departures include terminations by mutual agreement, death, internal mobility and the end of fixed-term contracts.

Compensation and employee benefits

The total wage bill for 2015 was €447 million.

Compensation policy

The compensation policy is determined by the Human Resources Department.

Within the Elis Group in France (including M.A.J.), wage negotiations take place every year with the employee representatives to raise its non-managers' wages with a view to promoting internal fairness and external competitiveness. Thus, in 2015, a general increase of 0.8% to non-managers' wages was negotiated within the Elis Group in France (including within M.A.J.). Managers' wages are subject to increase on an individual basis.

Compensation consists of a base salary, individual or collective variable compensation mechanisms, and employee benefits. Managers' fixed compensation is re-assessed individually each year.

For sales representatives and managers, performance-based compensation schedules are established each year by taking into account targets set by business line and by profit center.

The table below presents 2015 compensation by category:

(Permanent and non-permanent staff, in millions of euros)	2015	2014
Fixed and variable compensation[a]	447.1	408.8
Of which collective bonus and discretionary profit sharing payments	10.4	

The coverage rate was 100% in 2015.
(a) Fixed and variable compensation are gross amounts excluding employer contributions.

17,760 permanent or non-permanent employees received a collective bonus and/or discretionary profit sharing payments.

Financial incentives

Elis has enjoyed growth for the past 40 years, and its employees benefit from this. Stock-holding and profit sharing is widespread within the Group. Stock-holding and profit sharing agreements have been signed at the Elis Group's main French subsidiaries (including M.A.J.). Profit-sharing agreements help involve employees more closely, based on a calculation formula, in the Company's operations and, more specifically, in its earnings and performance. The amount thus distributed in 2015 represented €8.6 million for France.

The majority of the Elis Group's employees (including the employees of M.A.J.) with more than three months of seniority have the possibility of allocating immediately and in full the amounts paid to them for stock-holding and/or profit-sharing or the amounts voluntarily paid by employees to buy shares in employee shareholding mutual funds (FCPE). The amounts invested in the employee savings plan are not available for five years, except in the cases of early release provided for by law.

In 2015, employees received additional profit-sharing payments following the initial public offering of Elis and the allocation of performance shares to corporate officers.

Executive compensation

The compensation of executive corporate officers is determined and validated each year by the Supervisory Board based on recommendations by the Appointments and Compensation Committee which is composed of members of the Supervisory Board.

The Company's Supervisory Board, by adopting the AFEP-MEDEF Corporate Governance Code for listed companies as a guideline for its corporate governance, complies with the recommendations of said Code relating to the compensation of the executive officers of listed companies. It believes that these recommendations are consistent with the corporate governance approach described in chapter 4 "Corporate governance" of this document. The compensation policy for executive corporate offers is set out in section 4.5 "Compensation and benefits of the members of the Management Board and Supervisory Board" in this 2015 registration document.

3.3.2 ORGANIZATION OF WORKING HOURS

The organization of working hours is adapted to the Group's needs. At the various sites, employees' working hours are organized based on local regulations, which vary from one legislation to another.

Agreements on the length and organization of working hours have been negotiated at the Elis Group's French entities (including at M.A.J.). Different organizational structures have been adopted for each business line:

- working hours for non-management production staff are annualized;
- flat-rate pay agreements covering hours worked have been signed with the majority of non-management sales and distribution staff;
- administrative staff work 35 hours a week;
- working hours of management staff are organized on a flat-rate basis covering days worked over the year, with the exception of senior executive managers, who are exempt from the requirements of the French Labor Code relating to working hours and manage their working hours independently.

Given the nature of services provided to customers, some employees may have to work night shifts. The organization of night shifts is strictly governed by specific agreements signed at the level of the entities concerned. Similarly, some employees may have to work on Sundays, within the framework of exceptions provided by law.

In other countries, depending on applicable regulations, working hours are regulated by law or the employment contract.

The share of part time employees remains stable and is very low: 4% of permanent staff. This mainly consists of voluntary part-time contracts.

The absenteeism rate (= number of paid or unpaid hours of absence/number of hours actually worked) is 9%.

3.3.3 LABOR RELATIONS

Elis is a company that listens to its employees and strives to ensure close relations between management and the teams on the ground on a daily basis. The trust that we place in our relationship with our employees is essential as they are guarantors of the quality of our services.

Organization of dialogue with employees and results of collective bargaining agreements

Within the French subsidiaries (including M.A.J.), 95% of the workforce have access to employee representative bodies, in accordance with legal requirements, such as Works Councils or Central Works Councils, as well as Site Works Councils, Staff Delegates, Health, Safety and Working Conditions Committees and trade union delegates. These representative bodies meet regularly: monthly for Staff Delegates and Works Councils, quarterly for Health, Safety and Working Conditions Committees, and half yearly for Central Works Councils. Additional meetings may be organized when the need arises (*e.g.* initial public offering of the Company, restructuring, acquisitions, etc.).

Negotiations are held with employee representatives, either at the entity level (for example, negotiations regarding the prevention of arduous working conditions or gender equality), or at the establishment level (for example negotiations regarding wages, working hours, etc.). These representatives are informed and consulted on the mandatory subjects and on the Company's and/or facility's plans.

The Elis Group has also had an active policy with employee representatives for many years, which has led to the signing of agreements relating to various issues. In 2015, 122 agreements and amendments to agreements were signed in France (including 48 within M.A.J.):

The table below presents the various agreements (any amendments to these agreements are not included) by theme and by country applied within the Group (including M.A.J.). These consist of agreements signed in 2015, or during previous years and in force in 2015:

Country or region	Working hours	Compen-sation	Classifi-cation	Gender equality	Job and skills planning mana-gement	Supple-mentary employee benefits	Employee savings funds	Prevention of arduous working conditions and psycho-social risks	Dialogue with employees	Generation Agreements *(contrats de génération)*	Other
France	168	109	7	9	7	16	101	16	17	9	8
Of which M.A.J.	91	58	1	1	1	2	30	2	5	1	5
Belgium	2										6
Italy		1									
Spain/Andorra	9	9					9				
GRAND TOTAL	**179**	**119**	**7**	**9**	**7**	**16**	**110**	**16**	**17**	**9**	**14**

Employee opinion surveys

An internal survey is carried out once every two years, providing everyone with the opportunity to express their views. Employees may therefore give their opinions on a range of issues such as working conditions, training, development, working hours and safety, via individual and anonymous questionnaires. The highly anticipated results of this employee opinion survey help us determine areas for improvement within each center.

In 2015, the Elis Group (including M.A.J.) conducted 18 employee opinion surveys in France within sites comprising more than 2,031 people questioned, with an average participation rate of 87%.

Results are shared with employees along with measures drawn up in response to these results.

3.3.4 HEALTH AND SAFETY

The Elis Group is committed to a safety approach which is based on the active dedication and involvement of each employee and management at every level. Safety and the improvement of working conditions are a priority for the Company with the aim of achieving "zero accidents".

Health and safety in the workplace, occupational health, work-related accidents

Health and safety in the workplace

Frequency and severity rates are monitored on a monthly basis by senior management and disseminated among each operating site. **The Group's targets for reducing accidents have been revised to a frequency rate of 26 and a severity rate of 1.** To accompany this approach, and in order to support operational staff, fact sheets on preventing the main risks relating to the Group's activities are regularly distributed, each covering a different theme. A working group comprised of operating staff from all areas of the Company and functional departments (HR, QSE – Quality Safety Environment Department) was set up in 2014 to define tools, methods and key preventive measures for 2016: safety inductions for all roles, management of safety, information and awareness-raising through the implementation of Group-specific tools. The rollout of the safety initiative in all Group centers was planned for January 2016.

WORK-RELATED ACCIDENTS

(Permanent and non-permanent staff)	2015	2015 coverage rate
Fatal accidents	0	100%
Accidents with sick leave	941	
Frequency rate[a]	30.6	
Accident Severity Rate[b]	1.17	
Coverage rate		100%

The coverage rate was 100% in 2015.

*(a) Frequency rate = Number of accidents resulting in lost time, excluding commuting accidents, over the year/Total number of hours worked (including non-managers' overtime and excluding managers' overtime) * 1,000,000.*

*(b) Accident Severity Rate = number of calendar days of sick leave due to workplace accidents with lost time in excess of 1 day, excluding commuting accidents/Total number of hours worked (including non-managers' overtime and excluding managers' overtime) * 1,000.*

The main preventive measures to improve health and safety conditions in 2015 consisted of:

- integrating ergonomics and safety principles into all new work equipment and new processing lines with the main suppliers;
- encouraging collective protection in order to better prevent certain risks, such as falls from heights;
- improving delivery vehicles with the main suppliers;
- formalizing the operating procedures of the new 3D pest control service.

Occupational health

In order to prevent work-related illness and injury – primarily musculoskeletal disorders (MSD) – French entities have adopted the Gest'Elis program since 2012, as set out in our agreements to prevent arduous working conditions. The jobs reviewed in 2015, and for which rollout is planned in 2016, included:

- inspection jobs for workwear;
- shipping/covering jobs for workwear.

For each of these jobs, data sheets suggest solutions to improve working practices and organization, equipment and tools used. Data sheets describing correct actions and highlighting "know-how with caution" are created for the jobs concerned, accompanied by a video to raise awareness about best practices for each job category. This video is shown in order to train and raise awareness among employees as well as their managers.

The Methods Department also supported the implementation of practical measure data sheets at the Elis Group's processing sites and in particular within its subsidiary M.A.J.

The Safety Department also created a project entitled "Manut'Elis" to review the job of Field Agent in a van and drew up "helpful tips" data sheets to promote know-how with caution and best practices. For example, a special bag equipped with a loop enabling agents to carry it on their back to make the delivery to customers of several HWB articles easier has been designed and is currently being tested at three centers. This project is expected to be rolled out in 2016.

Activity-specific ergonomics training has been rolled out to **730 employees (of which 365 M.A.J. employees) in 2015.**

A handbook for processing operators was created in collaboration with a dedicated partner. This handbook, entitled "Prevention of risks relating to repetitive movements at work," presents the main effort-saving principles and provides illustrations in different working situations. An identical handbook was made available for Field Agents.

A training program on preventing risks relating to physical activity (*prévention des risques liés à l'activité physique* or *PRAP*) is in place at two centers: each PRAP trainer leads training of those involved in this area of risk prevention and monitors the adoption of measures over the course of the year with the help of a committee.

Ergonomic studies of ad hoc jobs have been carried out in order to improve working conditions for employees with medical restrictions.

In France, including at the M.A.J. subsidiary, more than 30 processing sites have launched the MSD Pro program aimed at reducing the number of MSD work-related illnesses within the Group. This program is supported by CARSAT (*Caisses d'assurance retraite et de la santé au travail* – the French agency for pensions and health in the workplace). In 2015, 20 employees were trained to oversee MSD prevention projects on each site.

Adapted initiatives are taken at other European subsidiaries, for example regularly changing the type of work done, or introducing mandatory breaks for physical exercise (10 minutes exercise for four hours of work).

Results and agreements signed

In 2015, the Elis Group (including M.A.J.) continued to apply the agreements negotiated in France in 2014: these include agreements reached within companies in which measures to prevent arduous working conditions are in place.

3.3.5 SKILLS DEVELOPMENT

Within the Elis Group, the culture of service also draws on that of results and individual performance. For many years the Group has applied an ambitious training policy which is the basis of its quality standards.

The Group is aware that this is only possible by offering employees the opportunity to improve their skills for their position and also for internal promotion. Elis thus provided in France (including within M.A.J. but excluding AD3) **69,930 professional training hours in 2015 and invested €5 million,** excluding salary costs (based on data available mid-January 2016). This corresponds to training attributable to the training scheme.

The Elis Group's training policy has two main aims:

- **to impart essential company knowledge to all new employees,** in particular in processing, maintenance, distribution and sales activities, in order to ensure that workstations are adapted as best possible. This aim takes the form primarily of mandatory skills training over a period of one to two years after joining the Company. In general, these training sessions comprise several modules covering topics such as knowledge related to the business line, product knowledge, services and best practices, and management. To provide this training, the Company has an in-house training organization that takes on interns from Elis's French centers each year, as well as from centers in Belgium;
- **to develop specific professional skills among employees,** depending on needs identified during yearly assessment interviews. To achieve this aim, training is provided both by the training center with optional training modules, and by the centers themselves locally, covering a variety of topics such as management, technical expertise, office automation and languages.

In addition, a number of **development programs** have been rolled out to address the challenges of skills development planning, such as a school for team leaders in processing, a center of excellence for the internal promotion of sales Field Agents, and the "Jeunes Talents" scheme for identifying and training managers with potential.

SHARING BEST PRACTICES

The international best practices program is a corporate project between Spain and France. With strong growth in the Spanish market, the Group decided to roll out best practices in the country. To do so, nine engineers or business school graduates were recruited in Spain and took part in a 12 to 24 month program in France in 2015 covering managerial jobs (in sales, distribution, processing and maintenance).

FED'ELIS: the FED is an internal training course that each year allows 10 efficient Service Representatives to move up to the position of sales development manager and take on the management of a team. Since its creation in 2010, the FED program has trained 50 interns in six classes in a row. 60% of eligible centers have provided interns to the FED.

The **"JEUNES TALENTS":** the Young Talent training program aims to grow a community of talents. Each year, a class of 10 employees is chosen based on excellence criteria to integrate a program which combines theory and practical experience focused on the Company's key challenges.

3.3.6 EQUAL TREATMENT AND PROMOTING DIVERSITY

The Elis Group has drawn up a charter covering its commitments in terms of ethics and corporate responsibility.

The Elis Group hires employees without discrimination on the grounds of social and cultural origin.

Measures to support equality in the workplace

Within the Elis Group (including within M.A.J.), women represent 52% of the permanent workforce.

The Elis Group is aware that professional diversity encourages collective enrichment, social cohesion and economic efficiency, and has implemented measures in France provided for in our agreements signed in 2014. Various measures were therefore taken to (I) decrease the difference between the number of men and women employed in certain fields, (II) increase the number of women receiving training, (III) facilitate the balancing between employees' jobs and their family responsibilities, (IV) as well as measures relating to effective compensation.

Measures to support the recruitment and integration of disabled people

In France, the Elis Group employs 595 disabled people at its sites, which represents 5.89% of its permanent staff (same percentage within M.A.J.). It is difficult to accurately calculate the number of disabled workers abroad due to local regulations.

Sites in France, including at M.A.J., have measures in place to welcome and train disabled workers and to safeguard their jobs: the aim is to allow these employees to work in an ordinary environment. On an exceptional basis, in order to safeguard the jobs of severely disabled workers, home-working solutions may be implemented.

The Elis Group must match the profiles of disabled workers with positions available which are mainly positions requiring manual handling, the carrying of loads or are static positions.

The integration of mentally disabled workers requires the specific managerial support as these employees work in an industrial environment with strict safety requirements. Thus, for example, on one site, two employees who previously worked in an adapted and protected workshop have now held positions which are not specifically adapted within the workshop for nine and fifteen years respectively. The site's managers nonetheless pay particular attention to their work and keep an eye on their integration. At another site, management called upon the occupational physician and an ergonomist to assess the workstation and working environment of a mentally disabled worker. Measures have been implemented to safeguard this employee's position.

Similar measures are also taken in other countries.

Elis Group sites have built up a lasting relationship over the years with the adapted and protected sector. In 2015, the Elis Group signed 76 contracts in France for services assigned to *Établissements et services d'aide par le travail and entreprises adaptées* (companies that support disabled workers and/or are dedicated to training individuals to reintegrate into the workforce). These included services such as cleaning, linen maintenance, the repair of vehicles or hangers, the purchase of supplies, maintenance of green spaces.

Moreover, the Elis Group continues to offer its customers the possibility of accessing services in partnership with companies from the adapted and protected sector.

Measures to support the employment of youths and seniors

The Elis Group (including M.A.J.) has set itself in France quantitative targets for the recruitment of young people (under 27s) and has implemented measures to integrate, train and support young people within the Company (observations days, integration programs, mentors, initial training, etc.). The Group has also set targets to hire and safeguard the jobs of employees aged 50 and over.

In September 2013, Elis in France, as part of agreements and actions plans implemented as part of legal requirements relating to the Generation Agreements, set targets in order to:

- facilitate the long-term integration of young people into the workforce by providing access to permanent contracts;
- favor the hiring of seniors and the safeguarding of their jobs; and
- ensure the transmission of knowledge;

by taking into account measures already implemented in the relevant areas, the respect of professional equality between men and women and equal access to employment as part of the fight against discrimination in hiring and during an employee's career.

These commitments also aim to create synergies between Elis's various generations of employees, contributing their expertise and visions which are assets and a force for innovation. This is why these commitments do not apply to young people and seniors alone, but also to intermediary generations by entrusting them with an important role of supporting young people, the transmission of expertise and training as, in addition to these specific provisions, these commitments are also a key tool for age management within the Company.

These commitments embody the continuity of measures already implemented within the Company to support the employment of seniors, equality in the workplace and the improvement of working conditions and preventing arduous working conditions.

Moreover, to ensure the transmission of knowledge and expertise, and in particular key expertise, measures have been implemented such as the sharing of know-how relating to processing and maintenance best practices, training of key aspects of processing, maintenance and sales distribution positions (training devised by operating staff and updated following feedback).

The Elis Group set itself objectives within the framework of agreements and action plans in force until December 31, 2015. New objectives are currently being defined.

3.3.7 PROMOTION AND OBSERVANCE OF THE CORE CONVENTIONS OF THE INTERNATIONAL LABOUR ORGANIZATION (ILO) AND OTHER MEASURES TO SUPPORT HUMAN RIGHTS

As a responsible player, both internally and with its suppliers, Elis (including M.A.J.) has been committed since 2006 with the Secretary-General of the United Nations to supporting the ten principles of the United Nations Global Compact relating to the respect of human rights, international labor standards, protecting the environment and combating corruption.

To facilitate the reading of the report on Elis' commitments to the United Nations Global Compact, a correspondence table can be found in section 3.7 of this registration document.

Particular attention is therefore paid to the observance of the rules of the International labour organization (ILO). Measures are therefore in place in support of human rights, in particular in at-risk countries, with manufactures and suppliers. The Elis Group seeks to comply with the various laws and regulations in force and ensure its suppliers comply with them. It also strives to apply the values set out in the ethics charter in day-to-day operations.

Under the terms of its sustainable and ethical purchasing charter, Elis pays particular attention to the respect of human rights, and stresses the need for suppliers to comply with ILO conventions, namely:

- the prohibition of forced labor (Conventions 29 and 105);
- the prohibition of child labor (Conventions 138 and 182);
- the elimination of employment and professional discrimination (Conventions 100 and 111);
- freedom of association and protection of the right to organize;
- freedom of trade unions (Convention 87);
- the right to collective bargaining (Convention 98);
- the right to a minimum subsistence income to meet basic needs (Conventions 26 and 131);
- compliance with minimum standards in respect of hours of work (Convention 1);
- the right to a healthy working environment and occupational safety;
- health and safety (Convention 155).

The Elis Group strictly regulates the use of subcontracting in its sustainable and ethical purchasing charter by preventing its suppliers from subcontracting all or part of the contract awarded to them without Elis's written consent.

AN EXEMPLARY PARTNERSHIP

In 2009, the Purchasing and Procurement Department also set up a partnership with Max Havelaar, the reference Fair Trade NGO. The Elis Group is the first company **providing flat linen, workwear and HWB appliance services to hold the Max Havelaar Fairtrade license.** Accordingly, Elis launched in 2009 a range of items of workwear in cotton based on organic and fair-trade cotton under the Fairtrade/Max Havelaar label.

The two charters and the partnership with Max Havelaar benefit all countries in which the Group has operations.

3.4 ENVIRONMENTAL INFORMATION

The Elis Group is the leading player in the industrial laundry services sector and has acquired extensive expertise coupled with a strong ability for innovation. On the environmental front, the Elis Group's strategy is straightforward: guaranteeing the Elis standard of washing with the minimal possible use of water, energy and laundry products.

3.4.1 GENERAL ENVIRONMENTAL POLICY

Elis' ethics charter, published in 2012, defines the Group's main CSR policies (including M.A.J.). This approach is endorsed and built upon by Elis's quality, health, safety and environment policy (QHSE), validated each year by a senior management review and included in the quality manual within the framework of ISO 9001 certification.

The QHSE policy, which is signed by the chairman of Elis's Management Board lays out the following commitments in terms of the environment:

- reduce energy consumption (gas and electricity) in processes;
- optimize water consumption;
- reduce the environmental impact of activities;
- increase the life span and recycling of textiles;
- develop ranges with the Max Havelaar label made from organic cotton.

Moreover, the Energy policy, signed by the chairman of the Elis Group's Management Board in July 2015, lays out the following commitments in terms of energy for France:

- continually improve the energy performance (gas, fuel oil, electricity and fuel) of processes and the fleet of vehicles in order to:
  - decrease thermal energy consumption (gas + fuel oil) by 25% between 2010 and 2020 (the performance had been improved by 17.6% between 2010 and 2015 in France),
  - define and bring the main sources of electricity consumption under control,
  - implement a fuel consumption reporting system and define the key challenges for reducing consumption;
- maintain appliances and investments so that they are always compliant with legal requirements and constraints and so that they help improve the energy performance of the centers;
- favor the design and purchase of products and services that comply with the energy policy;
- promote best practices in terms of energy management and reinforce good behavior in this field;
- involve all personnel so that each employee is aware of his role and his personal responsibility in terms of energy performance.

Locally, the Elis Group is committed to respecting applicable regulations. For example, the activities of each processing plant in France that launders more than five tons of linen per day are governed by authorization or registration for operations from the local prefecture, under regulations for facilities classified for protection of the environment (*installations classées pour la protection de l'environnement* or *ICPE*), setting among other things limits for discharges into water, air emissions and noise pollution.

Organization of the Group to take account of CSR and resources implemented to protect the environment

The steering and deployment of the Elis Group's targets concerning the environment are looked after by two closely linked divisions within the Engineering Department:

- an **Environment division,** composed of three engineers, within the Quality Safety Environment Department (QSE) and tasked with supporting Elis Group sites with the monitoring of ICPE procedures in France, technical and legal oversight, the management of environmental indicators and respecting the Group's environmental best practices. The Group's QSE Director, in charge of preventing environmental risk, reports to the Engineering and Procurement Department and is a member of Elis's Executive Committee. An environment manager, based in Brazil, is also responsible for environmental best practices and the respect of regulations in force in the country;
- a **Process Engineering division,** composed of five people, to improve maintenance standards and the life span of articles, and to control water and energy consumption across the entire Group.

Operational deployment at the level of each processing center (including those belonging to M.A.J.) is looked after by a network of 100 correspondents (who are technical managers at plants) trained in environmental best practices.

The Elis Group regularly carries out environmental audits of all its processing sites, and systematically performs a "Phase I – risk assessment" audit focused on environmental aspects when it acquires a new laundry site.

Certification and assessment procedures

In support of social and environmental guarantees, suppliers are encouraged to participate in voluntary certification schemes. The Elis Group supports them in this process and its implementation. **Dual certification – SA 8000 for the social component and ISO 14001 for the environmental component** – is particularly encouraged and is currently in place at Elis's main textile suppliers.

Elis and Max Havelaar France

To encourage fair trade, Elis signed a license agreement with Max Havelaar France in 2009, and is the first rental company to hold the Fairtrade/Max Havelaar license.

Fair trade standards guarantee producers a minimum revenue based on a fair purchase price, regardless of market fluctuations, along with the respect of their fundamental rights.

The Fairtrade/Max Havelaar standard encourages producer organizations to gradually make their structures more democratic and their administration more transparent which provides its members with real control of the management of the organization.

ISO 50001 certification: Energy, the reflection of Elis's operational excellence

With a view to limiting its environmental footprint by reducing its greenhouse gas emissions and making better use of natural resources, Elis strengthened its sustainable development approach by obtaining ISO 50001 certification for **52 processing plants in France, of which 26 M.A.J. centers in December 2015.** This certification, issued by Afnor Certification, relates to energy management systems.

The professional expertise cultivated by the Group on a daily basis has already helped it improve its thermal energy performance by 16.1% between 2010 and 2015. Thanks to this, the Elis Group demonstrates its determination to strengthen its leading position and encourages all players (from the design of appliances purchased through to the daily operation of its processing centers) to permanently strive to optimize their energy consumption.

The Elis Group's commitments (including M.A.J.) in terms of energy efficiency include:

- continuously and permanently improving the Group's energy performance (thermal, energy, electricity and fuel);
- maintaining the Group's appliances and investments so that they contribute to improving the energy efficiency of the centers;
- favoring the design and purchase of products and services that comply with the Group's energy policy;
- promoting best practices in terms of energy management and reinforcing good behavior in this field;
- involving all personnel so that each employee is aware of his role and his personal responsibility in terms of energy performance.

This approach is an integral part of the Elis Group's drive for operational excellence.

Within the rest of the Elis Group, ten sites have implemented an environmental management system which is **ISO 14001** certified.

Training and information for employees on protecting the environment

All French-speaking operating managers (including those at M.A.J.) in charge of environmental subjects receive water/energy/environment training. Moreover, all Operating Directors receive awareness training on environmental topics when they are integrated into the Group.

Amounts and resources dedicated to compliance and prevention of environmental risk and pollution

(In millions of euros)	2015	2014
Compliance costs	3.67	1.87
Provisions and environmental guarantees	15.26	14.81
Compensation paid for environmental litigation	0	0

The coverage rate was 100% in 2015 and 2014. Brazil was not included in the scope in 2014.

Compliance measures taken during the year

In 2015, Elis invested €3.67 million to comply with standards and upgrade its environmental performance, principally to upgrade on-site pre-treatments of water discharges, monitor action plans following inspections by government offices for the environment and rehabilitate non-operating sites.

Resources dedicated to the prevention of environmental risk and pollution

At sites, including those belonging to M.A.J., maintenance officers are responsible for environmental matters, in particular managing any incidents that could cause pollution outside the facility. Safety equipment such as stoppers is provided at sites, and posters are put up to remind people of what to do in the event of an accident, as well as best practices to prevent accidents. Maintenance officers receive specific training in these procedures during dedicated training sessions, and then train the people concerned on site. There is therefore a procedure for decanting chemicals and only authorized staff, who receive periodical training, are allowed to supervise decanting by suppliers of cleaning products.

The Environment division within the QSE Department, as well as Elis Brazil's environment manager, also help operational sites in the event of an accident that could have an impact on the outside environment, in defining immediate safety measures, communication with external organizations, and implementing prevention measures over the long term. Monitoring of management indicators – relating to the environmental performance of each site as well as environmental compliance – also helps to prevent risk.

Lastly, in order to reduce the environmental impact of its products and services, Elis relies on:

- its business model, entailing designing products to have a maximum life span (product-service economy);
- the development of responsible ranges: European Ecolabel certified sanitary consumables, partnership with Max Havelaar France to promote fair trade (via the range of fair trade coffee and development of organic cotton and fair trade textiles ranges);
- the implementation of an energy management system which is ISO 50001 certified at 52 processing centers in France.

Opening of the new Nanterre plant in August 2015: an example of the Group's CSR approach

Elis opened a new plant in Nanterre which started up in August 2015. As soon as construction began, Gest'Elis (a special project implemented within our plant to ergonomically adapt processing workstations and thus prevent any type of arduous working conditions for existing positions and also on new processing lines) was introduced at our suppliers.

Functional specifications were drawn up including Gest'Elis "new processing line" specifications per workstation. Process review meetings were organized with suppliers to optimize the ergonomics of each workstation. Cooperation between Elis's teams, suppliers and processing management continued during the installation of equipment.

Before the plant's start up, appliance testing was carried out in cooperation with certain processing operators of the future Nanterre plant. The monitoring of modifications that were requested of suppliers was carried out by the on-site Methods division.

During the four week ramp-up phase, the Methods division was permanently present on site to train employees and improve the operation of new appliances. For example, employees were trained on how to operate new appliances (automatic starts and automation management). Additional monitoring of the introduction of Gest'Elis data sheets, covering the organization of workstations (moving the major items closer to the incoming inspection area to limit effort and handling, etc.), is also in place.

Moreover, the Elis Group has reviewed its process and its general services to ensure the plant achieves excellent operational and environmental performances: for example, the well water treatment which feeds the process includes a filtering system, passes through a charcoal filter, undergoes microfiltration and then a reverse osmosis treatment to achieve optimal water quality for the laundering of linen and the steam supply. The site is also equipped with a low pressure heater and gas powered finishing machines (drying/ironing), which enables it to reach the best thermal energy performances per kilo of delivered linen within the Group.

3.4.2 POLLUTION AND WASTE MANAGEMENT

Elis's service is based on the principle of reusing high-quality items for the longest period of time possible. In order to guarantee the most optimal life span of Elis items, the teams in charge of product innovation design offers adapted to customer use and which do not go out of fashion, introducing resistant and reliable products. The rental and maintenance business model therefore requires the life cycles of products to be analyzed from the design stage.

Pollution

The environmental impacts of the Group's activity, in particular emissions in the air and water and the production of waste, are closely and efficiently monitored and prevention and reduction measures implemented.

Air pollution and measures for the prevention, reduction and repair of waste discharged into the air with a serious impact on the environment

Within the framework of the aforementioned greenhouse gas emission assessments, the Elis Group has put together its plan of action for reducing emissions, based on optimizing energy and fuel consumption across the entire Group (see section 3.4.3).

Discharges into water and soil and corporate prevention and reduction measures

	2015
Proportion of water treated	96%

The coverage rate for these items for Elis was 99.9% in 2015.

Managing aqueous effluent discharges

The Elis Group has a valuable insight into the quality of its wastewater thanks to the voluntary monitoring of effluents at the majority of its sites through regular water analysis and strives to improve their characteristics. As these are comparable to domestic effluents, Elis Group laundries are connected to the public sewage systems in France and Europe, (100% for M.A.J.). All industrial water discharged into public sewage systems is pre-treated or treated on-site before rejection, and is then treated by a public water treatment plant for the majority of the centers.

In France, aqueous effluent discharges are regulated by the issue of authorizations by local authorities (discharge convention or order) setting conditions for discharge into public sewage systems, before being processed by a water treatment plant, as well as by a prefectoral order for the sites subject to registration or authorization under regulations governing classified facilities of the French Environmental Code.

The quality of effluents is tested (voluntary monitoring) by carrying out regular analysis, the results of which are sent to the relevant authorities in France. Equivalent systems are established in Spain, Germany, Belgium Italy and Brazil. In addition, pre-treatment equipment is systematically installed to guarantee the consistency of effluents and their quality.

The key measures to prevent the risks of water pollution are the following:

- establishing network obturation systems;
- dedicated washing products decanting and storage areas; retention of product storage;
- training operators in chemical risks; specific training and certifications for certain types of intervention;
- training of maintenance officers in risks and pollution (by the QSE Department);
- advertising and implementing safety measures (fire risks and chemical risks);
- regular controls of installations subject to regulations;
- in France: continuing rollout of the nationwide program to reduce dangerous substances in water, with the adoption at sites concerned of initial or permanent monitoring of a certain number of micropollutants measured in industrial waste.

Soil pollution preventive measures

The Elis Group is currently implementing measures aimed at preventing any risk of soil pollution. Detergents are unpackaged on concrete surfaces with retaining walls. Products used in the washing process are stored under conditions that prevent accidental spillage of products onto soil (retention basins, leakage sensors, etc.). All necessary measures are taken to protect groundwater abstraction installations at sites using borehole water. The majority of waste dumpsters (mainly containing waste that is not hazardous) are stored within areas built with concrete.

Taking account of noise pollution and any other forms of pollution specific to the business

In order to reduce the noise impact of its activities, the Elis Group (including M.A.J.) is working to improve the locating of new sites in areas far from restricted areas such as residential areas.

Waste management

The Elis Group has implemented the following measures aimed at reducing its waste:

- sorting of waste at its source when possible to promote its recycling and waste-to-energy processes;
- reducing the production of textile waste at its source, by setting up an in-house linen swap meet;
- continuing to recycle cotton fabric (flat linen, spools) with major partners;
- partnership with major partners with a view to developing recycling for workwear;
- taking back empty packaging of washing products as part of the services provided by the detergent manufacturers;
- distribution of an updated report on the correct management of waste electrical and electronic equipment (WEEE).

Written Group procedures distributed to everyone concerned and available on an intranet site, and also explained via training and internal awareness campaigns, describe waste management best practices at the level of operating centers.

All of these procedures are applied at M.A.J.

A few examples of waste management

- **Textiles:** When textiles are considered to have reached the end of their useful life as they no longer meet the quality requirements of customers, the Group calls upon the services of specialized recyclers. Once collected, textiles are sorted and the majority are transformed into cloths for the automotive and aerospace industries and DIY stores or into insulation materials.
- **Waste electrical and electronic equipment:** When appliances from the washroom and beverage ranges can no longer be repaired they become waste electrical and electronic equipment (WEEE). For their recovery, **a dedicated branch was created in 2007** with an external collection agency. **In 2015, 183 tons of WEEE was collected under this scheme** (of which 17 tons at M.A.J.).
- **Batteries and accumulators:** Batteries used in appliances are collected from customers' premises by Field Agents. They are then stored in adapted containers at Elis centers before being collected and processed by Corepile.

TOTAL WASTE PRODUCTION

(in tons)	2015	Coverage rate
Hazardous waste generated	3,047	96.2%
Proportion of hazardous waste recovered	32%	96.2%
Non-hazardous waste generated	13,854	93.8%
Proportion of non-hazardous waste recovered	57%	93.8%
Total waste	16,901	
Amount spent on waste treatment *(€ million)*	2.09	83%
Amount generated by waste recovery *(€ million)*	0.86	94.2%

3.4.3 SUSTAINABLE USE OF RESOURCES

Since 2008, each year the Group has set a target of reducing its water, energy and laundry product consumption by 2% to 5% each year as part of its voluntary investment policy. Thus, in 2015, almost €14 million was allocated to improving environmental performances.

Processing sites are equipped with the highest performing technologies in their industrial sector. The use of **heavy-duty washing tunnels** has been generalized: equipped with distinct compartments, they allow linen to pass through various stages of treatment by transiting from one compartment to the next. The tunnel is permanently fed linen, which optimizes energy consumption by increasing the amount of linen processed. **Air/air and water/water exchange units** have been introduced to save on energy and automated recycling systems collect water from one stage to the next where possible. Clean water from rinsing is therefore reinjected into the pre-wash compartment, saving on water, laundry product and energy.

Water

The Elis Group has adopted an efficient water consumption policy for many years based on the optimization of the washing process (improvement of tunnels and washing machines, water recycling systems within the process, management of laundry product used, etc.) and strict monitoring of water consumption, which has led to a reduction in the Group's average total water consumption ratio (liters/kg of delivered linen). The latter has thus decreased by 21.3% since 2010.

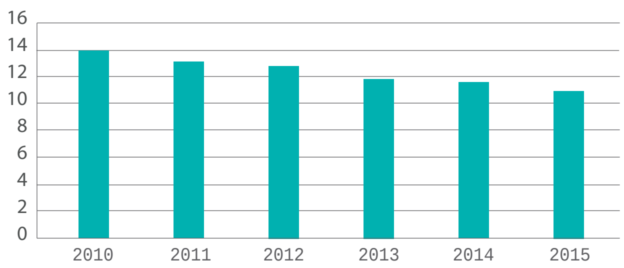
ANNUAL WATER CONSUMPTION FOR THE GROUP'S ACTIVITY: CONSUMPTION, AMOUNT SPENT AND VOLUMES DISCHARGED/TREATED

(In millions of m³)	**2015**
Water consumption	7.4
Amount spent on water consumption *(€ million)*	4.0
Volume of water discharged	6.6
Volume of water treated (internally or externally)	6.4

In 2015, the coverage rate increased from 96.4% to 99.9%: the coverage rate was improved on the volume discharged based on an estimation of the latter equivalent to the volume consumed (conservative estimate) for the depots and for plants which do not have optimization measures in place.

Measures implemented in 2015 to optimize total water consumption, prevent pollution risks and rectify discharges into water

ELIS GROUP WATER CONSUMPTION RATIO (L/KG OF LINEN TREATED)



The Elis Group reduced its water consumption by 5.5% in 2015 relative to the previous year for each kilo of linen laundered.

Optimization measures implemented during the year, spearheaded by the Process Engineering Department, were based on:

- monitoring of plants' water meters allowing the prevention of any losses;
- performing water and energy audits;
- optimization of washing equipment and related washing programs;
- setting-up recycling between washing equipment;
- updating of washing equipment as soon as possible;
- quantity control of cleaning products used for process engineering (influencing water consumption).

Using **"the correct dosage of the correct product"** is one of the key challenges in optimizing the procedure and thus the use of resources. The quantity of laundry product used has an impact on water consumption and therefore modifies energy consumption. The dosing of laundry product therefore requires that all parameters of the "chemistry of washing" are fully mastered: efficiency of laundry products, type of items washed, level of dirtiness, physical water quality, etc. Since 2007, the distribution of these products is automated and managed by computers to ensure more precise dosage and reduce manual operations**. An Elis wash cycle uses seven times less laundry product** than a home wash thanks to adapted technologies and the management of the washing process.

Water supply in accordance with local requirements

When establishing new processing units, the Elis Group (including M.A.J.) carries out a hydrogeological study to determine whether the water can be supplied through underground reservoirs or from other sources (recycled water, tap water, etc.) and consults the relevant authorities regarding the technical and regulatory feasibility of using process water supply systems. Sustainable access to water is a vital requirement for the laundry activity.

Factors relating to water supply depending on local restrictions are studied at the planning stage with a view to obtaining environmental permits.

The Group also complies with exceptional measures which may be imposed by the authorities in the event of drought: these are in addition to the continuous measures to reduce water consumption (see previous paragraph).

Textiles

The most commonly used material by the Elis Group (including M.A.J.) is the fabric made available to customers in the linen rental and laundry services.

In total, the consolidated consumption of this commodity represents an investment of €168 million by the Group.

To maximize the life of its fabrics, for many years the Elis Group has had a monitoring system in place to track indicators related to fabric management and thereby ensure optimal use of current inventories and manage purchases of new linen.

Thus, in 2015, the Textile division teams within the Logistics Department have mainly focused on ways of providing local teams with the best visibility over their stock to allow for the optimized management of their textile needs. 30 workwear stores were thus computerized in 2015, enabling local teams to manage workwear stock such as flat linen and make decisions based on measurable data.

These measures helped continue the improvement of our indicators for the rate of mending and reuse of fabric items.

An internal "linen exchange" has also been established between the different centers, promoting the exchange of textiles between plants.

Energy

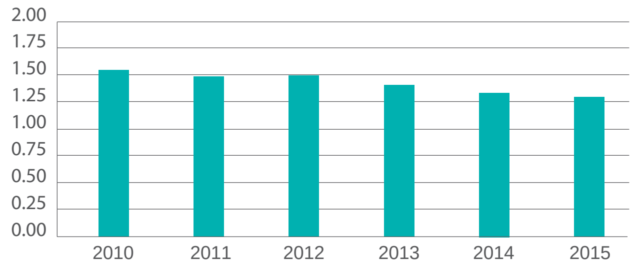
Energy consumption excluding fuel and reduction measures implemented

Elis continues to implement measures to reduce thermal energy consumption (mainly natural gas) per kilo of delivered linen thus achieving a 3% decrease over 2015 in Europe compared with 2014 and an 8.1% decrease in Brazil.

(In MWh)	**2015**
Electricity	131,457
Renewable energies	113,454
Natural gas – butane and propane (in MWh NCV)	731,053
Heavy fuel oil and domestic fuel oil	20,101
Other energy sources	10,716
TOTAL ENERGY CONSUMPTION	**1,006,781**
Amount spent on energy (€ million)	45.0

The coverage rate for Elis was 99.7-100% in 2015.

ELIS GROUP THERMAL ENERGY CONSUMPTION RATIO (KWH/KG OF LINEN DELIVERED) – EUROPEAN SCOPE (EXCLUDING BRAZIL)



The Group continues to implement energy consumption reduction measures. The main ones are described below:

- completion of around ten "energy" diagnosis regularly carried out by the Process Engineering team in cooperation with the processing center teams, at a sample of selected sites;
- central management of energy indicators (gas and electricity consumption). Consumption reduction goals defined annually for each of the centers;
- thorough monitoring and optimization of equipment by people trained on-site (including a review of their efficiency);
- investment in equipment that allows the collection of energy or reduces its consumption (synchronized heat exchangers, latest technology burners and drying equipment consuming less gas, systematical installation of gas meters, installation of low pressure heaters, osmosis units in the boiler room);
- tests of the different lighting technologies at a pilot site in order to identify the most energy-efficient technology;
- identification of defective steam traps in partnership with a preferred provider;
- obtention of ISO 50001 certification at 52 French processing sites, issued by Afnor Certification. All suppliers have been made aware of Elis's measures and are encouraged to suggest areas for improvement.

ENERGY EFFICIENCY RANKING

The following five centers delivered the best performances in 2015: Toulouse, Algoz, Vienne, Getafe and Villiers le Bel for traditional textile activities excluding HWB. These sites are equipped with gas powered finishing machines, with burners installed directly on the appliances. The *process* heaters only provide the steam required by the washing appliances.

Fuel consumption

With 240,000 customers in Europe and Latin America, the logistics of the Group's vehicles represent a major share of its CO_2 emissions and is subject to an optimization strategy deployed at the site level with the pursuit of key objectives: limiting duel consumption and reducing polluting emissions and nitrogen oxide (NOx) emissions. The various tests carried out by the Elis Group on alternative energy vehicles will help the Group meet these targets. At the end of 2015, the Elis Group tested a small capacity hybrid truck with promising results.

Network density

The density of the Group's distribution network is a major advantage in reducing the distances traveled by service vehicles. With its depots and plants in Europe, *i.e.*, logistic centers located throughout the territory, this network is a key element of the Group's proximity policy.

In order to optimize each kilometer traveled, the Logistics Department optimizes the customer distribution route on a daily basis. These measures are aimed at grouping deliveries within restricted sectors and allocating customers to the nearest delivery center. Each site head of logistics is responsible for including each new customer on the most optimal existing delivery route.

Reduction of distances traveled

- **optimization of delivery routes:** reducing the distances traveled is the key factor in the optimization of distribution routes. Therefore since 2012, all optimization is carried out using delivery optimization software. In particular in 2015, the department optimized:
  - the Parisian distribution sectors thanks to the opening of the new Nanterre West Paris plant and the integration of a multi-site national hotel customer,
  - the delivery sectors of light-duty vehicle routes dedicated to Hospitality so that one service center serves one sector;
- **streamlining trips:** thanks to the diversity of the Elis Group's offering, one vehicle generally provides several services to the same customer. For example, the same vehicle delivers clothes, mats, beverages and washroom products;
- **delivery frequency arrangements with customers:** the Elis Group is committed to guaranteeing that each customer receives a high-quality service while adapting the number of journeys necessary for its multi-service offering. Various formulas are therefore available to meet the exact needs of customers, from daily calls for certain customers to monthly calls for others. Delivery routes are regularly reviewed to optimize the distances traveled by our delivery drivers;
- for the AD3 entity, which carries out the maintenance of residents' laundry, the majority of AS3's sites are located within their customer's building. The transport of linen is therefore not necessary.

Maximizing load factors

To optimize transport and still guarantee the quality of its service, the Group's delivery drivers have one objective: "full vehicles there and back!" A delivery van never returns empty, the return journey to the center is always used to transport dirty linen, empty containers, used batteries, etc.

Improving the performance of the vehicle fleet

Managing fuel consumption also includes improving the performance of the vehicle fleet. The Elis Group has regularly upgraded its vehicles since 2008, thus increasing the load capacity of vans from 800 kg to 1,200 kg. Moreover, replacing old Euro 6 standard vans and trucks has allowed the Group to equip all new vehicles with new generation particle filters.

The management of fuel performance

Two measures were completed in 2015 to better manage the energy performance relating to fuel consumption. These two combined measures consist of the deployment of unique fleet management software populated with reliable fuel consumption data. This software, which is currently rolled out in France through centralized data held on a single server, provides easy access to data and allows for a global nomenclature to be used for the Group's vehicles.

The three fuel providers referenced in 2015 were chosen due to the internet access provided to automatically transfer fuel consumption and kilometers traveled into the fleet's management tool.

The consumption of each vehicle and each driver can therefore be more easily monitored and processed.

Encouraging energy-efficient driving

52 French processing sites are ISO 50001 certified (energy management system) by Afnor Certification, with the aim of limiting their environmental footprint by reducing their greenhouse gas emissions and making better use of natural resources. The objectives of the fuel component is therefore to introduce fuel consumption reporting, define reduction challenges, and continuously improve the "fuel" energy performance of the vehicle fleet. Best practices have therefore been reinforced (tire pressure monitoring, encouraging energy-efficient driving, etc.) and action plans established at each center.

Delivery drivers are subject to an audit carried out by their manager who accompanies them on their round to assess, raise awareness and remind them of best driving practices.

2015 FUEL CONSUMPTION (PETROL, DIESEL) AND ASSOCIATED AMOUNTS

(In thousands of liters)	2015
Petrol	28.6
Diesel	20,239.1
TOTAL FUEL	**20,267.7**
Total amount spent (€ million)	20.2

The coverage rate is 100% of the vehicle fleet (trucks, light-duty vehicles) in 2015.

Land

Land use is reviewed in the due diligence studies carried out by the Elis Group (including M.A.J.) within the framework of its acquisition process where processing sites are concerned. Diagnostics and impact assessments are also performed when setting up a new facility.

3.4.4 CLIMATE CHANGE

Greenhouse gas (GHG) emissions

ASSESSMENT OF GHG EMISSIONS IN 2015

(In kilotons eq CO_2)	2015
Number of companies that have carried out at least one greenhouse gas emissions assessment over the past three years	6
Scope 1[(a)]	208
Scope 2[(b)]	16.1
Total	**224.1**
Emissions – energy consumption excluding fuel	169.9
Emissions – fuel consumption	54.2

The coverage rate is 99-100%.
(a) Scope 1 emissions are emissions relating to consumption of fossil fuels at the site (gas, fuel oil, etc.), consumption of fuel by vehicles and refrigerant leaks.
(b) Scope 2 emissions are emissions relating to electricity and steam generation.

Adaptation to the consequences of climate change

To participate in the collective effort to reduce water consumption in the event of drought, the Elis Group (including M.A.J.) follows instructions issued by local and national authorities.

3.4.5 PROTECTION OF BIODIVERSITY

In France, the Elis Group (including M.A.J.) ensures that its operations are compatible with regional or local plans (SDAGE, SAGE, etc.) in its applications for authorization to operate. Lastly, Elis prefers to locate its new processing sites in industrial areas, thereby limiting the impact relating to the environment (neighborhood, biodiversity, etc.).

In France, industrial effluent discharges are fully treated by municipal wastewater treatment plants or on site, thereby limiting the impact of activities on aquatic ecosystems.

3.4.6 CIRCULAR ECONOMY

A circular economy is a generic term for an economic concept relating to sustainable development and which draws in particular on the ideas of a green economy, a use oriented product-service system or a product-service system, a performance and industrial ecology economy (which requires an industry's waste be recycled either to be turned into a commodity for another industry or for the same industry).

Its aim is to produce goods and services while greatly limiting the consumption and waste of commodities, and sources of non-renewable energy.

The Elis Group's model is based on a product-service system and therefore supports eco-design and prolonging the useful life of its products and services.

Eco-Design

Eco-design is a natural step in the creation of the Elis Group's range of products as it is responsible for the laundry, maintenance and the end of life of its items. The Environment and Marketing divisions therefore work together, upstream of the product research phase, on the possible alternatives to simple elimination.

Their thought process is driven by three key elements: reducing waste at source, product maintenance and recycling used materials. For the health and well being range for example, the development of new products is based on technical specifications which include:

- the choice of 100% recyclable or recoverable materials;
- the reduction of energy consumed and the number of batteries per appliance.

Reduction of waste at source

To reduce waste at source, the Elis Group has introduced various measures with its suppliers and its teams. Some examples of best practices are given below:

- empty laundry product **plastic containers** are returned to suppliers for reuse. Detergent used in industrial laundries therefore requires less packaging and transport than domestic containers (ETSA publication dated May 2014);
- **shipping packaging** is standardized: boxes delivered by our suppliers to the Purchasing Department are reused for packing deliveries to the Group's centers, which in turn reuse or recover them;
- **worn hangers** are systematically reshaped and reused (2 million hangers per year).

Extending the useful life of products

All electrical and electronic devices undergo regular maintenance by Field Agents during delivery rounds. Moreover, since the 1980s, a technical workshop is dedicated to more advanced repairs and maintenance to water fountains and hand dryers for the French sites. In 2015, this workshop repaired thousands of water fountains and hand dryers which were reconditioned for our customers.

Moreover, workwear is designed to increase its useful life. These ongoing efforts increased the average number of washes for traditional workwear (excluding personal protective equipment): 43 washes in 2014 versus 40 and 38 in 2013 and 2012 respectively.

Damaged workwear is also repaired (study of cost-effective stitching and seamstress training schemes at the centers to optimize the useful life of workwear).

3.5 INFORMATION RELATING TO CORPORATE SOCIAL PERFORMANCE

3.5.1 LOCAL, ECONOMIC AND SOCIAL IMPACT OF THE GROUP'S BUSINESS

Employment and regional development

Both in France (including M.A.J.) and abroad, jobs are filled locally and are not "offshorable."

In France, partnerships with associations and administrations are formed locally to support the employment of people living close to the Group's centers. These partnerships include with local organizations to help the unemployed ("Missions locales"), the French employment agency ("Pôle emploi") and *Est Ensemble* (a metropolitan region).

Local residents

In the case of specific requests from neighbors of Elis Group processing centers (including M.A.J.) relating to the environment (noise, smells, etc.), dialogue is established with local residents and local authorities and specific ad hoc action plans are implemented in order to take such requests into account as quickly as possible – for example by carrying out studies and if necessary, works to limit noise pollution in particular.

3.5.2 RELATIONSHIPS WITH INDIVIDUALS OR ORGANIZATIONS WITH AN INTEREST IN THE COMPANY'S ACTIVITIES

Conditions for dialogue with stakeholders

In order to ensure the satisfaction of our customers, "SATISFELIS" satisfaction surveys are conducted on a regular basis with Elis's customers (and those of M.A.J.) by a call center, on the basis of which action plans are devised and implemented.

All employees are also surveyed on a regular basis (every two years). The results and plans of action are then communicated to employees.

Partnerships and philanthropy

Partnerships with associations and government agencies were formed in 2015 in order to support the employment of people living close to Elis centers (and those of M.A.J.):

- local organizations to help the unemployed *(Missions locales)*;
- the French employment agency – *Pôle emploi* (partnership with the adoption of pre-recruitment training);
- Est Ensemble (a metropolitan region).

Partnerships are also pursued with teaching institutions:

- *ENSAIT*: Roubaix textile college;
- *Les Mines de Nancy;*
- *ENSAM*: engineering school;

or with *Défense Mobilité* to get military personnel back into civil employment.

The Elis Group has established a sponsorship agreement with the charity *1 001 fontaines pour demain* (1,001 fountains for tomorrow): 11% of the world's population still does not have access to drinking water. As a supplier of water fountains, Elis supports this charity in its attempts to sustainably improve the health of poor and isolated rural populations by enabling them to produce locally and have access to clean drinking water. Elis is also part of a project to set up a water treatment plant for families with no access to drinking water in Cambodia and Madagascar. This contribution will finance the land, the construction of the plant, its equipment and support for the local manager for a period of at least 12 months. In the long term, Elis plants will be entirely managed locally and will provide access for numerous families in Cambodia and Madagascar to drinking water.

3.5.3 OUTSOURCING AND SUPPLIERS

Factoring social and environmental concerns into purchasing policy

At Elis (and at M.A.J.), the Purchasing and Procurement Department plays an important role by selecting suppliers, products and services everywhere in the world who respect people and the environment.

Since 2006, the Group's supplier contracts have contained sustainable development guidelines and provided for regular audits. The Group's commitment is outlined in a responsible and ethical procurement charter which describes its relationship with its suppliers which extends beyond the purchase and delivery of goods and services. These relationships are a key factor in the long-term success of the Company and the satisfaction of its customers.

This document, which is included in the Purchasing and Procurement Department's ISO 9001/2000 documents and appended to contracts signed with partners, complements elements found in the ILO convention and describes both Elis's commitments in terms of purchasing as well as requirements and recommendations for suppliers and subcontractors, in particular concerning:

- outsourcing;
- certification;
- business ethics;
- the respect of employees;
- child labor;
- discrimination;
- working hours;
- compensation policy;
- forced labor;
- foreign labor;
- freedom of trade unions and collective bargaining;
- health, safety and wellbeing in the workplace;
- the fight against corruption and money laundering;
- the fight against anti-competitive practices;
- protection of the environment;
- imperatives relating to the health and safety of consumers;
- fair trade and organic products.

Elis ensures that suppliers that do not have SA 8000 or ISO 14001 certification (or equivalent) have been audited or are audited at Elis's request by an external body (2016 audit plan). Elis subsequently monitors the implementation of action plans arising from these audits.

The majority of Elis's suppliers, based on revenue, are located outside of the European Community.

For two segments of procurement, Elis continues to source a large amount of its materials in France:

- more than 40% of table linen was purchased in France in 2015;
- more than 50% of bedlinen was purchased in France in 2015.

Over the 2015-2016 cycle, CSR audits were carried out, at the request or not of Elis, or will be conducted for more than 40 suppliers, with a focus on critical suppliers, based on criteria used to prioritize country risk (weak, possible, strong) and decide on the audits which require urgent starts. This audit plan covers over 90% of revenue and at-risk suppliers.

3.5.4 FAIRNESS OF PRACTICES

Measures adopted to prevent corruption

The Elis Group (including M.A.J.) has formalized its commitments against corruption within the framework of the ethics charter published in 2012. This is based on the Group's values of integrity, responsibility and exemplarity in its commercial environment, respecting each of its employees, reducing its impact on the environment and continuous improvement in its performance.

Moreover, to fight against corruption and, more generally, against non-ethical practices and promote the above-mentioned values, during 2015 the Group implemented a compliance program within its Brazilian subsidiaries, mainly focused on training local teams on the subject and has launched the implementation of a similar program within its Chilean subsidiaries.

Measures to favor the health and safety of consumers/customers

Risk mapping, covering in particular risks relating to the health and safety of consumers and customers, has been carried out within the Elis Group (including M.A.J.). In order to control these risks, procedures are rolled out at the level of Support Departments and operating centers. In addition, the quality management system for Elis's Ultra-Clean, water fountains and workwear activities has been ISO 9001 certified for more than 15 years. Within the framework of this pro-active policy concerning certification and continuous improvement, quality audits are conducted annually across a sample of centers by an external organization (AFAQ) and at least every three years internally for each center. Lastly, for the drinks business (water fountains and coffee machines), the Elis Group has adopted a HACCP (Hazard Analysis Critical Control Point) system, defining very precise standards to ensure irreproachable hygiene standards for customers and consumers under all circumstances: Elis in France is also AFIFE certified (AFIFE is a professional standard for the water fountains sector).

Moreover, the Elis Group (including M.A.J.) has RABC certification at around 15 of its sites in the healthcare and food-processing sectors to meet its customers' needs.

The Elis Group (including M.A.J.) also offers its customers environmentally-friendly products – some of which have EU Ecolabel certification – or products that support fair trade (e.g. Moka coffee from Ethiopia and fair trade organic cotton textiles in the Bio's Fair collection).

3.6 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

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

For the year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditor of Elis, appointed as an independent third party and certified by COFRAC under number 3-1060[1], we hereby report to you our report on the consolidated human resources, environmental and social information for the year ended December 31st, 2015, included in the management report (hereinafter named "CSR Information"), pursuant to Article L. 225-102-1 of the French Commercial Code *(Code de commerce)*.

Company's responsibility

The Management Board is responsible for preparing a Company's management report including the CSR Information required by Article R. 225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of Ethics *(Code de déontologie)* of our profession and the requirements of Article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

(1) Whose scope is available at www.cofrac.fr.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved four persons and was conducted between January and February 2016 during a two week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the French professional standards and with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[1] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in Article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with Article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by Article L. 233-1 and the controlled entities as defined by Article L. 233-3 of the French Commercial Code within the limitations set out in the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

As mentioned in the methodological information, the CSR Information presented in this report covers the consolidated undertaking, *i.e.*, the Company, its subsidiaries and controlled entities. It does not concern the Company alone, as specified by law, since the Company deems that this presentation provides more meaningful information.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted four interviews with persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

(1) *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

Regarding the CSR Information that we considered to be the most important [1] (detailed in appendix):

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of sites and entities selected by us[2] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 67% of the total workforce, 51% of energy consumptions excluding fuel consumptions, 66% of fuel consumptions and 66% of water consumptions.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part in the light of good professional standards set out in the Global Reporting Initiative.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

French original signed by:

Neuilly-sur-Seine, March 10th, 2016

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Bruno Tesnière
Partner

Sylvain Lambert
Corporate Social Responsibility Department Partner

Appendix: List of CSR Information that we considered to be the most important

Quantitative social information

- Total headcount (temporary and permanent) and breakdown of workforce by gender, age and
- Geographic region
- New hires and departures (by reason)
- Number of hours worked (permanent and non-permanent employees)
- Number of hours permanent and nogn-permanent employees were absent
- Number of training hours and number of permanent employees trained
- Number of lost days due to workplace accidents used for the calculation of the Company's gravity rate (permanent and non-permanent employees)
- Number of lost time accidents used for the calculation of the Company's frequency rate (permanent and non-permanent employees)
- Number of workplace fatalities

Qualitative social information

- Labor relations
- Health and safety in the workplace
- Equal treatment and promotion of diversity
- Integration of people with disabilities

(1) *The most important CSR information is listed in the appendix to this report.*
(2) *The sites and entities selected are: Elis France et le site de Famalicao (Portugal).*

Quantitative environmental information

- Water consumption
- Energy consumption excluding fuel (total consumption of energy, renewable energy, electricity, natural gas, fuel oil and other energy sources) and fuel consumption (gasoline and diesel)
- Greenhouse gas emissions

Qualitative environmental information

- Water supply depending on local constraints
- Measures taken to prevent, reduce or remediate emissions into the air, water and ground that have a serious impact on the environment
- Waste management
- Measures taken to improve energy efficiency and increase the use of renewable energy

Qualitative corporate responsibility information

- Territorial, economic and social impact of the Company's activity
- Dialogue with stakeholders
- Subcontractors and suppliers

3.7 CROSS-REFERENCE WITH THE UNITED NATIONS GLOBAL COMPACT

Category	Principles of the United Nations Global Compact	Sections
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	3.1 3.3.7 3.5.3
	2. Businesses should make sure that they are not complicit in human rights abuses.	3.1 3.3.7 3.5.3
Labor law	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	3.1 3.3.3
	4. Businesses should uphold the elimination of all forms of forced or compulsory work.	3.1
	5. Businesses should contribute to the effective abolition of child labor.	3.1 3.5.3
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	3.1 3.3.6
Environment	7. Businesses should support a precautionary approach to environmental challenges.	3.1 3.4.
	8. Businesses should take initiatives that promote greater responsibility in terms of the environment.	3.1 3.4 3.5.3
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	3.1 3.4 3.5.3
Fight against corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	3.1

3.8 SUMMARY OF ENVIRONMENTAL AND EMPLOYEE-RELATED INFORMATION

Indicators are presented in the order in which they appear in chapter 3.

3.8.1 SUMMARY OF ENVIRONMENTAL INFORMATION

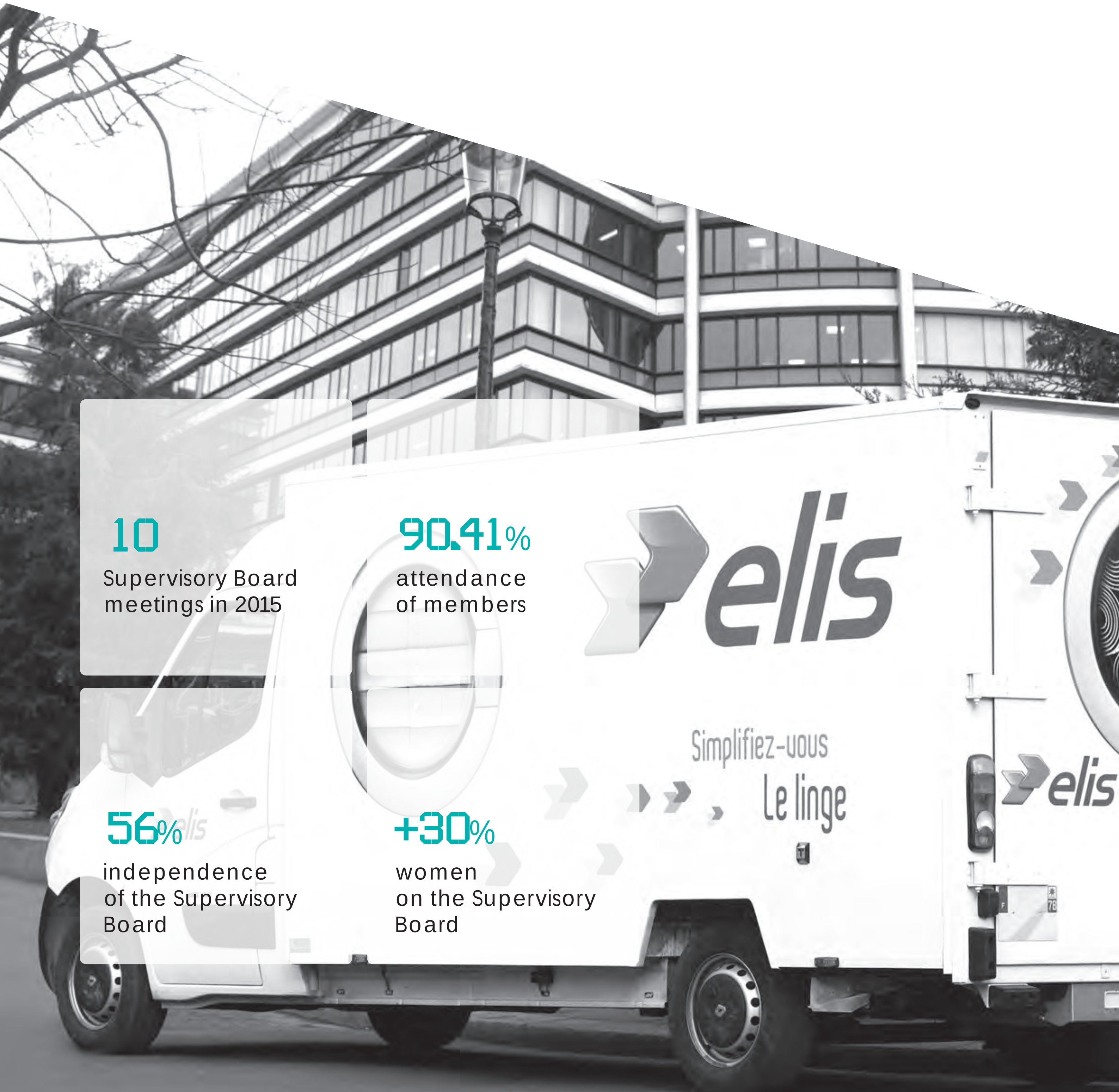
	Unit	Group 2015	M.A.J. 2015
Scope			
Gross revenue of sites within the scope	€ million	1,429.8	574.3
Number of sites included in the scope	Number of sites	175	62
General environmental policy			
ISO 14001 certified sites	Number of sites	10	0
ISO 50001 certified sites	Number of sites	52	26
Amount of compliance costs	€ million	3.67	0.97
Amount of environmental provisions and guarantees	€ million	15.26	6.03
Amount of compensation paid for environmental litigation	€ million	0.00	0.00
Pollution prevention and waste management			
Total amount of waste generated	Tons	3,047	909
Total amount of hazardous waste generated	Tons	982	105
Proportion of hazardous waste recovered	%	32.2	11.6
Amount of non-hazardous waste generated	Tons	13,854	5,533
Proportion of non-hazardous waste recovered	%	57.3	56.7
Amount spent on waste processing	€ million	2.09	0.97
Amount generated by the recovery of waste	€ million	0.86	0.35
Sustainable use of resources			
Total volume of water consumed	Millions of m^3	7.43	2.38
Amount spent on water consumption	€ million	3.98	1.25
Volume of industrial effluents discharged	Millions of m^3	6.62	2
Volume of industrial effluents processed	Millions of m^3	6.36	2
Amount spent on the purchase of textiles	€ million	168	N/A
Total energy consumption	MWh	1,006,781	286,311
Electricity consumption	MWh	131,457	44,733
Renewable energy consumption	MWh	113,484	0
Natural gas/propane/butane consumption	MWh (NCV)	731,053	240,730
Fuel oil consumption (excluding fuel)	MWh	20,101	848
Other consumption	MWh	10,716	0
Amount spent on energy consumption	€ million	45.03	13.47
Total fuel consumption	Thousands of liters	20,268	7,325
Petrol consumption	Thousands of liters	29	0
Diesel consumption	Thousands of liters	20,239	7,325
Amount spent on fuel consumption	€ million	20.2	7.5
Combating climate change			
Number of companies that have carried out at least one greenhouse gas (GHG) assessment over the last three years	Number of companies	6	1
Direct GHG emissions – Scope 1	Kilotons eq CO_2	208	68.5
Indirect GHG emissions – Scope 2	Kilotons eq CO_2	16.1	3.1
Total GHG emissions	Kilotons eq CO_2	224.1	71.5
Emissions – energy consumption excluding fuel	Kilotons eq CO_2	169.9	51.9
Emissions – fuel consumption	Kilotons eq CO_2	54.2	19.6

3.8.2 SUMMARY OF EMPLOYEE-RELATED INFORMATION

The indicators below are not exhaustive.

	Unit	Group	M.A.J.
TOTAL STAFF	**Number of employees**	**20,008**	**6,214**
Permanent staff		**17,057**	**4,971**
Permanent women staff		8,833	2,378
Permanent men staff		8,224	2,593
Permanent women managers		391	106
Non-permanent staff		2,951	1,243
Total staff France		12,622	6,214
Total staff Europe (including France)		16,426	/
Total staff Brazil		3,582	/
Permanent staff under 25 years old		1,639	431
Permanent staff between 26 and 44 years old		8,600	2,395
Permanent staff aged 45 and above		6,818	2,145
Based on the social reporting scope			
Number of permanent and non-permanent recruitments	**Number of employees**	**24,070**	**9,566**
Number of departures among the permanent and non-permanent workforce		**23,565**	**9,639**
Of which departures from the permanent workforce at the employer's initiative		1,880	291
Of which departures from the permanent workforce at the employee's initiative		1,280	234
Retirement and early retirement from the permanent workforce		155	53
Other departures		20,250	9,061
Compensation	**EUR**		
Fixed and variable individual and collective compensation		447,087,583	150,306,210
Of which collective bonuses and discretionary profit sharing payments		10,350,487	4,231,787
Organization of work	**%**		
Proportion of full-time permanent staff		96%	98.2%
Proportion of part-time permanent staff		4%	1.8%
Absenteeism rate		8.9%	6.7%
Work-related accidents	**Number**		
Number of fatal accidents		0	0
Number of work-related accidents with sick leave		941	339
Frequency rate		30.6	36
Severity rate		1.17	1.89
Total number of training hours provided	**Hours**	**69,930**	**38,951**
Training-related expenditure	**€ million**	**5 (France excluding AD3 only)**	**2.6**
Number of disabled employees in France	**Number of employees**	**595**	**291**

Corporate governance



10
Supervisory Board meetings in 2015

90.41%
attendance of members

56%
independence of the Supervisory Board

+30%
women on the Supervisory Board

4

The Company is a French corporation *(société anonyme)* governed by a Management Board and a Supervisory Board subject to applicable laws and regulations and its articles of incorporation. Originally established as a French simplified limited liability company *(société par actions simplifiée)*, it was transformed into a French corporation governed by a Management Board and a Supervisory Board by decision of the general meeting of September 5, 2014, in view of its initial public offering.

Thus, since the date of its transformation, the Company's management and administration have been entrusted to a Management Board, and the control of its management bodies has been entrusted to a Supervisory Board. This dual organization segregated the management duties of the Management Board, and the management control duties of the Supervisory Board, a shareholders' representative body.

The Supervisory Board is assisted by two special committees, the Audit Committee and the Appointments and Compensation Committee. The role, responsibilities and functioning of the Supervisory Board and its committees are described in the chairman of the Supervisory Board's report on corporate governance and internal control included in this chapter 4, section 4.3.

The Company's articles of incorporation and the Supervisory Board's rules of procedure are furthermore available at the Company's registered office and may be viewed on the Company's internet site: (www.corporate-elis.com).

4.1 MANAGEMENT AND SUPERVISORY BODIES

The combined general meeting of September 5, 2014 approved the adoption of the dual management mode with a Management Board and a Supervisory Board.

4.1.1 MANAGEMENT BODIES

The Group's executives are the members of the Management Board as well as the chief operating officers and support services Directors that are members of the Executive Committee.

The Management Board

Composition of the Management Board

The Management Board is comprised of three to seven members, appointed by the Supervisory Board in accordance with Article 12 of the Company's articles of incorporation. The Management Board shall perform its duties under the Supervisory Board's control, pursuant to law and to the articles of incorporation.

The members of the Management Board may be chosen from outside the shareholders. They must be individuals. They are always re-electable. No members of the Supervisory Board may be part of the Management Board.

The age limit for performing duties as a member of the Management Board is set at sixty-eight (68) years. Members of the Management Board shall be deemed to have resigned from their office after the general meeting approving the financial statements of the year in which they turn sixty-eight (68).

Each member of the Management Board may have an employment contract with the Company that stays in effect for their entire term of office, and after expiration of their term of office.

Each member of the Management Board shall be subject to the legislative and regulatory provisions applicable to holding multiple offices. Article 3.3 of the Supervisory Board's rules of procedure provides that each member of the Management Board must obtain the preliminary approval from the Supervisory Board before accepting a new corporate office in a listed company outside the Group, pursuant to the recommendations of the AFEP-MEDEF Code (Article 19).

The members of the Management Board shall be appointed for four years. In case of a vacancy of a seat, pursuant to law, the Supervisory Board shall appoint a replacement member for the remaining duration of their predecessor's term of office.

All members of the Management Board may be removed, either by the Supervisory Board or by the general meeting based on a proposal of the Supervisory Board. If the removal is decided without just cause, it may give rise to damages.

The removal of any member of the Management Board shall not bring about the termination of their employment contract, if they have an employment contract with the Company.

Article 13 of the Company's articles of incorporation provides that the Supervisory Board shall appoint one of the members of the Management Board as chairman. The chairman of the Management Board shall perform their duties for their term of office as a member of the Management Board. The chairman shall represent the Company in its relations with third parties.

The Supervisory Board may attribute the same representation powers to one or more members of the Management Board, who shall then have the title of chief executive officer.

The Supervisory Board may remove members of the Management Board from the position of chairman, and, if applicable, chief executive officer, at any time.

Vis-a-vis third parties, all acts that are binding on the Company shall be duly performed by the chairman of the Management Board or by any member having received the title of chief executive officer from the Supervisory Board.

As at the date of this registration document, the Management Board was comprised of the following three members.

Name	Capacity	Expiration date of term of office
Xavier Martiré	Chairman of the Management Board	September 5, 2018
Louis Guyot	Member of the Management Board	September 5, 2018
Matthieu Lecharny	Member of the Management Board	September 5, 2018

The professional experience and the details of the offices and positions held by each of the members of the Management Board, are specified below in the paragraph "Information and details about the members of the Management Board and the Executive Committee".

Roles, responsibilities and functioning of the Management Board

Meetings of the Management Board (Article 14 of the articles of incorporation)

The Management Board shall meet as often as the Company's interests require it to do so, upon a call to a meeting from its chairman or by one half of its members, either at the registered office or at any other place stated in the call to the meeting. The meeting agenda may be completed at the time of the meeting. Calls to meetings may be provided by any means, and even orally.

A member of the Management Board may be represented at a meeting by another member of the Management Board, who shall not be able to hold more than one office. The chairman of the Management Board shall chair meetings. In case the chairman is absent, the Management Board shall appoint one of its members to serve as chairman of that meeting.

The deliberations of the Management Board shall be valid only if at least one-half of its members are present or represented. Decisions shall be made by a majority of the votes of members who are present or represented. In case of a tie, the meeting's chairman shall cast the deciding vote.

Members of the Management Board may participate in the Management Board's meetings via video conference or telecommunications on the terms authorized by the regulations in force that are applicable to the Supervisory Board's meetings. They shall then be deemed present for the purposes of quorum and majority.

Deliberations shall be recorded in minutes established in a special register held at the registered office and signed by the chairman and by the Secretary or another member of the Management Board. Copies or extracts of these minutes shall be duly certified by the chairman, Secretary or a member of the Management Board.

Management Board's powers and obligations (Articles 15 and 20 of the articles of incorporation)

The Management Board shall be vested with the broadest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and subject to the powers expressly attributed by law and the articles of incorporation to the Supervisory Board and the shareholders' meetings.

No restrictions on its powers shall be enforceable vis-a-vis third parties, and third parties may make claims against the Company to perform the commitments undertaken in its name by the Management Board's chairman or a chief executive officer, if their appointments have been duly published.

The members of the Management Board may, with the Supervisory Board's authorization, allocate management tasks among themselves. In no event shall such allocation release the Management Board from meeting and deliberating on the most important issues for the Company's management. Nor shall such allocation be asserted as a cause for releasing the Management Board and each of its members from joint and several liability.

The Management Board may assign one or more of its members or any person chosen outside the Management Board special, permanent or temporary duties, which it shall determine, and delegate to them for one or more pre-determined purposes, with or without the possibility of subdelegating, the powers it deems necessary.

The Management Board shall establish, and present to the Supervisory Board, the reports, budgets and quarterly, half-year and annual financial statements, the forecast management documents and the terms of the Group's management report. These documents shall be submitted to the Supervisory Board for examination. In addition to the legal obligations requiring the preliminary approval from the Supervisory Board (for sureties, endorsements and guarantees, disposal of assets, property or investments), the Company's articles of incorporation (Article 20.IV) and the Supervisory Board's rules of procedure (Article 3.2) provide for certain procedures intended to frame the powers of the Company's Management Board, and require that a certain number of decisions of the Management Board be submitted to the Supervisory Board for preliminary approval (see the chairman of the Supervisory Board's report, section 4.3.1, paragraph "Preparation of the work of the Board" of this 2015 registration document.

The Management Board shall call all general meetings, set their agenda and execute their decisions.

The members of the Management Board shall be liable vis-a-vis the Company or vis-a-vis third parties, individually or jointly and severally, whichever is applicable, either for violations of the statutory provisions governing French corporations *(sociétés anonymes)* or violations of the articles of incorporation or for breaches of duty committed in their management, all on the terms and subject to the penalties provided by applicable laws.

The Executive Committee

The Management Board is assisted in its duties by an Executive Committee chaired by Xavier Martiré and composed of the principal chief operating officers and support functions Directors.

The Executive Committee shall meet every two weeks to discuss the Group's operational and financial performance and to exchange views on the Group's strategic projects and management.

As at the date of this registration document, the Executive Committee was comprised of the nine members shown on pages 12 and 19 of this 2015 registration document:

Information and details about the members of the Management Board and the Executive Committee

Personal information and details about the members of the Management Board

The information below shows the personal details and the main offices and positions held by the members of the Management Board as at the recording date of this registration document:

XAVIER MARTIRÉ

CHAIRMAN OF THE MANAGEMENT BOARD

Business address:
33, rue Voltaire – 92800 Puteaux – France

Date of birth: January 18, 1971

Nationality: French

Date of first appointment: October 21, 2008 (President of the Company under its former structure as a French simplified limited liability company)

Date of current appointment to office: September 5, 2014

Date of expiration of current term of office: September 5, 2018

Number of Elis shares held: 85,862

Main activity: Chairman of the Management Board

BIOGRAPHY: Xavier Martiré began his career at the SNCF in 1997 as the TGV (high-speed train) maintenance workshop foreman. He then joined the Elis Group in 1999 as Director of Profit Center and subsequently held positions as Regional Manager and Deputy CEO in charge of business in France, before being appointed the Company's President in 2008. Xavier Martiré holds degrees from the *École polytechnique* and the *École nationale des ponts et chaussées*.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:

- Chairman and chief executive officer of Elis Services SA
- Chairman and chief executive officer of M.A.J. SA
- Director of Pierrette – TBA SA
- President of Elis Luxembourg SA (Luxembourg)
- Director of Elis Manomatic SA (Spain)
- Director of Elis Italia SpA (Italy)
- Director of SPAST SA (Portugal)
- Director of Gafides SA (Portugal)
- Chairman of the Supervisory Board of Atmosfera (Brazil)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios (Chile)

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:

None

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:

- President of Quasarelis SAS
- President of Novalis SAS
- Director of Blanchatel SA (Switzerland)
- Director of Wäscherei Papritz AG (Switzerland)
- Director of Grosswäscherei Domeisen AG (Switzerland)

LOUIS GUYOT

MEMBER OF THE MANAGEMENT BOARD

Business address:
33, rue Voltaire – 92800 Puteaux – France

Date of birth: May 23, 1972

Nationality: French

Date of first appointment: September 5, 2014

Number of Elis shares held: 30,396

Date of current appointment to office: September 5, 2014

Date of expiration of current term of office: September 5, 2018

Main activity: Member of the Management Board and chief financial officer

BIOGRAPHY: Louis Guyot joined the Group in 2013. Louis Guyot began his career in 1998 in the Treasury Department as deputy head of the Housing and Local Government Financing Office. Subsequently, he was chief financial officer and chief information officer of Medica France from 2001 to 2004, Development and Strategy Director of Compagnie des Alpes from 2004 to 2007, Finance and Operations Director of Dalkia's Development Department from 2007 to 2010, then chief financial officer and chief international officer of Korian (2010-2013). Louis Guyot holds degrees from the *École polytechnique*, the *École nationale des ponts et chaussées* and the *Collège des ingénieurs*.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:

- President of Pro Services Environnement SAS
- Director of Elis Services SA
- Chairman of the Board of HADES SA (Belgium)
- Director of Elis Manomatic SA (Spain)
- Director of Elis Italia SpA (Italy)
- Director of Elis Luxembourg SA (Luxembourg)
- Director of SPAST SA (Portugal)
- Director of InoTex Bern AG (Switzerland)
- Director of Pierette – TBA SA
- President of Hygiène Contrôle Ile de France (SAS)
- Manager of Blanchisserie Professionelle d'Acquitaine (BPA)
- Director of Gafides (Portugal)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios (Chile)

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:

None

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:

- Member of the Management Board and chief executive officer of Korian SA*
- Director of Segesta SpA (Italy)
- Permanent representative of Korian SA on the Board of Directors of Holding Austruy Burel
- Permanent representative of Korian SA on the Board of Directors of La Bastide de la Tourne
- Permanent representative of Korian SA on the Board of Directors of Le Brevent
- Permanent representative of Korian SA on the Board of Directors of CFR Siouville
- General Manager of Compagnie FoncièreVermeille SARL
- Manager of Bonaparte SARL
- Manager of Le Belvedere Dune SARL

(*) Listed company.

MATTHIEU LECHARNY

MEMBER OF THE MANAGEMENT BOARD

Business address:
33, rue Voltaire – 92800 Puteaux – France

Date of birth: December 26, 1969

Nationality: French

Date of first appointment: September 5, 2014

Number of Elis shares held: 12,416

Date of current appointment to office: September 5, 2014

Date of expiration of current term of office: September 5, 2018

Main activity: Member of the Management Board and chief operating officer

BIOGRAPHY: Matthieu Lecharny joined the Elis Group in 2009. He is chief operating officer responsible for the Group's operations in two French regions, Portugal, Spain, Andorra, Brazil and Chile, as well as for the development of the 3D pest control service and acquisitions. Matthieu Lecharny began his career at Procter & Gamble in sales. He then joined Unilever, where, from 1996 to 2009, he held various senior positions in the Marketing Department, both in France and abroad. In particular, he was the Oral Care Brand Director for Europe from 2001 to 2003 and Marketing Director, Personal Care France from 2003 to 2005. Before joining the Group, he was Global Marketing Director for the Cif brand. Matthieu Lecharny holds a degree from the *École supérieure de commerce* in Paris (ESCP Europe).

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:

- General Manager of Le Jacquard Français SARL
- President/Sole Director of GIE Eurocall Partners
- Chairman of Kennedy Hygiene Products Limited (United Kingdom)
- Chairman of Kennedy Exports Limited (United Kingdom)
- Member of the Supervisory Board of Atmosfera (Brazil)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios (Chile)

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:

None

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:

None

Personal information concerning the members of the Executive Committee (other than the members of the Management Board whose biographies are described above)

- **François Blanc,** born on January 14, 1958, is Transformation and IT Director. He joined the Company at the end of 2014. Previously, François Blanc was IT Director at Matra Défense, Matra-BAe Dynamics and Valeo. He led global transformation programs for production, research and development, financial control and purchases. He holds degrees from the *École polytechnique* and the *École des mines de Paris.*
- **Alain Bonin,** born March 1, 1964, has been Deputy chief executive officer since 2012, chief operating officer since 2009. He is responsible for the Sales Departments of the Hospitality and Healthcare segments as well as the Group's operations in three French regions, Switzerland and Germany. Alain Bonin has been with the Group for 28 years and has held various managerial positions, including Director of several profit centers and a regional department. He holds a *Diplôme d'études universitaires* (DUT) in marketing techniques.
- **Frédéric Deletombe,** born on May 12, 1972, has been Engineering Director since 2009 and Purchasing and Supply Chain Director since 2015. He joined the Group in 2006 and has held different managerial responsibilities. Previously, Frédéric Deletombe held managerial positions in various Operating and Industrial Departments at IBM Microelectronics then at Altis Semiconductors. Frédéric Deletombe holds degrees from the *École polytechnique* and the *École nationale supérieure de techniques avancées* (ENSTA). He also holds a DEA (a French advanced degree) of the Corporate and Production Organization (ENPC).
- **Didier Lachaud,** born on June 16, 1959, has been Human Resources and Corporate Social Responsibility Director of the Elis Group since 2010. Before joining the Group, Didier Lachaud held various positions in the Human Resources Departments at Schlumberger and Air Liquide and was Human Resources Director of the Fives Group and the Gemplus Group (now Gemalto). Didier Lachaud was also a consultant at Vacoas Management and Neumann International. He is a graduate of the *Institut d'études politiques* in Paris and also holds a Master's degree in Private Law.
- **Yann Michel,** born on November 3, 1974, has been chief operating officer since March 1, 2015. He is responsible for the Sales and Marketing – Key Accounts Department, Ultra-Clean activities as well as the Group's operations in three French regions, Belgium, Luxembourg, Italy and the Czech Republic. Yann Michel has been with the Group for ten years and held various operational positions, including Director of two regional departments. He is a graduate of the *Université de technologie de Compiègne*.
- **Caroline Roche,** born on February 8, 1973, has been Marketing and Innovation Director of the Group since April 3, 2016. Before joining Elis, Caroline Roche spent five years at Go Sport as Digital Director and then Marketing Director. Before that, she worked mainly in the marketing and key accounts positions at Marionnaud, Laser Loyalty, Orange Art and Sherwood. Caroline Roche is a graduate of the *École supérieure de commerce de Montpellier.*

4.1.2 THE SUPERVISORY BOARD

Composition of the Supervisory Board

As at the date of this registration document, the Elis Supervisory Board was composed of the nine members listed below, including three women and five independent members, *i.e.*, 33.33% and 56% respectively of the members of the Supervisory Board.

Name or company name	Capacity	Independent[(a)]	Expiration date of term of office General meeting called to approve the financial statements for the year that will end on:
Thierry Morin	Chairman of the Supervisory Board	■	December 31, 2018, to be held in 2019
Marc Frappier	Vice-Chairman of the Supervisory Board		December 31, 2015, to be held in 2016
Michel Datchary	Member of the Supervisory Board	■	December 31, 2015, to be held in 2016
Virginie Morgon	Member of the Supervisory Board		December 31, 2018, to be held in 2019
Philippe Delleur	Member of the Supervisory Board	■	December 31, 2018, to be held in 2019
Florence Noblot	Member of the Supervisory Board	■	December 31, 2016, to be held in 2017
Agnès Pannier-Runacher	Member of the Supervisory Board	■	December 31, 2017, to be held in 2018
Philippe Audouin	Member of the Supervisory Board		December 31, 2016, to be held in 2017
Maxime de Bentzmann[(b)]	Member of the Supervisory Board		December 31, 2017, to be held in 2018

(a) The independence criteria used by the Company are described in the chairman of the Supervisory Board's report on corporate governance and internal control, in the paragraph "Composition of the Supervisory Board", below.
(b) Co-opted by the Supervisory Board at its meeting of March 9, 2016.

At the next general meeting, the shareholders will be asked to decide on:

- the reappointment of Marc Frappier and Michel Datchary, who also hold offices on the Appointments and Compensation Committee, as members of the Supervisory Board for another four years;
- the ratification of the appointment of Maxime de Bentzmann, co-opted by the Supervisory Board at its meeting of March 9, 2016, for the remaining term of office of his predecessor, Eric Schaefer, who resigned.

The draft resolutions relating to these reappointment and ratification proposals are presented in chapter 7 "Combined general meeting of May 27, 2016" of this registration document, section 7.3 "Draft Resolutions".

Information and details about the members of the Supervisory Board

The information below shows the personal information of the members of the Supervisory Board as at the date of this registration document, and for each of them, the main offices and positions held as at December 31, 2015:

PHILIPPE AUDOUIN

MEMBER OF THE SUPERVISORY BOARD

Business address:
1, rue Georges-Berger – 75017 Paris – France

Date of birth: April 3, 1957

Nationality: French

Date of first appointment: October 4, 2007 (Member of the Board of Directors of the Company under its former structure as a French simplified limited liability company)

Number of Elis shares held: 3,500 (including 500 shares from a loan of Eurazeo shares)

Date of current appointment to office: September 5, 2014

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2016

Member of a committee: Member of the Audit Committee

Main activity: Chief financial officer and member of the Management Board of Eurazeo*

BIOGRAPHY: Philippe Audouin is a member of the Management Board and chief financial officer of Eurazeo, which he joined in 2002. He began his career by founding and developing his own company for ten years. After selling it, Philippe Audouin was the chief financial officer and authorized representative (Prokurist) of the first joint venture between France Telecom and Deutsche Telekom, in Germany. From 1996 to 2000, Philippe Audouin held the position of chief financial officer and Human Resources Director of the Multimedia division of France Telecom. He was also a member of the Supervisory Board of PagesJaunes. From April 2000 to February 2002, Philippe Audouin was the chief financial officer of Europ@Web (Groupe Arnault). He also taught for five years as Associate Professor and then Lecturer in the third year at the *École des hautes études commerciales* (HEC). He is a member of the AMF's Issuers Advisory Commission, a member of the Advisory Committee of the French Accounting Standards Authority (ANC) and President of the French Association of chief financial officers and Management Control Directors (DFCG). He holds a degree from the *École des hautes études commerciales* (HEC).

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
- Chief executive officer of Legendre Holding 33, La Mothe, Eurazeo Capital Investissement and Eureka Participation
- President of Ray France Investment
- President of Legendre Holding 22, Legendre Holding 28, Legendre Holding 23, Legendre Holding 26, Immobilière Bingen, Legendre Holding 8, Legendre Holding 31 (now Les Amis d'Asmodée) and Legendre Holding 32 (now Asmodée II)
- General Manager of Eurazeo Italia (Italy)
- Vice-Chairman of the Supervisory Board of APCOA Parking AG (Germany)
- Member of the Advisory Board of APCOA Parking Holdings GmbH (Germany)
- Member of the Board of Directors of Elis*
- Director of the Europcar Group*

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
- Member of the Management Board and chief financial officer of Eurazeo*
- Member of the Supervisory Board of ANF Immobilier*
- Member of the Supervisory Board of the Europcar Group*
- Member of the Supervisory Board of Eurazeo PME
- Managing Director of Perpetuum MEP Verwaltung GmbH (Germany)
- President of Eurazeo Patrimoine, EP Aubervilliers, LH APCOA, Legendre Holding 19, Legendre Holding 21, Legendre Holding 27, Legendre Holding 29, Legendre Holding 30, Legendre Holding 34, Legendre Holding 35, Legendre Holding 36 and Legendre Holding 42
- Chief executive officer of Legendre Holding 25, CarryCo Capital 1 and Carryco Croissance
- Chairman of the Supervisory Board of Legendre Holding 28
- Deputy Director of Eurazeo Services Lux (Luxembourg)
- Permanent representative of Eurazeo on the Board of Directors of SFGI

(*) Listed company.

MICHEL DATCHARY

INDEPENDENT MEMBER OF THE SUPERVISORY BOARD

Business address:
9, rue Saint-Senoch – 75017 Paris – France

Date of birth: January 14, 1952

Nationality: French

Date of first appointment: January 26, 2009 (Member of the Board of Directors of the Company under its former structure as a French simplified limited liability company)

Number of Elis shares held: 1,000

Date of current appointment to office: September 5, 2014

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2015

Member of a committee: Chairman of the Appointments and Compensation Committee

Main activity: Consultant

BIOGRAPHY: Since 2010, Michel Datchary has developed a consulting business through his company Staminea in various European countries, focusing on media, the internet and services, as well as advising a seed fund in the selection of innovative companies. After a career that started at Havas, he went to Pages Jaunes to handle marketing, and became chief executive officer of this group for 13 years of growth (1996 to 2009). He transformed the group into the first French advertising medium on the internet with the success of pagesjaunes.fr, and managed its stock market listing in 2004. Michel Datchary has a degree from the *Institut de promotion commerciale* and the Chamber of Commerce in Pau.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
- General Manager of Staminea
- Investment Director of the Fa Dièse fund
- Director of Linkéo

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
- Chief executive officer of the PagesJaunes Group*
- Director of Local.ch (Switzerland)
- Director of Swisscom Directories (Switzerland)
- Director of LTV Gelbe Seiten (Switzerland)
- Director of CCA International
- Director of European Directories
- Member of the Board of Directors of Elis*

(*) Listed company.

PHILIPPE DELLEUR

INDEPENDENT MEMBER OF THE SUPERVISORY BOARD

Business address:
3, avenue André-Malraux – 92300 Levallois-Perret – France

Date of birth: April 11, 1958

Nationality: French

Date of first appointment: June 24, 2015

Number of Elis shares held: 500

Date of current appointment to office: June 24, 2015

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2018

Member of a committee: No

Main activity: Senior Vice-President of Public Affairs of the Alstom Group*

BIOGRAPHY: Philippe Delleur is Vice-President of Public Affairs of the Alstom Group. He joined the Alstom Group in 2006 where he was successively Director for Southern Europe, Africa and the Middle East, President of the Alstom subsidiary in Brazil and Director for Latin America, and President of Alstom International from 2011 to 2015. Previously, he had worked at France's Ministry of the Economy and Finance, where over a period of 23 years he held the positions of Director of the Central Purchasing Agency, manager in the Foreign Economic Relations Department, and technical advisor in the office of Michel Sapin. He is an alumnus of *École nationale de l'administration*, graduated from *Sciences Po Paris* and holds a degree in Law.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
- Independent Director of Biosev, a Brazilian subsidiary of the Louis Dreyfus Group*

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
None

(*) Listed company.

MARC FRAPPIER

VICE-CHAIRMAN OF THE SUPERVISORY BOARD

Business address:
1, rue Georges-Berger, 75017 Paris – France

Date of birth: May 28, 1973

Nationality: French

Date of first appointment: January 8, 2013 (Member of the Board of Directors of the Company under its former structure as a French simplified limited liability company)

Number of Elis shares held: 500 (loan of Eurazeo shares)

Date of current appointment to office: September 5, 2014

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2015

Member of a committee: Member of the Appointments and Compensation Committee

Main activity: Associate Director of Eurazeo*

BIOGRAPHY: Marc Frappier is Associate Director of Eurazeo, which he joined in 2006. He has notably participated in making or monitoring investments in Accor/Edenred, Apcoa, Elis, Foncia, Rexel, Asmodée, IM Square and Fintax. He began his career in 1996 as a Financial Auditor at Deloitte et Touche. From 1999 to 2006, he worked at the Boston Consulting Group (BCG) in Paris and Singapore, where he performed many assignments involving strategy and operational efficiency in the industrial goods and services, energy, and media and telecommunications sectors. Marc Frappier is a civil engineer and a graduate of the *École des mines*. He holds a degree in Accounting and Finance (DECF).

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
- Associate Director of Eurazeo*
- Chairman of the Board of Directors of IM Square
- Member of the Supervisory Board of Legendre Holding 33
- Vice-President of the Supervisory Board of Foncia Holding
- Director of RES 1 SA, RES 2 SA, ManFoncia 1 and ManFoncia 2
- General Manager of Shynx S.à.r.l (Luxembourg)
- General Manager of Shynx 1 S.à.r.l (Luxembourg)
- General Manager of Shynx 2 S.à.r.l (Luxembourg)
- Director of Franklin Ireland Topco Limited, UK Bidco Limited, UK Midco Limited, Franklin Ireland Bidco Limited and Connacht SPV1

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
- Director of Eurazeo Management Lux
- Vice-Chairman of the Advisory Board of APCOA Parking Holdings GmbH
- Vice-Chairman of the Supervisory Board of the Foncia Group
- Member of the Supervisory Board of APCOA Parking AG
- Representative of Eurozeo on the Board of Directors of Rexel SA
- General Manager of ECIP Elis S.à.r.l.
- General Manager of ECIP Agree S.à.r.l.
- Member of the Board of Directors of Elis*

(*) *Listed company.*

VIRGINIE MORGON

MEMBER OF THE SUPERVISORY BOARD

Business address:
1, rue Georges-Berger – 75017 Paris – France

Date of birth: November 26, 1969

Nationality: French

Date of first appointment: January 8, 2013 (Member of the Board of Directors of the Company under its former structure as a French simplified limited liability company)

Number of Elis shares held: 500 (loan of Eurazeo shares)

Date of current appointment to office: June 24, 2015

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2018

Member of a committee: No

Main activity: Chief executive officer and member of the Management Board of Eurazeo*

BIOGRAPHY: Virginie Morgon is a member of the Management Board and chief executive officer of Eurazeo, which she joined in 2008. From 2000 to 2007, Virginie Morgon was Managing Partner of Lazard Frères et Cie in Paris, after having worked as an investment banker at Lazard in New York and London since 1992. Virginie Morgon was notably in charge of the European food-processing, distribution and consumer goods sectors. During her 15 years at Lazard, she advised many companies, such as Air Liquide, Danone, Kingfisher/Castorama, Kesa/Darty and Publicis, and established close relationships with their executives. She holds a degree from the *Institut d'études politiques de Paris* (Economy and Finance section) and a Master's degree in Economy and Management (MIEM) from the Bocconi University (Milan, Italy).

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:

- Member of the Management Board and Chief executive officer of Eurazeo*
- President of Legendre Holding 43, Legendre Holding 44, Legendre Holding 45, Legendre Holding 46, and Legendre Holding 47
- Managing Director of APCOA Group GmbH (Germany)
- Chairman of the Supervisory Board of Eurazeo PME
- Chief Executive Director of LH APCOA
- Chairman of the Supervisory Board of Legendre Holding 33
- Director of L'Oréal*
- Director of Accor*
- Director of Abasic SL (Spain)
- Member of the Supervisory Board of Vivendi*
- Vice-Chairman of the Board of Directors of Moncler SpA* (Italy)
- Vice-President of the Paris Human Rights Watch Committee

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:

- General Manager of Intercos SpA (Italy) and Euraleo srl (Italy)
- Member of the Board of Directors of Women's Forum for the Economy & Society (WEFCOS)
- Chairman of the Supervisory Board of APCOA Parking AG (Germany)
- Chairman of the Advisory Board of APCOA Parking Holdings GmbH (Germany)
- Director of Edenred
- Director of Sportswear Industries Srl (Italy)
- Chairman of the Supervisory Board of OFI Private Equity Capital (now Eurazeo PME Capital)
- Chairman of the Board of Directors of Broletto 1 Srl (Italy)
- President of Legendre Holding 33
- Permanent representative of Eurazeo on the Board of Directors of LT Participations
- Member of the Board of Directors and chairman of the Supervisory Board of Elis*

(*) Listed company.

THIERRY MORIN

CHAIRMAN OF THE SUPERVISORY BOARD AND INDEPENDENT MEMBER

Business address:
5, rue Quentin-Bauchart – 75008 Paris – France

Date of birth: March 27, 1952

Nationality: French

Date of first appointment: June 23, 2014 (Member of the Board of Directors of the Company under its former structure as a French simplified limited liability company)

Number of Elis shares held: 1,000

Date of current appointment to office: June 24, 2015

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2018

Member of a committee: Member of the Audit Committee

Main activity: President of the Thierry Morin Consulting company, General Manager of TM France

BIOGRAPHY: Thierry Morin started his career in 1977 as an engineer in the Sales Department of the Burroughs Corporation. From 1978 to 1986, he worked as an account manager, financial controller, chief accounting officer and then financial controller for EMEA (Europe, Middle East and Africa) in the Schlumberger Group. In 1986, he joined the Thomson Electronics Group as chief information officer, and then Financial Director for the Audio Department. In 1989, Thierry Morin joined the Valeo Group as deputy chief financial officer. At Valeo, he then became chief financial officer, chief strategy officer, deputy chief executive officer and then chief executive officer in 2000. In March 2001, he became chairman and chief executive officer of the Valeo Group. Since 2009, Thierry Morin has managed seed-capital investments in new technologies, as well as an industrial consulting company. In 2013, he acquired Sintertech, France's leading producer of metal powders for industrial markets, and restructured the Company. In 2015, he acquired F2R, wheel producer for the automobile market (number one in France). He is also former chairman of the Board of the French Patent and Trademark Office (INPI). Thierry Morin has a Masters' degree in management from *Université Paris IX-Dauphine*.
He is an officer of the French Order of Merit, Knight of the French Legion of Honor and Knight of the French Order of Arts and Letters *(Officier de l'ordre national du Mérite, chevalier de la légion d'honneur et chevalier des Arts et des Lettres)*.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:

- Director of Arkema*
- President of Thierry Morin Consulting (TMC)
- Chairman of the Supervisory Board of the *Université Technologique de Compiègne (UTC)*
- Manager of TM France
- President of TMPARFI SA (Luxembourg)

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:

- Member of the Board of Directors of Elis*

(*) Listed company.

FLORENCE NOBLOT

INDEPENDENT MEMBER OF THE SUPERVISORY BOARD

Business address:
Le Mermoz – 53, avenue Jean-Jaurès – F – 93350 Le Bourget – France

Date of birth: May 15, 1963

Nationality: French

Date of first appointment: July 31, 2014 (Member of the Board of Directors of the Company under its former structure as a French simplified limited liability company)

Number of Elis shares held: 1,000

Date of current appointment to office: September 5, 2014

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2016

Member of a committee: Member of the Appointments and Compensation Committee

Main activity: Vice-President EMEA (Europe, Middle East and Africa) of DHL Express

BIOGRAPHY: Florence Noblot is Senior Vice-President EMEA, High Tech sector (Europe, Middle East and Africa) of the Deutsche Post DHL Group, which she joined in 1993. She started her career in 1987 as an account manager for Rank Xerox France. In 1993, she joined DHL Express as a key account manager and was then Sales Director and Senior Vice-President of Global Customer Solutions (GCS) for the Asia-Pacific region between 2003 and 2006. Between 2008 and 2012, she was President of DHL Express France and was also a member of the Executive Committee for DHL Express Europe. In 2012, she became Director for sales projects in Europe for DHL Express Europe before being appointed Senior Vice-President of the High Tech EMEA (Europe, Middle East and Africa) sector in 2013, covering all activities of the Deutsche Post DHL Group. Florence Noblot studied economics at *Université Paris II Panthéon Assas* and completed the General Management Program of Harvard University in the United States in 2011.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
- Senior Vice-President Technology Sector EMEA of the DPDHL Group

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
- Managing Director Commercial Projects of DHL Express
- President of DHL Express France SAS
- Member of the Board of Directors of Elis*

(*) Listed company.

AGNÈS PANNIER-RUNACHER

INDEPENDENT MEMBER OF THE SUPERVISORY BOARD

Business address:
52, boulevard Haussmann – 75009 Paris – France

Date of birth: June 19, 1974

Nationality: French

Date of first appointment: October 8, 2014

Number of Elis shares held: 500

Date of current appointment to office: October 8, 2014

Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2017

Member of a committee: Chairman of the Audit Committee

Main activity: Deputy chief executive officer of Compagnie des Alpes*

BIOGRAPHY: Agnès Pannier-Runacher is deputy chief executive officer of Compagnie des Alpes, which she joined in 2013. She previously worked as a senior civil servant *(inspecteur des finances)* at France's Ministry of the Economy, Finance and Industry, before becoming chief of staff and a member of the Executive Committee at Assistance Publique-Hôpitaux de Paris in charge of financial and economic issues. In 2006, she joined Caisse des Dépôts as Deputy chief finance and strategy officer, in charge of subsidiary monitoring, strategic equity investments and M&A. In 2009, she became a member of the Executive Committee and Finance and Portfolio Strategy Director of the Strategic Investment Fund *(fonds stratégique d'investissement)*. In 2011, she joined Faurecia Systèmes d'intérieur as Customer Relations Director of Tata-JLR, GME and Volvo. She is a graduate of the *École des hautes études commerciales* (HEC) and an alumnus of *École nationale d'administration* (ENA), and holds a CEMS (HEC-Köln-Universität) Master's degree.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
- Deputy chief executive officer of Compagnie des Alpes*
- Director and chairman of the Audit Committee of the Bourbon Group*
- Director of AFP
- Director and member of the Strategic Committee of Compagnie du Mont Blanc* (listed investment of Compagnie des Alpes)
- Director of Grévin & Cie
- Member of the Supervisory Board of Futuroscope (Compagnie des Alpes Group)

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
- Director and member of the Liaison Committee of Soprol SAS
- Director of FSI-PME Entreprises SAS (formerly CDC Entreprises)
- Director of CDC Entreprises SAS
- Director of Daher
- Director and member of the Audit Committee of BPI France

(*) Listed company.

MAXIME DE BENTZMANN

MEMBER OF THE SUPERVISORY BOARD

Professional address:
1, rue Georges-Berger – 75017 Paris – France

Date of birth: September 30, 1984

Nationality: French

Date of first appointment: March 9, 2016

Number of Elis shares held: 500 (loan of Eurazeo shares)

Date of current appointment to office: March 9, 2016

Date of expiration of current office: Ordinary general meeting called to approve the financial statements for the year ended December 31, 2017

Member of a committee: No

Main activity: Deputy Director of Eurazeo Capital

BIOGRAPHY: Maxime de Bentzmann is Deputy Director in the investment team of Eurazeo Capital, which he joined in 2011. He has notably participated in the creation or monitoring of investments in Edenred, Elis, Asmodee and Desigual. Prior to that, he was part of the consultant teams in Mergers & Acquisitions of Rothschild & Cie. Maxime de Bentzmann graduated from ESSEC and University of Mannheim.

MAIN TERMS OF OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:
None

OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
- Member of the Supervisory Board of Legendre Holding 33

OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
- Member of the Board of Directors of Elis*

(*) Listed company.

4.1.3 CHANGES IN THE COMPOSITION OF THE MANAGEMENT AND SUPERVISORY BODIES

During the year 2015 and since the beginning of the current year, the composition of the management and supervisory bodies has undergone the following changes:

- February 11, 2015: appointment of Thierry Morin as chairman of the Supervisory Board decided by the Supervisory Board at its meeting of September 5, 2014, subject to the condition precedent of the admission of the Company's shares for trading on the Euronext Paris regulated market;
- February 11, 2015: Thierry Morin becomes chairman of the Supervisory Board, replacing Virginie Morgon;
- February 11, 2015: Michael Datchary becomes chairman of the Appointments and Compensation Committee, replacing Virginie Morgon;
- February 11, 2015: termination of Virginie Morgon's offices on the Appointments and Compensation Committee (member and chairman);
- March 1, 2015: appointment of Yann Michel as chief operating officer, replacing Arthur de Roquefeuil;
- June 24, 2015: reappointment of Thierry Morin and Virginie Morgon as members of the Supervisory Board for another four years;
- June 24, 2015: reappointment of Thierry Morin as chairman of the Supervisory Board and reappointed to the Audit Committee.
- June 24, 2015: appointment of Philippe Delleur as a new member of the Supervisory Board for a period of four years (the general meeting of June 24, 2015);
- November 1, 2015: appointment of Matthieu Lecharny as chief operating officer;
- March 9, 2016: co-optation of Maxime de Bentzmann as a new member of the Supervisory Board, replacing Eric Schaefer who is resigning. This co-optation will be submitted for ratification at the next general shareholders' meeting;
- April 3, 2016: appointment of Caroline Roche as Marketing and Innovation Director and Member of the Executive Committee.

4.1.4 DISCLOSURE STATEMENTS ON THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

As at the date of this registration document and to the best of the Company's knowledge:

- there are no family ties among the members of the Company's Management Board and Supervisory Board identified above;
- none of the members of the Company's Management Board or the Supervisory Board identified above have been convicted of fraud, or had a sentence imposed upon them or received a public sanction from a legal or regulatory authority in the past five years;
- none of the members of the Company's Management Board or the Supervisory Board identified above have been an executive or corporate officer of a company that has been declared bankrupt, or placed in liquidation or receivership in the past five years;
- none of the members of the Company's Management Board or the Supervisory Board have been prohibited by a court from serving as a member of an administrative, management or supervisory body, or from being involved in the management or conducting the business of a public company in the past five years;
- no current or potential conflicts currently exist between the duties with regard to Elis, and private interests and other duties of any of the members of the Management Board and the Supervisory Board.

4.1.5 MANAGEMENT OF CONFLICTS OF INTEREST

In order to prevent conflicts of interest between a member of the Supervisory Board and the Management Board or any Group company, the Appointments and Compensation Committee monitors the independence of the members with respect to the criteria of the AFEP-MEDEF Code, and discusses this topic in its meetings at least once per year.

In accordance with the provisions of Article 2.2 of the rules of procedure of the Supervisory Board, and in order to prevent the risk of conflict of interest, each Board member is required to disclose to the Supervisory Board, as soon as it is known to him, any situation giving the appearance of a conflict between the interests of the Company and their personal interest, direct or indirect, or the interest of a shareholder or the shareholder group that they represent.

4.1.6 REGULATED AGREEMENTS

In accordance with the provisions of Article L. 225-88-1 of the French Commercial Code, at its meeting of March 9, 2016 the Supervisory Board reviewed the regulated agreements and commitments with related parties entered into and authorized during previous years that remained in effect during the year 2015.

To this end, the Supervisory Board duly noted that the following agreements and commitments remained in effect during the year 2015 and gave a favorable opinion on their continuation in 2016:

- guarantee agreement in the English language titled "Underwriting Agreement" entered into by the Company with Legendre Holding 27 and the banks charged with investing the shares in connection with the Company's initial public offering (led by BNP Paribas, Deutsche Bank AG London Branch and Goldman Sachs International and composed of Crédit Agricole Corporate and Investment Bank, HSBC France, Morgan Stanley & Co International plc and Société Générale) on February 10, 2015;
- subordination agreement dated June 14, 2013 replacing the subordination agreement dated October 4, 2007 entered into in connection with the overall refinancing of the Company's debt that took place on this same date. This agreement organizes the ranking and repayment priority of senior cash notes and senior PIK notes;
- the commitments made by the Company to Xavier Martiré, Louis Guyot and Matthieu Lecharny in connection with their termination benefits, in particular the payment of compensation in the event of their forced departure, subject to performance conditions, and the payment of non-compete compensation. These commitments are described in section 4.5 "Compensation and benefits granted to the members of the Management Board and the Supervisory Board" of the 2015 registration document.

As part of its annual review of the agreements outstanding, the Supervisory Board did not identify any agreement that no longer qualified as a regulated agreement in light of changing circumstances.

It should be noted that the intra-group loan agreement dated June 14, 2013, amended on September 23, 2014 and October 22, 2014 and entered into by Legendre Holding 27 ended on February 12, 2015, following Legendre Holding 27's subscription to the capital increase of €84,627,150 carried out by the Company, which was fully paid up by offsetting the receivable held on the Company through said intra-group loan.

As a reminder, the shareholders' agreement mentioned in section 18.4, entitled "Shareholder agreement, ownership undertakings and concert parties" of the Registration Statement *(document de base)* established by the Company in connection with the listing of its shares for trading on the Euronext regulated market in Paris was automatically terminated following the admission to trading of the Company's shares on said regulated market.

It should be noted that since the entry into force on August 3, 2014 of Order 2014-863 of July 31, 2014, the agreements entered into by the Company and any of its subsidiaries that are fully owned, directly or indirectly, are excluded from the scope of regulated agreements and therefore are not discussed in this section or in the Statutory Auditors' special report mentioned above (see section 4.2 of this registration document).

4.1.7 SERVICE AGREEMENTS AMONG THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES AND THE COMPANY OR ITS SUBSIDIARIES

As at the date of this registration document and to the best of the Company's knowledge, there is no:

- service agreement linking members of the Management Board or the Supervisory Board;
- pact or agreement entered into with the shareholders, customers, suppliers or other persons pursuant to which one of the members of the Supervisory Board or Management Board has been appointed to such position;
- service agreement entered into by the Company or its subsidiaries and any of the members of the Management Board or the Supervisory Board.

4.1.8 AGREEMENTS ENTERED INTO BY A SUBSIDIARY (ARTICLE L. 225-102-1 PARA. 13)

To the best of the Company's knowledge, no agreement has been made, directly or through an intermediary, between, on the one hand and as applicable, one of the members of the Management Board or the Supervisory Board or one of its shareholders holding a fraction of the voting rights greater than 10% of the Company's voting rights and, on the other hand, a company in which the Company directly or indirectly holds more than half of its share capital.

4.2 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH RELATED PARTIES

General meeting called to approve the financial statements for the year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with related parties.

We are required to inform you, on the basis of the information provided to us, of the main characteristics and terms and conditions of the agreements and commitments brought to our attention or which we may have identified in the course of our audit, including the reasons justifying the Company's interest therein. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial *Code (Code de commerce),* to assess the benefits of these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to provide you with the information referred to in Article R. 225-58 of the French Commercial Code concerning the implementation, during the year under review, of the agreements and commitments already approved by the general meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures entailed verifying that the information provided to us was consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

Agreements and commitments authorized during the 2015 financial year

In accordance with Article L. 225-88 of the French Commercial Code, we have been informed of the following agreements and commitments authorized by the Supervisory Board.

Underwriting agreement in English (the "Underwriting Agreement")

Authorized by the Elis Supervisory Board at its meeting of January 26, 2015.

Nature, purpose and benefits:

This Underwriting Agreement was entered into by the Company with Legendre Holding 27 and a bank syndicate led by BNP Paribas, Deutsche Bank AG, London Branch and Goldman Sachs International and composed of Crédit Agricole Corporate and Investment Bank, HSBC France, Morgan Stanley & Co International plc and Société Générale (the "Guarantor Institutions") on February 10, 2015.

The agreement consists of managing the sale of Company shares as part of the Company's initial public offering. Under the terms and conditions of this Underwriting Agreement, all bank fees and transaction costs related to the Company's initial public offering are covered by Elis and Eurazeo, subject to certain limitations. The agreement provides in particular for basic bank fees equal to 1.50% of gross proceeds of the capital increase carried out as part of the Company's initial public offering and the sale of existing shares to be borne by the Company in the case of New Shares, and by Legendre Holding 27 in the case of Initial Shares Sold and Additional Shares Sold as part of the overallotment option (as these terms and conditions beginning with an uppercase letter are defined in the Underwriting Agreement). This Underwriting Agreement furthermore provides for the possible payment of an additional discretionary commission of 1.25% of the gross proceeds from the offering.

The agreement also contains a number of statements in particular by the Company. Any inaccuracy of these statements or failure of the Company to fulfill its obligations may, under certain circumstances, result in compensation on the part of the Company.

Shareholders and members of the Supervisory Board affected by this agreement are Legendre Holding 27, which is a shareholder with more than 10% of the Company's share capital and voting rights (Eurazeo), Virginie Morgon, Philippe Audoin, Marc Frappier and Eric Schaefer, who are members of the Supervisory Board and corporate officers at Eurazeo.

Terms and conditions:

In respect of the 2015 financial year, fees borne by the Company amounted to €11,897 thousand.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in previous years

In accordance with Article R. 225-57 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the general meeting in previous years, remained in effect during the year under review.

Subordination agreement with Legendre Holding 27, shareholder holding over 10% of the voting rights

Authorized by the Board of Directors at its meeting of May 23, 2013.

Nature, purpose and benefits:

Subordination agreement replacing the subordination agreement dated October 4, 2007 entered into in connection with the overall refinancing of the Company's debt on June 14, 2013, defining the ranking and priority of senior cash notes and Senior PIK Notes.

Terms and conditions:

The Company did not recognize any amounts in this respect for the year ended December 31, 2015.

Intra-group loan agreement dated June 14, 2013 amended by riders on September 23, 2014 and October 22, 2014 and entered into by the Company with Legendre Holding 27

Intra-group loan authorized by the Board of Directors at its meeting of May 23, 2013 and approved by the general meeting of June 23, 2014.

Riders Nos. 1 and 2 authorized by the Supervisory Board at its meetings of September 22, 2014 and October 10, 2014 and approved by the general meeting of June 24, 2015.

Nature, purpose and benefits:

Agreement under the terms of which Legendre Holding 27 granted a loan to the Company with a principal of €173,000,000. The applicable interest rate is equal to the interest rate applicable to the Senior Subordinated PIK Notes issued by Legendre Holding 27 on the same day (the "Senior PIK Notes") under the English-language Senior PIK Notes Indenture after taking into account any hedging agreement related to the Senior PIK Notes, plus a margin of 0.1%.

As part of the Company's initial public offering, this intra-group loan agreement was subject to two riders:

- **rider No. 1, dated September 22, 2014** providing for early repayment in full of the loan in the event of an initial public offering of the Company shares, which will be deemed to have taken effect once the Company's Management Board has set the price of the shares to be listed. Capitalized interest due and/or accrued as at the effective repayment date will also be payable, as part of the refinancing and reduction of the Company's debt subsequent to said initial public offering;

- **rider No. 2 dated October 13, 2014** providing for the terms and conditions of early repayment of the loan in the event of an initial public offering of the Company's shares as follows:
  - repayment in cash of 40% of the nominal amount of the Senior PIK Notes issued by Legendre Holding 27 (the "Lender") as well as the payment of interest capitalized and accrued on the amount repaid,
  - conversion into Company equity securities of the remaining loan balance, *i.e.*, 60%, comprising principal and interest, as consideration for the coverage by the Company of the fees, commissions, compensation and other penalties that Legendre Holding 27 will incur as part of the partial early repayment of the Senior PIK Notes,
  - Legendre Holding 27 undertakes to subscribe for new Company shares by offsetting the subscription price against the amount due in respect of the loan,
  - the amount of penalties to be paid by the Company as a result of early repayment of the loan will be set by applying to the amount corresponding to the Senior PIK Notes to be repaid the interest rate applicable to the Senior PIK Notes (*i.e.*, the sum of (a) the higher of 3-month Euribor and 1% and (b) 10.25%) as well as, where appropriate, all other fees and compensation payable by the Lender in respect of the Senior PIK Notes at that time.

The shareholders and members of the Supervisory Board affected by this agreement are Legendre Holding 27, a shareholder holding more than 10% of the Company's share capital and voting rights.

Terms and conditions:

During the 2015 financial year, in view of the initial public offering of the Company's shares on February 12, 2015 and pursuant to the intra-group loan agreement as modified by Riders Nos. 1 and 2, the Company made an early repayment of €82,945,708 on February 12, 2015. The penalties for the loan repayment amounted to €8,677,842. On February 10, 2015, Legendre Holding 27 subscribed to a capital increase of €84,627,150 and fully paid up its subscription price of €110,015,305 by offsetting it against the amount receivable from the Company under the intra-group loan.

The interest paid by Elis in this regard as at December 31, 2015 was €2,482,226.

The full repayment of this loan took place on February 12, 2015, thus ending the agreement.

Agreements and commitments authorized during the past financial year

We have also been informed that the following agreements and commitments, which were approved by the general meeting of June 24, 2015 based on the Statutory Auditors' special report dated April 15, 2015, were implemented in the financial year just ended.

Agreement on termination benefits with Xavier Martiré, chairman of the Company's Management Board

Authorized by the Supervisory Board at its meeting of October 10, 2014.

Nature, purpose and benefits:

Termination benefits, subject to the performance conditions defined hereinafter, equal to 18 months of gross fixed and variable compensation calculated based on the average compensation received during the two full years preceding his departure, due in the event of forced departure, except in the case of misconduct.

Performance is measured based on the following two criteria: (I) revenue; and (II) EBIT, which are calculated over the 12 consecutive months preceding the date of the last half-year-end prior to his departure. Performance is measured in relation to the objectives approved for the same period by the Supervisory Board.

The eligibility for termination benefits is conditional on him achieving a certain level of performance. Accordingly, if neither of the aforementioned objectives is achieved, no benefit is payable, whereas if one target is achieved, two-thirds of the benefit is payable (*i.e.* 12 months of average gross fixed and variable compensation) and if both targets are achieved, the severance payment is payable in full.

Terms and conditions:

The Company did not recognize any amounts in this respect for the year ended December 31, 2015.

Non-compete agreement with Xavier Martiré, chairman of the Company's Management Board

Authorized by the Supervisory Board at its meeting of October 10, 2014.

Nature, purpose and benefits:

Non-compete agreement valid for one year as of the termination of his duties in order to protect the interests of the Company in the event of his departure. The non-compete payment is equal to 50% of the gross fixed and variable compensation received during the financial year preceding his departure. If the termination benefits and non-compete payment were both to become payable, the amount that could be received by Xavier Martiré in respect thereof would be capped at two years of gross fixed and variable compensation.

The Supervisory Board decided to maintain these principles and pursue these commitments in the interest of the Company and in line with market practices. The Board considered that this consistency with market practices was fundamental to attracting and retaining the talent required for the Group's success.

Terms and conditions:

The Company did not recognize any amounts in this respect for the year ended December 31, 2015.

Agreement on termination benefits with Louis Guyot, member of the Company's Management Board

Authorized by the Supervisory Board at its meeting of October 10, 2014.

Nature, purpose and benefits:

Termination benefits, subject to the performance conditions defined hereinafter, equal to 18 months of gross fixed and variable compensation calculated based on the average compensation received during the two full years preceding his departure, due in the event of forced departure, except in the case of misconduct.

Performance is measured based on the following two criteria: (i) revenue; and (ii) EBIT, which are calculated over the 12 consecutive months preceding the date of the last half-year-end prior to his departure. Performance is measured in relation to the objectives approved for the same period by the Supervisory Board.

The eligibility for termination benefits is conditional on him achieving a certain level of performance. Accordingly, if neither of the aforementioned objectives is achieved, no benefit is payable, whereas if one target is achieved, two-thirds of the benefit is payable (*i.e.* 12 months of average gross fixed and variable compensation) and if both targets are achieved, the severance payment is payable in full.

The Supervisory Board decided to maintain these principles and pursue these commitments in the interest of the Company and in line with market practices. The Board considered that this consistency with market practices was fundamental to attracting and retaining the talent required for the Group's success.

Terms and conditions:

The Company did not recognize any amounts in this respect for the year ended December 31, 2015.

Non-compete agreement with Louis Guyot, member of the Company's Management Board

Authorized by the Supervisory Board at its meeting of October 10, 2014.

Nature, purpose and benefits:

Non-compete agreement valid for six months as of the termination of his duties in order to protect the interests of the Company in the event of his departure. The non-compete payment is equal to 50% of the gross fixed and variable compensation received by Louis Guyot during the financial year preceding his departure. If the termination benefits and non-compete payment were both to become payable, the amount that could be received by Louis Guyot in respect thereof would be capped at two years of gross fixed and variable compensation.

Terms and conditions:

The Company did not recognize any amounts in this respect for the year ended December 31, 2015.

Agreement on termination benefits with Matthieu Lecharny, member of the Company's Management Board

Authorized by the Supervisory Board at its meeting of October 10, 2014.

Nature, purpose and benefits:

Termination benefits, subject to the performance conditions defined hereinafter, equal to 18 months of gross fixed and variable compensation calculated based on the average compensation received during the two full years preceding his departure, due in the event of forced departure, except in the case of misconduct.

Performance is measured based on the following two criteria: (i) revenue; and (ii) EBIT, which are calculated over the 12 consecutive months preceding the date of the last half-year-end prior to his departure. Performance is measured in relation to the objectives approved for the same period by the Supervisory Board.

The eligibility for termination benefits is conditional on him achieving a certain level of performance. Accordingly, if neither of the aforementioned objectives is achieved, no benefit is payable, whereas if one target is achieved, two-thirds of the benefit is payable (*i.e.* 12 months of average gross fixed and variable compensation) and if both targets are achieved, the severance payment is payable in full.

The Supervisory Board decided to maintain these principles and pursue these commitments in the interest of the Company and in line with market practices. The Board considered that this consistency with market practices was fundamental to attracting and retaining the talent required for the Group's success.

Terms and conditions:

The Company did not recognize any amounts in this respect for the year ended December 31, 2015.

Non-compete agreement with Matthieu Lecharny, member of the Company's Management Board

Authorized by the Supervisory Board at its meeting of October 10, 2014.

Nature, purpose and benefits:

Non-compete agreement valid for six months as of the termination of his duties in order to protect the interests of the Company in the event of his departure. The non-compete payment is equal to 50% of the gross fixed and variable compensation received during the financial year preceding his departure. If the termination benefits and non-compete payment were both to become payable, the amount that could be received by Matthieu Lecharny in respect thereof would be capped at two years of gross fixed and variable compensation.

Terms and conditions:

The Company did not recognize any amounts in this respect for the year ended December 31, 2015.

Neuilly-sur-Seine and Courbevoie, March 10, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bruno Tesnière	Isabelle Massa

4.3 CHAIRMAN OF THE SUPERVISORY BOARD'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AFR

The purpose of this report is to provide information about the Board composition, the application of the principle of balanced representation of men and women on the Board, the conditions for preparing and organizing the work of the Supervisory Board, as well as the internal control and risk management procedures implemented by the Company and its subsidiaries.

This report has been prepared in accordance with Article L. 225-68 of the French Commercial Code and the corporate governance recommendations set out in Article 25 of the AFEP-MEDEF Corporate Governance Code for listed companies as amended in November 2015, which may be viewed on the website (www.medef.com).

The chairman of the Supervisory Board has tasked the Internal Audit, Finance and Legal Departments with carrying out preparatory steps for this report, which was then reviewed by the Audit Committee and the Appointments and Compensation Committee, and approved by the Supervisory Board on March 9, 2016.

4.3.1 CORPORATE GOVERNANCE

Statement on corporate governance

At its meeting of January 26, 2015, the Supervisory Board, having reviewed the recommendations issued by the French Association of Private Sector Companies (*Association française des entreprises privées* – AFEP) and the French Employer Federation (*Mouvement des entreprises de France* – MEDEF) in the AFEP-MEDEF Corporate Governance Code for listed companies, believed that these recommendations are consistent with the Company's corporate governance approach and consequently decided to adopt them, particularly for the drafting of this chairman's report on corporate governance and internal control.

In this regard, the Company, ensured the presence of independent members on its Supervisory Board, endowed the Supervisory Board with special committees in charge of providing it with recommendations in the field of strategy, on the audit of financial statements and senior executives' compensation. Additionally, the taking of a certain number of decisions, which may have significant consequences on the Company's business or the business of one of the Group companies, its assets and its earnings, is subject to the Supervisory Board's preliminary approval.

Subject to the indications mentioned in the summary table below showing the few recommendations of the AFEP-MEDEF Code which were not used, the Company adopted all of said recommendations.

Implementation of the "comply or explain" rule

In the context of the "comply or explain" rule stipulated in Article L. 225-68 of the French Commercial Code and referred to in Article 25.1 of the AFEP-MEDEF Code as amended in November 2015, the Company believes that its practices comply with the recommendations of the AFEP-MEDEF Code, with, however, the exception of the following recommendations;

Deviations from the provisions of the AFEP-MEDEF Code	Explanation
The Board of Directors and strategy Article 4: *"The rules of procedure of the Board of Directors must specify the cases that require prior approval by the Board of Directors and establish their principle, which may vary depending on the Company's branches concerned, according to which any material transaction outside the announced strategy of the Company must be approved in advance by the Board of Directors."*	The limits to the powers of the Management Board are defined in Article 20-iv of the Company's articles of incorporation, which is referred to in the Board's rules of procedure (see the chairman of the Supervisory Board's report on corporate governance and internal control, paragraph "Roles and responsibilities of the Supervisory Board", page 121 of this 2015 registration document). This difference is technical and has no consequences on the merits.
Assessment of the Board of Directors Article 10.3: *"Once a year, the Board of Directors must devote a point of its agenda to a discussion on its functioning."*	In view of its recent reconfiguration, in 2015 the Supervisory Board did not discuss its functioning. An assessment of the functioning of the Board will be conducted in 2016 and its results will be discussed during a Supervisory Board meeting to be held in 2016.
Assessment of the Board of Directors Article 10.4: *"It is recommended that the non-executive directors meet periodically outside the presence of executive or internal directors. The rules of procedure of the Board of Directors should provide for annual meetings of this type, during which the performances of the chairman, the Chief executive officer and the deputy chief executive officer(s) will be appraised, and which would provide an opportunity for the participants to periodically reflect on the future of the Company's management."*	The Supervisory Board held no formal meetings in 2015 outside the presence of the members of the Management Board. The rules of procedure of the Supervisory Board do not expressly provide for such an annual meeting. The performance appraisals of the chairman and the members of the Management Board were examined by the Appointments and Compensation Committee.
Executive compensation Article 23.2.2: *"In principle, the fixed component of compensation must be reviewed only at relatively long intervals, for example, every three years."*	Xavier Martiré was appointed in 2008. His fixed compensation was revised in 2015 after the Company's initial public offering, in order to reduce the compensation gap noted in a market study conducted in 2014 and identified by an independent firm (see section 4.5 "Compensation and benefits granted to the members of the Management Board and the Supervisory Board" of the 2015 registration document).
Stock options and performance shares Article 23.2.4: *"A policy of granting stock options and bonus shares in the same calendar period, which would limit the windfall effect."*	No specific rule in 2015 sets the frequency or intervals at which the performance share plans are to be granted. In fact, the Group believes it is suitable to maintain a certain flexibility in this area, as these grants are subject to the preliminary approval from the general shareholders' meeting and the Supervisory Board.
Stock options and performance shares Article 23.2.4: *"The exercise by executive corporate officers of all their options and the vesting of their shares must be tied to serious and demanding performance conditions required to be satisfied over a period of several consecutive years."*	The performance shares granted by the Management Board on the authorization of the Supervisory Board vest after a period of two years, subject to the condition precedent of achieving the performance conditions. These conditions are aligned with the expected progress set out in the Group's long term development plans and are measured over a period of 24 months.

Composition of the Supervisory Board – terms of office – Office of the Supervisory Board – termination of offices

Pursuant to the provisions of Article 17 of the Company's articles of incorporation and Article 1 of the rules of procedure of the Supervisory Board, the Supervisory Board is composed of a number of members which may not be less that three or greater than eighteen, subject to exemptions provided for by law.

The members of the Supervisory Board shall be appointed by the ordinary general meeting, subject to the possibility for the Board, in the case of a vacancy of one or more positions, to co-opt replacement members, each for the remaining duration of his predecessor's term of office, subject to ratification by the next ordinary general meeting. The number of members of the Supervisory Board who have reached the age of 70 cannot exceed one-third of the members of the Supervisory Board in office. If such proportion is exceeded, the eldest member of the Supervisory Board, excepting the chairman, shall cease to hold his office after the next ordinary general meeting.

Subject to the legal provisions applicable for provisional appointments, Article 17 of the Company's articles of incorporation sets the term of office for members of the Supervisory Board to four years. They may be re-elected. The term of office of a member of the Supervisory Board shall expire at the end of the ordinary general meeting called to approve the financial statements for the previous year and held in the year during which the term of office expires.

Additionally, Article 17 of the articles of incorporation provides that the members of the Supervisory Board may be removed at any time by the ordinary general meeting.

As part of a process of better governance and to comply with the recommendations of the AFEP-MEDEF Code, a staggered renewal of the terms of office of Supervisory Board members was decided upon, on the recommendation of the Appointments and Compensation Committee and in order to avoid all terms of office being due for renewal at the same time, and to facilitate a smooth reappointment process for its members. The staggered renewal of the terms of office of all the members of the Supervisory Board thus allows the general shareholders' meeting to approve the renewal of several offices each year. The Company's articles of incorporation thus stipulate that the general meeting may provide, at the time of the appointment of certain members of the Supervisory Board, that their term of office is less than four years so as to permit the staggered renewal of the terms of office of the members of the Supervisory Board.

Pursuant to Article 18 of the articles of incorporation and Article 1.3 of its rules of procedure, the Supervisory Board shall elect a chairman and a Vice-Chairman from among its members, for the duration of their term of office. Pursuant to these Articles, Thierry Morin and Marc Frappier serve as the chairman and the Vice-Chairman, respectively, of the Supervisory Board.

As at the date of this report, the Supervisory Board was comprised of nine members, including three women and five members deemed independent based on the criteria set by the AFEP-MEDED Code. The detailed list of the members of the Supervisory Board is presented in section 4.1.2 "The Supervisory Board" of this chapter and the criteria used to assess the independence of the members are explained below.

Independence of the members of the Supervisory Board

Article 1 of the rules of procedure of the Supervisory Board provides that with each reappointment or appointment of a member of the Supervisory Board and at least once per year before publication of the Company's annual report, the Supervisory Board shall assess the independence of each of its members (or candidates), in accordance with the recommendations of the AFEP-MEDEF Code. During such assessment, the Supervisory Board, after having received the opinion of the Appointments and Compensation Committee, shall assess, on a case-by-case basis, the qualifications of each of its members (or candidates) based on the criteria mentioned below, the relevant party's particular circumstances and situation vis-a-vis the Company. The shareholders shall be informed of the conclusions of such assessment in the annual report and, if applicable, at the general meeting when the members of the Supervisory Board are elected.

The independence criteria for the members of the Supervisory Board used by the Company are those of the AFEP-MEDEF Code as amended in November 2015. They are as follows:

- not be or have been, in the past five years, an employee or executive corporate officer of the Company, or an employee or director of its parent company or of any company that it consolidates;
- not be an executive corporate officer of a company in which the Company directly or indirectly holds an office as director or in which an employee nominated as such or an executive corporate officer of the Company (currently or who has held such an office for less than five years) holds an office as director;
- not be a major customer, supplier, investment banker or financing banker of the Company or its Group, or for which the Company or its Group represents a significant share of business;
- not have close family ties with another corporate officer;
- not have been the Company's Statutory Auditor in the past five years; and
- not have been a director or member of the Supervisory Board of the Company for more than 12 years.

Article 1 of the rules of procedure of the Supervisory Board lists the aforementioned independence criteria.

For members of the Supervisory Board holding 10% or more of the share capital or of the Company's voting rights, or representing a legal entity holding such stake, upon a report by the Appointments and Compensation Committee, the Supervisory Board shall make a decision on whether the member is independent by specifically taking into account the composition of the Company's share capital and the existence of potential conflicts of interest.

The Supervisory Board may consider that a member of the Supervisory Board, although they satisfy the above criteria, must not be deemed independent given their particular situation or the Company's situation, *vis-a-vis* its shareholders or for any other reason. Conversely, the Supervisory Board may consider that a member of the Supervisory Board who does not satisfy the above criteria is nevertheless independent.

In accordance with Article 1 of its rules of procedure, on March 11, 2015 the Supervisory Board carried out an assessment of the independence of its members based on said criteria and on the report by the Appointments and Compensation Committee, concluded that all of these criteria had been met, and confirmed the independence of five members of the Board out of the nine members composing it, *i.e.*, more than one-third of its members. A new analysis was carried out during the Appointments and Compensation Committee meeting of March 7, 2016 and the Supervisory Board meeting of March 9, 2016, which concluded that the independence criteria continued to be satisfied by Michel Datchary, Florence Noblot, Philippe Delleur, Thierry Morin and Agnès Pannier-Runacher.

SUMMARY TABLE ON THE SITUATION OF THE INDEPENDENT MEMBERS OF THE SUPERVISORY BOARD: (THE TABLE BELOW CONCERNS ONLY THE MEMBERS DEEMED INDEPENDENT BY THE BOARD AS AT THE DATE OF THIS REPORT)

Criteria for assessing independence	Agnès Pannier-Runacher	Thierry Morin	Philippe Delleur	Michel Datchary	Florence Noblot
Is not and has not been in the past five years:	✓	✓	✓	✓	✓
■ an employee or executive corporate officer of the Company, or an employee or director of its parent company or of any company that it consolidates	✓	✓	✓	✓	✓
■ an executive corporate officer of a company in which the Company directly or indirectly holds an office as director or in which an employee nominated as such or an executive corporate officer of the Company (currently or who has held such an office for less than five years) holds an office as director	✓	✓	✓	✓	✓
■ a major customer, supplier, investment banker or financing banker of the Company or its Group, or for which the Company or its Group represents a significant share of business	✓	✓	✓	✓	✓
■ not have close family ties with another corporate officer	✓	✓	✓	✓	✓
■ the Company's Statutory Auditor	✓	✓	✓	✓	✓
■ a director or member of the Supervisory Board of the Company for more than 12 years	✓	✓	✓	✓	✓

The rules of procedure provide that each member who is deemed independent shall inform the chairman of the Supervisory Board, as soon as he becomes aware of it, of any change in their personal situation with respect to these same criteria.

Diversity in the composition of the Supervisory Board

The Supervisory Board carefully selects its members to ensure diverse expertise and balanced representation of men and women, in proportions that comply with the requirements of the provisions of Article L. 225-69-1 of the French Commercial Code relating to the balanced representation of women and men on Boards of Directors and Supervisory Boards and workplace equality. It should be noted that as at the date of this registration document, the proportion of women on the Supervisory Board was 33.33%, exceeding the minimum proportion of 20% required to be in compliance with the legal provisions.

Representation of employees on the Supervisory Board

As at the date of this registration document, there were no members elected by the employees or members representing shareholder employees on the Supervisory Board.

Representative of shareholder employees

With respect to the members representing shareholder employees, Article 12 of the Company's articles of incorporation provides for the appointment of a member from among the shareholder employees under the terms of Article L. 225-79 of the French Commercial Code, when it has been established that the shares held by the employees of the Company and its affiliates within the meaning of Article L. 225-180 of the French Commercial Code represent more than 3% of the Company's share capital, insofar as the Supervisory Board does not already have among its members one or more members appointed from among the members of the Supervisory Boards of the employee shareholding mutual funds (FCPE) representing employees, or one or more employees elected pursuant to Article L. 225-79 of the French Commercial Code if the articles of incorporation have used of this provision. As the 3% threshold for the share capital above has not been reached (see chapter 8 "Information about the Company and its capital", section 8.5.1 "Ownership of share capital and voting rights" of the 2015 registration document), this member category is not currently represented on the Supervisory Board.

Representation of employees (Article L. 225-79-2 of the French Commercial Code)

The Supervisory Board and the Appointments and Compensation Committee have furthermore examined the application criteria of the French Employment Protection Act that came into force on June 14, 2013, which introduced in Article L. 225-79-2 of the French Commercial Code a new required system of representation of employees on Boards of Directors and Supervisory Boards of companies fulfilling certain combined criteria, particularly related to the legal form of the Company, its headcount and its setting up of a Works Council. It emerges from the aforementioned provisions, as initially adopted in 2013, that the Company was not fulfilling one of the aforementioned criteria, specifically the obligation of setting up a Works Council, since the Company employs less than 50 people and therefore the provisions of Article L. 225-79-2 of the French Commercial Code in its initial wording did not apply.

As the application conditions for the system of representation of employees on the Supervisory Board provided for in Article L. 225-79-2 of the French Commercial Code were modified in 2015 by the French "Rebsamen" law no. 2015-994 of August 17, 2015 on labor-management relations and employment, and the Company now falls within the scope of this system, it will consequently be implemented within the timeframe provided for by the new provisions. In this regard, it should be noted that the aforementioned law provides for a specific provision for Companies not falling within the scope of the law in its wording prior to the law of August 17, 2015 due to the absence of a Works Council, when one of its subsidiaries set up the representation system in accordance with the initial provisions (Article II of the French "Rebsamen" law no. 2015-994 of August 17, 2015 mentioned above). In this case, the start of the new term of office should be no later than the end of the term of the office held in the subsidiary, meaning on the date of expiration of the current term as at August 17, 2015. As M.A.J., the Group's main French operating subsidiary, implemented measures necessary to ensure employees are represented on its Board of Directors pursuant to Article L. 225-79.2 of the French Commercial Code, this system will be implemented within the Company at the end of the term of the employee directors sitting on the Board of Directors of M.A.J., in accordance with said provisions.

Preparation and organization of the work of the Supervisory Board

Rules of procedure of the Supervisory Board

The rules of functioning of the Supervisory Board are set by the Company's articles of incorporation and the rules of procedure of the Supervisory Board, which can be viewed in full on the Company's website (www.corporate-elis.com).

The rules of procedure of the Board of Directors and those of its special committees were approved by the Supervisory Board at its meeting of September 5, 2014, and their provisions have been applicable since February 11, 2015, the date of admission of the Company's shares for trading on the Euronext Paris regulated market.

The rules of procedure of the Supervisory Board were adapted throughout 2015 with the intention to formalize the Board's rules of functioning following the Company's initial public offering, and for the purposes of ensuring that its provisions comply with the recommendations of the AFEP-MEDEF Code to promote good governance. The committee's rules of procedure were revised in 2015 in light of the next reform on internal audit in order to introduce a procedure for preliminary approval of certain Auditor assignments by the Audit Committee.

ROLES AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

Pursuant to legal provisions, the Company's articles of incorporation (Articles 17 and 20) and the Supervisory Board's rules of procedure (Articles 1, 2 and 3), the Supervisory Board shall exercise permanent control of the Company's management by the Management Board, under the conditions provided by law, the Company's articles of incorporation and the rules of procedure of the Board and its committees. At any time of the year, it shall carry out inspections and verifications it considers appropriate, and may receive any documents it deems useful in fulfilling this responsibility.

The Management Board shall present a report at least once per quarter, retracing the Company's primary management actions or facts, with all information allowing the Board to be fully informed of the development of corporate business, as well as the half-year financial statements and quarterly accounting information.

The Management Board shall also present to the Supervisory Board the budget and investment plans once every six months.

In particular, after the end of each year, and at the end of each half year, within the statutory time limits, the Management Board shall present to the Supervisory Board, for verification and control, the annual separate and consolidated financial statements, the half-year consolidated financial statements and its report to the shareholders' meeting. In this regard, the Supervisory Board shall examine the half-year financial reports, the quarterly financial information and the financial press releases to be published by the Company. The Supervisory Board shall present to the general meeting its observations on the Management Board's report and the Company's annual separate and consolidated financial statements and the half-year financial statements.

Such supervision shall in no event give rise to management acts being directly or indirectly performed by the Supervisory Board or its members.

The Supervisory Board shall appoint and may remove members of the Management Board on the terms provided by law and by Article 12 of the Company's articles of incorporation.

The Supervisory Board shall determine the draft resolution proposing to the general meeting to appoint Statutory Auditors, as provided by law.

PRELIMINARY APPROVAL FROM THE SUPERVISORY BOARD

In addition to transactions relating to the disposal of property or investments, or the granting of any sureties, endorsements and guarantees which must have the preliminary approval from the Supervisory Board by virtue of applicable laws and regulations, Article 20 IV of the Company's articles of incorporation as well as Article 3.2 of the rules of procedure of the Supervisory Board provide that the transactions below, within the Company or its subsidiaries controlled within the meaning of Article L. 233 3 of the French Commercial Code, must obtain the preliminary approval from the Supervisory Board:

- proposals to the general meeting of the Company for any amendments to the Company's articles of incorporation;
- any proposal of resolutions to the general meeting of the Company relating to the issuance or redemption of shares or securities giving access, immediately or in the future, to the Company's share capital;
- any transaction that may lead, immediately or in the future, to an increase or decrease in the Company's share capital, by issuance of securities or cancellation of securities;
- any proposal to the general meeting of the Company to allocate earnings, distribute dividends, or distribute interim dividends;
- any implementation of options plans or bonus share plans, and any grant of stock options or bonus shares within the Group;
- the appointment, reappointment or removal of the Company's Statutory Auditors;
- the significant transactions likely to affect the Group's strategy and modify its financial structure or its business scope, and which may have an impact of 5% or more on the Group's EBITDA;
- the adoption of the Company's annual budget and investment plan;
- any loan, financing or partnership agreement, and any issuance of non-convertible bonds of the Group if the amount of the transaction or agreement, whether occurring at a single time or several times, exceeds €100 million;
- acquisitions, extensions or disposals of investments made by the Group in any companies formed or to be formed in an amount greater than €20 million in enterprise value;
- any transaction plan of the Group whose investment or divestment amount is greater than €20 million if such transaction has not been included in the budget or in the investment plan;
- any decision to perform a merger, demerger, partial asset contribution or similar transactions involving the Company;
- in case of disputes involving the Group, settlement agreements or concessions greater than €5 million;
- any significant change in the accounting policies applied by the Company other than those based on amendments to the IAS/IFRS standards;
- any agreement subject to Article L. 225-86 of the French Commercial Code.

INFORMATION PROVIDED TO THE SUPERVISORY BOARD

In order to allow it to fulfill its duties, the Supervisory Board shall be regularly informed by the Management Board of developments in the Group's business, the goals of the Group's management and their achievement (in particular compared to the annual budget and the investment plan) as well as investment policies, control of risk exposure, human resources management policies and their implementation within the Group, the financial position, the cash position and the commitments made by the Company. The Board shall be informed by the Management Board of any special situation, when necessary. In this regard, and pursuant to Article 4.4 of the rules of procedure of the Supervisory Board, the Management Board shall notably communicate to the

Supervisory Board and, as needed, its special committees, the following information:

- generally, any document or information regarding the Company or the Group whose preparation by the Management Board or whose publication is necessary pursuant to the applicable regulations or to properly inform the market, at the time they are prepared and prior to publication;
- within ninety (90) days of the closing of the Company's annual financial statements, the certified consolidated financial statements, notably including a statement of financial position, an income statement, a statement of cash flows and explanatory notes, and the Company's certified separate financial statements, notably including a statement of financial position, an income statement and explanatory notes, accompanied by the Statutory Auditors' reports;
- twice per year, a summary table of the breakdown of the Company's securities;
- once per month, a summary of the most important financial and operational information regarding the Company and the Group;
- at least once per quarter and, in any event, each time the Supervisory Board asks it to do so or when it deems it useful, a business review for the Company and the Group;
- within two months of the end of the first half year, the Management Board shall present to the Audit Committee, then to the Supervisory Board, for the verification and auditing work, the Company's consolidated financial statements and the related half-year management report;
- within two months of the end of the year, the Management Board shall present to the Audit Committee, then to the Supervisory Board, for the verification and auditing work, the Company's annual separate and consolidated financial statements and the related management report;
- the forecast management documents and the analysis report on such documents mentioned in Articles L. 232-2 and L. 232-3 of the French Commercial Code, within eight days of their establishment and after having been reviewed by the Audit Committee;
- the Company's and the Group's annual budget and mid- and long-term investment and financial plan, with the Supervisory Board having the right to request that the Management Board communicate a monthly monitoring statement thereon;
- the Management Board shall inform the Audit Committee of any significant modification provided in the chain of shareholding control or in the rates or means of exercising control over the Company's subsidiaries and/or consolidated entities;
- pursuant to the Audit Committee's rules of procedure and at least once per year, the Management Board shall present to the Audit Committee its policy for controlling and monitoring all types of risks to which the Company and the Group are exposed, and the programs and resources implemented, with the monitoring statement pertaining to the effectiveness of the internal control, internal audit and risk management systems in the Group; and
- pursuant to the rules of procedure of the Appointments and Compensation Committee and at least once per year, the Management Board shall communicate to the Appointments and Compensation Committee so that it is reported to the Supervisory Board and, if applicable, submitted to the Supervisory Board for preliminary approval, all information regarding the fixed and variable, including deferred or conditional, components of compensation and benefits, of the compensation of the members of the Management Board, and the corresponding policies; on the same terms, the Management Board shall ensure that the Appointments and Compensation Committee is duly informed about the plan for the succession of the members of the Management Board and the members of the Executive Committee.

The Management Board must provide to the Supervisory Board all other information and all other documents that it deems useful for the Supervisory Board to perform its duties; in particular, the Management Board shall communicate to the Supervisory Board, at any time and promptly, all information regarding the Company or the Group, if its importance or urgency so requires.

The Board's rules of procedure also set out the obligations of Board members as described in the AFEP-MEDEF Code. The rules of procedure stipulate that Supervisory Board members may request additional training on the specific features of the Company and the companies it controls, their businesses and their business sectors, and may also obtain information occasionally or hear from members of the Board of Directors or members of the Executive Committee. Lastly, the rules also stipulate that Board members shall, in general, receive periodic, ongoing information about the Company's results, activities and developments.

Functioning of the Supervisory Board: meetings and decisions

Articles 19 and 5 respectively of the Company's articles of incorporation and the rules of procedure of the Supervisory Board set the modes in which the Supervisory Board meets and deliberates.

Consequently, Supervisory Board meetings shall be convened by the chairman or, in the event of an impediment, by the Vice-Chairman, and by any means, even orally.

However, the chairman must convene a meeting when at least one member of the Management Board or at least one-third of Supervisory Board members submit a justified written request to do so, within fifteen days of receipt of that request. If the request goes unanswered, its authors may convene the meeting themselves, providing the agenda for the session.

Meetings shall be held at the Company's registered office or at any other place stated in the call to the meeting. The chairman of the Supervisory Board shall chair meetings. If the chairman is absent, the Vice-Chairman shall chair the meeting. In the event that both are absent, the meetings shall be chaired by a Board member designated by the Board.

The deliberations of the Supervisory Board shall be valid only if at least one-half of its members is present or represented. Decisions shall be made by a majority vote of the members present or represented. In case of a tie, the Supervisory Board's chairman shall cast the deciding vote, as the meeting's chairman shall not have a deciding vote if they are not the Supervisory Board's chairman.

Members participating in Supervisory Board meetings by video conference or telecommunication systems allowing to identify them and to guarantee their effective participation, shall be deemed to be present, on the terms provided by the applicable statutory and regulatory provisions.

The Board shall meet at least four times per year, namely to examine the quarterly report that the Management Board must present to it, as needed by the Audit Committee, and to verify and check the documents and information provided by the Management Board, and at any other time, when in the Company's interest. The frequency and length of meetings must be such that they allow for the examination and in-depth discussion of subjects under the Supervisory Board's responsibility.

During each meeting, the members of the Supervisory Board have had in report form the documents allowing them to decide knowingly. These documents shall be sent to the members of the Supervisory Board by electronic mail several days in advance of periodic Board meetings. The full report shall be submitted at the beginning of the meeting and the main items are generally presented in the meeting and commented upon during the presentation.

For special Supervisory Board meetings, the documents shall be sent, if possible, by electronic mail within a time limit allowing the Board members to decide on the agenda submitted to them. Moreover, the reports shall also be provided in paper form upon request.

Pursuant to the rules of procedure of the Supervisory Board and the rules of procedure and charters of its committees, certain subjects shall be examined by the various committees, according to their specialization, before being presented and submitted to the Supervisory Board for approval. These subjects shall notably include (i) for the Audit Committee a review of the financial statements, an examination of the internal control procedures, the Statutory Auditors' assignments and the financial transactions, (ii) for the Appointments and Compensation Committee the appointment of new members to the Supervisory Board and of corporate officers, the composition of the committees and the compensation of Board members and executive corporate officers. Their respective chairmen shall present the minutes of the work meetings of the various committees to the Supervisory Board during its meetings.

Company managers may also be invited to Supervisory Board meetings to present particular reports and/or respond to questions from Board members depending on the subjects discussed and the specialties of said people.

The Supervisory Board shall deliberate on the subjects written on the agenda and shall vote on each point requiring a decision.

The minutes of the Supervisory Board's meetings shall be prepared, and copies or extracts of them shall be provided and certified pursuant to law. The minutes of each meeting shall be formally approved during the next meeting.

Supervisory Board's work in 2015

In accordance with its assigned roles and responsibilities, and on the terms described above, the Supervisory Board met ten times during the 2015 financial year, with a 90.41% attendance rate. Meetings lasted an average of approximately three hours.

The year 2015 was marked by the major transactions announced in 2014, in particular, the Company's initial public offering and the related financial transactions (increases in the Company's share capital, the signing of agreements for private placement) and the refinancing of the Group (the signing of new financing documents, the issue and international private placement with institutional investors of High-Yield Bonds for a maximum amount of €1 billion, the early redemption of the Senior Secured Notes and the Senior Subordinated Notes, the renegotiation of the Senior Term and Revolving Facilities Agreement). The Supervisory Board carried out extensive preparatory work for these transactions during the first half of 2015, likewise for the reorganization transactions that preceded the Company's initial public offering, notably the exercise of share purchase warrants and share contribution transactions (these transactions are described in chapter 8 "Information about the Company and its capital", section 8.3.3 of the 2015 registration document).

In the context of the Company's initial public offering, the Supervisory Board particularly devoted its work to (i) a review of the share offering prospectus, (ii) ensuring the compliance of its internal rules of procedure and those of its special committees with the AFEP-MEDEF Code following its decision made in 2015 to adopt said Code, (iii) setting up a Code of Conduct for Trading and Market Activities, (iv) the modification of statutory stipulations made necessary following the initial public offering (removal of the agreement clause in the event of the transfer of shares and institution of a double voting right), and (v) ensuring the compliance of its composition and that of its committees with the recommendations of the AFEP-MDEDF Code.

The Supervisory Board also discussed the following subjects:

- the presentation of the separate and consolidated financial statements for the financial year 2014, the results and financial statements for the first half of 2015, the 2015 quarterly financial information, and the half-year financial report and related financial communication;
- the Group's strategy, acquisition plans and intra-group restructuring transactions;
- the preparation of the annual general shareholders' meeting of June 24, 2015, the examination of the Management Board's report on the Group's management and activities for the financial year 2015, and the approval of the reports to be presented to the shareholders (the chairman of the Supervisory Board's report on corporate governance and internal control);
- the compensation policy for the members of the Management Board;
- the allocation of directors' fees between the members of the Supervisory Board and the committees;
- the setting up of a performance share plan;
- the independence review of the Supervisory Board members and the composition of Board (reappointment of two members of the Supervisory Board and appointment of a new member to the Supervisory Board);
- the examination of regulated agreements and commitments and the authorization of their conclusion in accordance with Article L. 225-86 of the French Commercial Code (underwriting agreement, and commitments made to members of the Management Board in the event of termination of service);
- the appointment of a compliance officer in Brazil;
- the sale of assets (Puteaux site).

Code of Conduct for Trading and Market Activities

During its meeting of January 26, 2015, the Company's Supervisory Board adopted a Code of Conduct for Trading and Market Activities whose purpose is to reiterate the legislative and regulatory provisions applicable in matters of distribution and use of the information relating to the Company, more particularly privileged information, and the preventive measures implemented by the Company to allow everyone to invest in its shares, while following the rules related to market integrity. This Code thus tends to prevent defaults and insider trading by prohibiting any insider from using and/or communicating privileged information and to perform transactions on securities of the Company.

Beyond the legal periods of prohibition from trading in securities of the Company provided for in Articles L. 225-177 and L. 225-197 of the French Commercial Code, the Code of Conduct for Trading and Market Activities provides for periods of refraining from trading in securities related to financial reporting.

This Code is given to each of the members of the Supervisory Board and to each insider who undertakes to follow its terms in all circumstances during the entire term of their corporate office.

Article 2.8 of the rules of procedure of the Supervisory Board also provides that each member of the Supervisory Board must disclose to the Company any transaction carried out in the Company's securities in accordance with the applicable legislative and regulatory provisions. These provisions shall be reiterated annually to all of the members of the Supervisory Board and occasional information shall be provided in the event of significant changes.

The detail of the transactions in the Company's securities carried out by the members of the Management Board and the Supervisory Board since the admission of shares of the Company for trading on the Euronext Paris exchange are shown in chapter 8, section 8.5.4 "Transactions carried out in the Company's securities by executives and similar" of this 2015 registration document.

The Supervisory Board designated a compliance officer responsible for ensuring the observation of the provisions of the Code and responding to any questions and inquiries of insiders relating to this document.

Holding of securities by members of the Supervisory Board

Pursuant to the recommendations of the AFEP-MDEF Code, the Company's articles of incorporation and the rules of procedure of the Supervisory Board stipulate that every member of the Supervisory Board must be a personal shareholder and hold at least 500 shares during the entire term of their office.

Pursuant to the AFEP-MEDEF recommendations, the Supervisory Board members shall increase the number of shares that they hold in order to bring the total to the equivalent of one year of directors' fees at the time of their reappointment (Article 2.9 of the rules of procedure of the Supervisory Board).

The shares acquired by the members of the Supervisory Board must be held as registered shares.

As at the date of this registration document, each of the members of the Supervisory Board satisfied the statutory requirement. Details on the number of shares held by each of the members are provided in section 4.1.2 "The Supervisory Board" of this 2015 registration document.

The provisions relating to the number of shares that have to be held by a member of the Supervisory Board shall not be applicable to the members representing shareholder employees. Nonetheless, each member of the Supervisory Board representing shareholder employees shall hold, either individually or through an employee shareholding mutual fund created within the framework of the Group's employee savings plan, at least one share or a number of members' shares in such fund equal to at least one share.

Assessment of the Supervisory Board

In accordance with the AFEP-MEDEF Code, Article 8 of the rules of procedure of the Supervisory Board provides for an annual assessment of the Board on a report of the Appointments and Compensation Committee on its operating modes, and for a formal assessment of the Board and its committees every three years, possibly led by an independent member of the Supervisory Board, and if necessary, with the help of an outside consultant.

In view of the recent set-up of the Supervisory Board in September 2014, and its reconfiguration in February 2015, the Supervisory Board was not assessed in 2015. A self-assessment of the Board will be conducted during the 2016 financial year. The results of this self-assessment will be disclosed in the next registration document.

The Supervisory Board's committees

Pursuant to the stipulation of Article 20.VI of the Company's articles of incorporation and Article 9 of its rules of procedure, at its meeting of September 5, 2014 the Company's Supervisory Board decided on the creation of two permanent specialist committees: an Audit Committee and an Appointments and Compensation Committee.

These committees are in charge of assessing the questions that the Supervisory Board or its chairman submits for examination and to issue proposals, recommendations and opinion, whichever are applicable, in their field of expertise. The rules governing how they function and their powers are set forth in the rules of procedure of each committee and are approved by the Supervisory Board.

Each of the committees has its own rules of procedure whose stipulations became applicable on the date the Company's shares were admitted for trading on the Euronext regulated market in Paris, *i.e.*, February 11, 2015. The descriptions below relating to the composition and functioning of each of the committees reflect the said rules of procedure.

The Audit Committee

Composition of the Audit Committee (Article 9 of the Supervisory Board's rules of procedure)

The Audit Committee is comprised of three to seven members, who are appointed on an individual basis and may not be represented by another party. They shall be chosen freely from its own members by the Supervisory Board, which ensures that it includes independent members based on the independence criteria adopted by the Company (see above for the concept of "independence", pages 118 and 119).

The term of office of a member of the Audit Committee shall be equal to the term of office of a member of the Supervisory Board, with the understanding that the Supervisory Board may at any time modify the composition of the Audit Committee and, consequently, end the term of office of a Committee member.

When they are appointed, all members of the Appointments and Compensation Committee must receive training on the Company's accounting, financial and operational specificities.

The first members of the Audit Committee presented in the Registration Statement *(document de base)* for the Company's initial public offering assumed their offices on February 11, 2015, the date the Company's shares were admitted for trading on the Euronext Paris regulated market. To promote good governance, at its meeting of October 10, 2014 the Supervisory Board also decided to terminate, as from the date of admission of the Company's shares to trading on the Euronext Paris regulated market, the terms of office of Marc Frappier and Eric Schaefer as members of the Audit Committee without affecting their respective terms of office as members of the Supervisory Board, and the terms of office Philippe Audouin as chairman of the Audit Committee without affecting his term of office as member of the Audit Committee and of the Supervisory Board.

As a result, since February 11, 2015, the date of admission of the shares to trading on the Euronext Paris regulated market, the Audit Committee has had three members, two of whom are independent: Agnès Pannier-Runacher, independent member who chairs this instance, Thierry Morin, independent member, and Philippe Audouin. Committee members shall be appointed for a term coincident with their terms of office as members of the Supervisory Board.

The secretarial duties for the Audit Committee's work shall be provided by any person appointed by the Committee's chairman.

Member expertise

In accordance with the AFEP-MEDEF Code, the Supervisory Board believes that all the members of the Audit Committee have specific financial expertise, as stipulated by the provisions of Article L. 823-19 paragraph 2 of the French Commercial Code, as proven by their experience, past career and training, which are presented in section 4.1.2 "The Supervisory Board" of this 2015 registration document. The chairing of the committee was entrusted to Agnès Pannier-Runacher who possesses the required skills, especially in view of her position as deputy chief executive officer of the Compagnie des Alpes and her directorships with large groups.

Roles and responsibilities of the Audit Committee (Article 1 of the rules of procedure of the Audit Committee)

The Audit Committee's undertaking is to monitor the preparation and control of accounting and financial information and to ensure the effectiveness of the risk monitoring and operational internal control system, in order to facilitate the Supervisory Board's control and checking duties.

In this respect, the Audit Committee notably performs the following principal duties:

- the monitoring of the process of preparing financial information;
- the monitoring of the effectiveness of internal control, internal audit and risk management systems relating to financial and accounting information;
- the monitoring of the statutory audit of separate and consolidated financial statements by the Company's Statutory Auditors; and
- the monitoring of the Statutory Auditors' independence.

In view of the upcoming audit reform, the rules of procedure of the Audit Committee were adapted and stipulate that non-audit services authorized by the regulations should have the approval from the Audit Committee, according to a process described in the rules of procedure of said committee.

Work carried out in 2015

In 2015 the Audit Committee met four times, with an attendance rate of 100%. Its work primarily focused on the review of the key points of the financial statements for the year 2015 and for the first half year of 2015. It also focused on the presentation of the main risks for the Group, especially through the presentation of the risk map, on the assessment of the internal audit, on the examination of the main results of the audit assignments carried out throughout the year, as well as on the monitoring of the 2015 audit plan. During the review of the draft press releases on the annual and half-year results, the committee ensured that the presentation of the financial information to the market was consistent with the financial statements. The committee consistently worked with the Statutory Auditors.

Since the beginning of the financial year started January 1, 2016, the Audit Committee has met once and all of its members were present. The work mainly focused on the review of the separate and consolidated financial statements for the year ended December 31, 2015.

Functioning (Article 2 of the rules of procedure of the Audit Committee)

The Audit Committee may duly deliberate either during physical meetings or by telephone or video conference, on the same terms as the Board, upon a call to a meeting by its chairman or Secretary, provided that at least one-half of the members participate in the meeting. Committee members cannot give a proxy to another member to represent them.

The recommendations issued by the Audit Committee shall be adopted by a simple majority of the members present. In case of a tie, the committee's chairman shall cast the deciding vote.

Calls to meetings shall include an agenda and may be transmitted orally or by any other means.

The Audit Committee shall meet as often as needed and, in any event, at least two times per year when the annual financial statements and the half-year financial statements are being prepared.

Audit Committee meetings shall take place before Supervisory Board meetings and, to the extent possible, at least two days before such meetings if the agenda includes the review of the half-year and annual financial statements prior to their review by the Supervisory Board.

The Appointments and Compensation Committee

Composition of the Appointments and Compensation Committee (Article 9 of the rules of procedure of the Supervisory Board)

The Appointments and Compensation Committee is comprised of three to seven members, who are appointed on an individual basis and may not be represented by another party. They shall be chosen freely from its own members by the Supervisory Board, which ensures that it includes independent members based on the independence criteria adopted by the Company (see above for the concept of "independence", pages 118 and 119 of this chairman's report).

The term of office of a member of the Appointments and Compensation Committee shall be equal to the term of office of a member of the Supervisory Board, with the understanding that the Supervisory Board may at any time modify the composition of the Appointments and Compensation Committee and, consequently, end the term of office of a committee member.

The first members of the Appointments and Compensation Committee, presented in the share offering prospectus established for the Company's initial public offering assumed their offices on February 11, 2015, the date the Company's shares were admitted for trading on the Euronext Paris regulated market.

In view of this, and to ensure compliance of the composition of that committee with the recommendations of the AFEP-MEDEF Code adopted by the Company, at its meeting of October 10, 2014 the Supervisory Board decided to terminate, as from the date of admission of the Company's shares to trading on the Euronext Paris regulated market, the terms of office of Virginie Morgon as chairman and a member of the Appointments and Compensation Committee without affecting her term of office as a member of the Supervisory Board.

As a result, since February 11, 2015, the Appointments and Compensation Committee has had three members, two of whom are independent: Michel Datchary, independent member, who is the chairman of the current committee, Florence Noblot, independent member and Marc Frappier.

Committee members shall be appointed for a term coincident with their terms of office as members of the Supervisory Board.

The secretarial duties for the Appointments and Compensation Committee's work shall be provided by the Group Human Resources Director.

Roles and responsibilities of the Appointments and Compensation Committee (Article 1 of the rules of procedure of the Appointments and Compensation Committee)

The Appointments and Compensation Committee is a special committee of the Supervisory Board whose principal duties are to assist the Supervisory Board in forming the Company's management bodies and in determining and regularly assessing all the compensation and benefits of the members of the Management Board, including all deferred benefits or severance pay for voluntary or forced departure from the Group.

In this context, the Appointments and Compensation Committee shall notably perform the following tasks:

- issuance of proposals for appointments of independent members of the Supervisory Board, the Management Board and Board committees, and analysis of the candidacy of non-independent members of the Supervisory Board;
- annual assessment of the independence and concurrent offices held by the members of the Supervisory Board;
- examination and proposals to the Supervisory Board pertaining to all the compensation components and terms of the members of the Management Board;
- examination and proposals to the Supervisory Board pertaining to the allocation method for directors' fees; and
- special tasks pertaining to special compensation relating to special projects that may be assigned, whenever necessary, by the Supervisory Board to some of its members.

Functioning of the Appointments and Compensation Committee (Article 3 of the rules of procedure of the Appointments and Compensation Committee)

The Appointments and Compensation Committee may duly deliberate either during physical meetings or by telephone or video conference, on the same terms as the Board, upon a call to a meeting by its chairman or the Secretary, provided that at least one-half of the members participate in the meeting. Committee members cannot give a proxy to another member to represent them.

Calls to meetings shall include an agenda and may be transmitted orally or by any other means.

The Appointments and Compensation Committee shall make its recommendations by indicating to the Supervisory Board the number of favorable opinions collected.

The Appointments and Compensation Committee shall meet as often as needed and, in any event, at least once per year before the Supervisory Board meeting called to assess the situation of the Supervisory Board members based on the independence criteria adopted by the Company (for the concept of "independence," see pages 118 and 119 of this report) and, in any event, before any Supervisory Board meeting called to set the compensation of the members of the Management Board or the allocation of directors' fees.

Work carried out by the Appointments and Compensation Committee in 2015

In 2015, this committee met four times, with an attendance rate of 100%. The main subjects on the agenda included questions regarding corporate governance and the compliance of the composition of the Supervisory Board with the recommendations of the AFEP-MEDEF Code, changes in the Supervisory Board, the review of the independence of its members, the balanced representation of women and men on the Supervisory Board, and the composition of the Board committees.

Moreover, the committee examined the variable compensation and related performance criteria of the members and the chairman of the Management Board. In addition, the committee reviewed the amount and allocation of directors' fees among the members of the Supervisory Board and the members and chairmen of its two committees.

The committee also studied the principle and the modes of granting performance shares to certain managers and executives of the Company.

Over the year 2015, it was regularly informed about the Group's human resources policy and notably as regards organization, compensation, employee relations and talent management.

Since the beginning of 2016, the Appointments and Compensation Committee has met two times and all of its members were present. These meetings focused on the examination of the independence of the members of the Board, the compensation of the members of the Management Board (variable component due for the year 2015, fixed component for 2016 and criteria for the variable component for 2016), the setting of the amount and allocation of directors' fees for 2016, changes in the composition of the Supervisory Board (renewal of the terms of office expiring in 2016, appointment of new members), and the examination of the long-term compensation plans.

SUPERVISORY BOARD MEMBERS' ATTENDANCE AT THE MEETINGS OF THE BOARD AND ITS COMMITTEES

The table below shows the members' participation in the meetings of the Supervisory Board and its committees during the 2015 financial year:

	The Supervisory Board		The Audit Committee		The Appointments and Compensation Committee	
Members	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings
Philippe Audouin	70%	7/10	100%	4/4		
Michel Datchary[(a)]	100%	10/10			100%	4/4
Marc Frappier[(b)]	100%	10/10			100%	3/3
Virginie Morgon[(c)]	70%	7/10			100%	1/1
Thierry Morin	100%	10/10	100%	4/4		
Florence Noblot[(d)]	90%	9/10	-	-	100%	3/3
Agnès Pannier-Runacher[(e)]	100%	10/10	100%	4/4		
Eric Schaefer[(f)]	90%	9/10	-	-		
Philippe Delleur[(g)]	100%	4/4	-	-		

(a) Has been the chairman of the Appointments and Compensation Committee since February 11, 2015, the date the Company's shares were admitted to trading on the Euronext Paris regulated market.

(b) Appointed as a member of the Appointments and Compensation Committee on October 10, 2014, effective as from February 11, 2015, the date the Company's shares were admitted to trading on the Euronext Paris regulated market – termination of his term of office as a member of the Audit Committee on February 11, 2015.

(c) At its meeting of October 10, 2014, the Supervisory Board on decided to terminate the term of office of Virginie Morgon as a member and chairman of the Appointments and Compensation Committee, effective on February 11, 2015, the date the Company's shares were admitted to trading on the Euronext Paris regulated market

(d) Appointed as a member of the Appointments and Compensation Committee on October 10, 2014, effective as from February 11, 2015, the date the Company's shares were admitted to trading on the Euronext Paris regulated market.

(e) Appointed as a member and chairman of the Audit Committee on October 10, 2014, effective as from February 11, 2015, the date the Company's shares were admitted to trading on the Euronext Paris regulated market.

(f) Eric Schaefer resigned from his office as a member of the Supervisory Board on March 9, 2016.

(g) Appointed by the general meeting of June 24, 2015

Participation of the shareholders in the general meetings

Shareholders' participation in the general meetings is governed by Articles 23 and 24 of the Company's articles of incorporation and described in detail in this 2015 registration document, chapter 8, section 8.2.5 "General meetings".

Factors likely to have an impact in the event of a public offering

Pursuant to the provisions of Article L. 225-100-3 of the French Commercial Code, the Company must disclose and, if necessary, explain the factors referred to in this text when they are likely to have an impact in the event of a public offering.

The Company believes it does not have specific mechanisms likely to have an impact in the event of a public offering. Reference is made to the factors listed by Article L. 225-100-3 of the French Commercial Code if this information is included in the registration document in relation to other required disclosures. Thus, the information concerning the members of the Management Board and the powers of this body are detailed in section 4.1.1 "Management bodies", and the other information referred to in this Article is provided in chapter 8 "Information about the Company and its capital" of the 2015 registration document.

Principles and rules approved for the determination of compensation and benefits granted to corporate officers

The principles and the rules approved by the Supervisory Board on the recommendations of the Appointments and Compensation Committee in order to determine the compensation and benefits in kind granted to the members of the Management Board and the Supervisory Board are presented below in section 4.5 of this chapter.

4.3.2 ELIS GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK

This part of the report is based on the AMF reference framework published in July 2010, which takes into account legislative and regulatory changes since its first issue in 2007, including the French law of July 3, 2008 and the Order of December 8, 2008, transposing European directive 2006/46/EC into French law and supplementing the French Financial Security Act of August 1, 2003. The AMF framework draws not only on the aforementioned French and European legislative and regulatory requirements, but also on best practices and international internal control and risk management standards, in particular ISO 31000 and COSO II.

Scope of internal control and risk management

This report covers all controlled companies included in the Group's consolidation scope and sets out the internal control and risk management framework adopted by the Group to guarantee the reliability of its statutory and consolidated financial statements.

Definition of internal control and risk management

The Group's internal control and risk management framework is based on a set of resources, policies, behaviors, procedures and adapted actions aimed at ensuring that the necessary measures are taken in order to manage:

- business activities, the effectiveness of operations and the efficient use of resources;
- risks that may have a material impact on the Group's assets or its achievement of objectives, whether of an operational or financial nature or related to compliance with laws and regulations.

Internal control and risk management are defined as processes conducted by the Management Board under the control of the Supervisory Board, implemented by the Executive Committee and all staff.

Regardless of its quality and degrees of application, it cannot provide an absolute guarantee of the achievement of the objectives falling under the following categories:

- compliance with applicable laws and regulations;
- application of instructions and guidelines set out by the Management Board;
- proper functioning of internal processes, notably processes for safeguarding assets;
- reliability of financial and accounting information.

The likelihood of achieving these objectives is subject to the limitations inherent in any internal control system, and in particular:

- human error or malfunctions while making or applying decisions;
- cases of deliberate collusion between several people making it possible to elude the control system in place;
- cases where the implementation or maintenance of control would be more costly than the risk it is supposed to mitigate.

Furthermore, in pursuing the aforementioned objectives, companies face events and uncertainties that are independent of their desire – such as unexpected market changes, competition and the geopolitical situation, and errors with forecasts or estimates of the effects of these changes on the organization.

Environment of internal control and risk management

The Group's internal control and risk management framework is based on a decentralized organizational structure with a clear definition of responsibilities, in particular by means of job definitions, delegations of powers and organizational structures distributed to all departments. It includes principles and values governing the behavior and ethics of all employees, as presented in the Group's ethics charter. It is also based on human resources management ensuring the skills, ethics and involvement of employees.

The ethics charter

The Group's ethical principles are set out in the Group ethics charter, distributed initially in 2012 to all Group employees. This charter is available on the Group's website (www.corporate-elis.com) in the "Sustainable Development" section.

The ethics charter contains the Group's commitments and rules of conduct towards its main stakeholders, namely, its employees, its customers and the consumers, its commercial partners and its competitors, the environment and civil society.

The internal control charter

In 2015, the Elis Group established a Group internal control charter which presents internal control, its components and its limits, to all managers. It also reminds them that internal control is everyone's business, from the Executive Committee to each and every one of the Group employees.

Management remains the operational player of internal control and must adopt a proactive behavior in the tasks and controls that it carries out or delegates.

Human resources policy

The quality of human resources and management cohesion are key factors in the Group's success.

Elis thereby ensures that its various subsidiaries pursue human resources policies suited to their contexts and the challenges they face, while also meeting the best local standards. The principle of autonomy and accountability of its subsidiaries is applied, but the Group ensures that the policies implemented are consistent and aligned with Elis's values and actions defined centrally.

In terms of labor policy, subsidiaries practice high standards of dialogue and involvement of employees in the Company, while the Group supports dialogue with employees at the level of employee representative bodies and the Works Council.

As regards directors and senior managers, Elis is involved directly in the management of the Group's key men and women in order to guarantee consistency between subsidiaries. The Group therefore develops cross-functional training programs and performs yearly people reviews of subsidiaries' management resources. Elis thereby ensures that these management resources fit the challenges faced by subsidiaries. These reviews translate into promotions and transfers between departments, as well as external recruitment where necessary to acquire new skills.

The Group has set up cross-functional training programs, such as *"Jeunes Talents"* (Young Talents) and "Astérix" which are described in chapter 3 "Sustainable development", section 3.3.7 "Skills development" of this 2015 registration document.

Furthermore, the Group has developed cross-functional tools for assessing individual performance and external competitiveness of compensation packages. In this regard, the Supervisory Board created an Appointments and Compensation Committee, whose duties include, among others, making recommendations on compensation paid to members of the Executive Committee and the main Directors in light of market practices.

Oversight of internal control and risk management

The Group's risk management and internal control process is coordinated by the Management Board, under the control of the Supervisory Board, with the assistance of the Audit Committee. The Audit Committee's task is to notably ensure the quality of the risk management and internal control system and to monitor issues relating to the preparation of and controls on accounting and financial information.

The operating departments of each Group's subsidiaries are responsible for risk management and internal control. The role of central functions is to define the framework in which subsidiaries fulfill their risk management and internal control responsibilities, and to coordinate the whole system.

Responsibilities for control activities

Control activities are performed first by functional and operating departments of subsidiaries and then by central support functions.

Monitoring of the management of internal control procedures is primarily the responsibility of the Audit Committee and the Risk Management and Internal Audit Department.

The Audit Committee

The composition and functioning of the Audit Committee are detailed above on page 125 and following of this 2015 registration document.

The Risk Management and Internal Audit Department

The Risk Management and Internal Audit Department reports to the Group's Administrative and Finance Department. It informs the Management Board, the Administrative and Finance Department and the Audit Committee of the main results of its work (identification and follow-up of risks, elaboration of the audit plan and definition and follow-up of implementation of action plans).

The operating procedures for internal audit is described in the audit charter.

The Risk Management and Internal Audit Department assesses the operation of internal control and risk management procedures, and makes recommendations to improve their effectiveness. It also monitors internal control best practices.

The Risk Management and Internal Audit Department initiates, coordinates and reviews procedures formalized by the operating departments.

The role of the Risk Management and Internal Audit Department is to provide independent, objective assurance and support services helping to create added value and improve the degree of control of the Group's operations at all of its subsidiaries and in all of its activities. Internal audit helps the organization to achieve its targets by using a regular and methodological approach to assess its management, control and corporate governance processes, making suggestions to improve their effectiveness.

Internal audit also helps to ensure that all management, control and corporate governance processes are appropriate and guarantee that:

- risks are identified and managed appropriately;
- executives' and employees' actions comply with applicable rules, standards, procedures, laws and regulations;
- resources are acquired and used efficiently;
- significant financial, management and operating information is accurate, reliable and issued in due course;
- the targets defined and validated by the Executive Committee are respected.

Internal audit activities are performed in concert with the Audit Committee and the recommendations presented by the Statutory Auditors on completion of their review of internal control.

The annual audit plan is drawn up by the Risk Management and Internal Audit Department using a risk-based approach and takes into account of specific requests from the Executive Committee and operating departments.

The Risk Management and Internal Audit Department presents a report to the Audit Committee at least twice per year on progress made in the audit plan, as well as follow-up of action plans.

Internal control and risk management analysis

Overall risk management and internal control framework

The overall risk management and internal control system has several components, the most important of which are:

- managing operational risks, described in chapter 2 "Risk factors and insurance policy" of the 2015 registration document;
- managing Group risks at various levels (entities, operating departments and subsidiaries);
- monitoring the elaboration of accounting and financial information;
- internal audit, which assesses how the internal control and risk management system works and makes recommendations in order to improve it;
- preventing and combating fraud.

The risks to which the consolidated subsidiaries that carry out most of the Group's activities are exposed are handled through specific procedures forming part of the following operating processes:

- investment decisions and fixed assets monitoring;
- purchasing decisions and monitoring of trade payables;
- monitoring of inventories and production costs;
- monitoring of work in progress (workshops, work sites and IT projects);
- selling decisions and monitoring of trade receivables (credit and recovery);
- monitoring of petty cash and bank transactions;
- payroll validation and monitoring of employee benefits;
- accounting entries relating to transactions and monitoring of monthly accounts closings; and
- monitoring of IT access and data protection applications and hardware.

Risk management process (Group's risk map)

The Group has mapped the main risks to which it is exposed. The main risk categories are based around four areas: strategic, operations, financial and compliance. Each of these risks are described in chapter 2 "Risk factors and insurance policy" of this 2015 registration document.

The risks have been identified by the primary managers of the Group and prioritized based on their criticality and level of control.

The incorporation of this exercise in strategic planning responds to the double objective of high involvement of management in managing risks and a focus on the action plans to carry out in order to better guarantee the fulfillment of the Group's strategic and operational targets.

These action plans are then regularly monitored during an Executive Committee meeting and reported to the Audit Committee twice per year. An operational follow-up is carried out by the Operations Committee, which is composed mainly of the chief executive officers, regional directors and country directors.

The risk map is updated annually with the main "risk owners" by incorporating possible new risks and the follow up of the action plans.

Risk management at the local level

Each subsidiary's management team ensures that risk management and internal control procedures are properly applied. It is the duty of each operational manager to check that risk exposure is consistent with the directives issued by the management teams of the divisions concerned. The quality and effectiveness of the controls carried out within operating subsidiaries are then reviewed during assignments performed by the Internal Audit Department, which informs the divisional management teams of the results.

Assessment of internal control and follow-up of action plans

The internal control self-assessment questionnaires

The Group has set up self-assessment questionnaires on the main activities carried out centrally, in each country and each processing center. For 2015, the following activities were self-assessed: Group finance and accounting, finance and accounting in the centers, sales and production in France and abroad.

During the self-assessment, the operational staff was asked to assess the level of internal control across key controls called "imperative" for the proper exercise of their activity, in order to identify areas of improvement and to implement corrective actions.

The questionnaire relating to the Group finance and accounting process takes into account the AMF reference framework and, more particularly, its application guide. It includes about 50 key controls for the Group.

The objectives of this exercise, which will be repeated each year, are as follows:

- to create a trade knowledge base for operational staff members;
- to allow the centers to assess their degree of mastery of the Elis's imperatives;
- to identify areas for improvement and initiate action plans;
- to capture best practices from the field;
- to contribute to the improvement of operational efficiency;
- to create a management tool (assessment of current situation, identification and follow-up of action plans).

The follow-up of action plans

As part of its assignments, The Risk Management and Internal Audit Department is responsible for assessing how the internal control and risk management system operates and making any recommendations to improve its operating procedures, if needed.

The assignments included in the annual audit plan are presented and approved by the Audit Committee. The aim is to examine all of the Group's sites in France as well as foreign subsidiaries at least once every three years. A total of 40 assignments were performed in 2015 across all business lines.

The audit reports are systematically commented by the management of the audited sites, then are communicated to the Group's Executive Committee, as well as to managers at the headquarters and the audited centers. After the final presentation of conclusions and after a concerted action plan has been agreed upon, the centers or subsidiaries concerned must remedy quickly any deficiencies according to a set timetable.

The audited entities are responsible for monitoring the implementation of action plans. The Risk Management and Internal Audit Department also reviews the implementation of action plans at least every quarter and its conclusions are presented to the Audit Committee twice per year.

The Group created a monitoring database centralizing all of the action plans related to the various types of assignments carried out, with the aim to monitor over time the action plans communicated by the operational staff following the recommendations issued, but also to compile and disseminate the best practices identified.

Efforts to combat fraud

Preventing and combating fraud is a major issue for the Group and all of its employees. In this respect, and given its decentralized organization, the Group has set up a framework to improve its preventive measures and combat fraud with the specific aim of protecting its assets.

Internal control relating to the preparation of accounting and financial information

The Audit Committee monitors the preparation and control of accounting and financial information, and ensures the high quality of the risk management and internal control framework, in order to facilitate the Supervisory Board's control and checking duties.

Based on the organization of the controlling department, the Group has set up a system allowing the internal dissemination of relevant, reliable information that helps all staff to carry out their duties in a timely fashion. Moreover, the Company has also set up budget procedures, reporting procedures and procedures for the preparation of annual and half-year consolidated financial statements. Monthly reporting documents from subsidiaries are sent each month to the chief financial officers or managers of each country concerned, and to the Group's Consolidation Department.

Statutory Auditors

The role of the Statutory Auditors is to certify the regularity accuracy and fair presentation of the Group's annual statutory and consolidated financial statements and deliver a limited review report on the Group's half-year consolidated financial statements.

On performing their procedures, the Statutory Auditors present the Audit Committee with a summary of their work and the accounting options used in preparing the financial statements.

On reviewing the financial statements, the Statutory Auditors present to the audit committee a report highlighting the key aspects of the scope of consolidation, the results of the statutory audit, in particular the accounting options selected, audit adjustments and material internal control weaknesses identified in their work.

The Statutory Auditors' main recommendations are incorporated in an action plan and a monitoring procedure presented to the Audit Committee and senior management at least once per year.

The audit assignments are divided between Mazars and PriceWaterhouseCoopers, the Company's Principal Statutory Auditors.

Developments and outlook of internal control

The Group is continuing to develop its internal control and risk management framework. This process of continuous improvement relies in particular on updating the Group's risk map and on devising new internal audit self-assessment questionnaires across the Group.

Thierry Morin

Chairman of the Supervisory Board

4.4 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF ELIS AFR

Year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of Elis SA, and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the chairman of your Company in accordance with Article L. 225-68 of the French Commercial Code for the year ended December 31, 2015.

It is the chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-68 of the French Commercial Code, in particular related to corporate governance.

It is our responsibility:

- to report on any matters related to the information contained in the chairman's report about the internal control and risk management procedures related to the preparation and processing of accounting and financial information; and
- to certify that the report contains the other disclosures required by Article L. 225-68 of the French Commercial Code, without being responsible for verifying their fairness.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION REGARDING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATED TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

The professional standards require that we perform the necessary procedures to assess the fair presentation of the information regarding the internal control and risk management procedures related to the preparation and processing of financial and accounting information provided in the chairman's report.

These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures related to the preparation and processing of the financial and accounting information underlying the information presented in the chairman's report and the existing documentation;
- obtaining an understanding of the work involved in preparing this information and the existing documentation;
- determining whether any material weaknesses in the internal control and risk management procedures related to the preparation and processing of accounting and financial information that we may have identified in the course of our audit have been properly disclosed in the chairman's report.

On the basis of this work, we have no matters to report on the information regarding the internal control and risk management procedures related to the preparation and processing of accounting and financial information provided in the report prepared by the chairman of the Supervisory Board in accordance with the provisions of Article L. 225-68 of the French Commercial Code.

OTHER INFORMATION

We certify that the chairman of the Supervisory Board's report includes the other information required by Article L. 225-68 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, March 10, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bruno Tesnière	Isabelle Massa

4.5 COMPENSATION AND BENEFITS GRANTED TO THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Pursuant to Article L. 225-102-1 of the French Commercial Code, the details of the total compensation and benefits in kind paid to corporate officers during the financial year ended December 31, 2015 are presented below, with the understanding that this chapter has been drawn up with the help of the Appointments and Compensation Committee.

The compensation policy for the members of the Management Board and the Supervisory Board has been adapted to the usual practices of listed companies following the Company's initial public offering carried out on February 11, 2015. The compensation of the members of the Management Board and the Board of Directors is set by the Supervisory Board.

4.5.1 COMPENSATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD

General principles of compensation for the members of the Management Board

The general principles of the compensation policy for the members of the Management Board are decided upon by the Supervisory Board on the proposal of the Appointments and Compensation Committee. They include the principles of balance (ensuring that no compensation item is disproportionate), competitiveness (carrying out compensation studies, including by outside firms, as needed), linked to the performance of the Company (notably through variable compensation dependent on the achievement of defined, measurable and demanding targets). Furthermore, the compensation of the members of the Management Board has been established with a view to aligning the interests of management with those of the shareholders (a portion of the compensation of the members of the Management Board is awarded in securities and measured over long-term performance).

The Supervisory Board reviews all of the components of the Management Board members' compensation on an annual basis, and sets their amount at the beginning of each year.

The principles and rules for determining the Management Board members' compensation for 2015 are described in the Registration Statement *(document de base)* and its updates established for the purposes of the Company's initial public offering in February 2015 and in the press release dated April 9, 2015, which are an integral part of this report and may be viewed on the Company's website (www.corporate-elis.com), and the AMF (French Financial Markets Authority) website (www.amf.finance.org).

Compensation structure for the members of the Management Board

The compensation structure for each of the members of the Management Board comprises a fixed component, an annual variable component and a long-term compensation component in the form of performance shares.

The amounts corresponding to each compensation component for the year 2015 are shown in Table 2 below in section 4.5.3 "Compensation and benefits paid to executives and corporate officers".

Fixed compensation

The fixed compensation of each Management Board member reflects their responsibilities and expertise. This compensation was adjusted in 2015, subject to the Company's successful initial public offering.

The determination of the compensation package for the members of the Management Board was helped by a study conducted in 2014 by a firm specializing in compensation analysis, which was based on a sectoral panel and about 20 SBF 120 companies (notably including Tarkett, Elior, Edenred, Europcar and Korian). The study found a clear gap between the compensation (fixed and variable) awarded in prior years and that resulting from the market analysis.

Chairman of the Management Board Xavier Martiré's annual fixed compensation amounted to €550,000, and that of Louis Guyot and of Matthieu Lecharny amounted to €250,000 each.

Variable compensation

The variable compensation of the Management Board members aims to closely associate the executives with the Group's short-term performance. In line with the AFEP-MEDEF Code, the variable compensation of each Management Board member corresponds to a percentage of their fixed compensation.

Determined on an annual basis, this variable component is composed of triggering thresholds below which no compensation is paid, target levels when the targets are reached, and maximum levels reflecting outperformance relative to set targets. For 2015, the quantitative targets of the variable component and their weighting are strictly identical for each of the members of the Management Board. The qualitative targets were subject to individualization in terms of the responsibilities of each of its members.

The chairman of the Management Board's target amount of variable compensation is 100% of the amount of his fixed compensation, capped at 170% in the event of outperformance.

For the other members of the Management Board, the target amount of variable compensation is 40% of the amount of their fixed compensation, capped at 68% in the event of outperformance.

The targets taken into account for determining the variable component and the level of the targets to be achieved are defined by the Supervisory Board each year, on the recommendations made by the Appointments and Compensation Committee at the beginning of the reference period to which they apply, based on the Group's key financial and operating indicators and in line with the Group's activities and strategy.

On this basis, at its meeting of March 11, 2015, the Supervisory Board established the variable component of the Management Board members' compensation for 2015 on the recommendations of the Appointments and Compensation Committee, according to the following criteria:

- quantitative targets (70% of the variable component): the economic indicators used correspond to the Company's business management tools, namely revenue (20%), EBIT (30%) and operating cash flows (20%);
- qualitative targets (30% of the variable component) based on: on strategic and managerial criteria.

The Supervisory Board believed that these indicators reflected the direct relationship existing between the Management Board members' compensation and the trend in the Group's results and overall performance.

The quantitative and qualitative targets were established in full detail in relation to the corresponding budget items, while the qualitative targets were further individually determined with regard to the responsibilities of each member. The level of achievement required for each of these criteria, determined relative to the budget, represents strategic and economically sensitive information which cannot be made public.

Target levels achieved in 2015

At its meeting of March 9, 2016, the Supervisory Board examined the achievement of the performance conditions for the year 2015 and decided that:

- the chairman of the Management Board's overall percentage of achievement of the targets for 2015 was 76.5%;
- Louis Guyot's overall percentage of achievement of the targets for 2015 was 76.5%;
- Matthieu Lecharny's overall percentage of achievement of the targets for 2015 was 79.5%.

The amount of the variable compensation for the financial year 2015 of each of the members of the Management Board is provided in Table 2 below in section 4.5.3 «Compensation and benefits paid to executives and corporate officers».

Long-term compensation

In accordance with the compensation policy described above and as presented in the aforementioned Registration Statement *(document de base)* and its updates (section 15.3.3), the Group wanted to closely associate its employees with the Company's performance by granting performance shares. These grants also enable the alignment of shareholders' interests with those of the management.

In 2015, performance shares were thus granted to 181 employees based on established performance, including three members of the Management Board.

These grants fall under the scope of the authorization of granted to the Management Board by shareholders at the general meeting of October 8, 2014 (21st resolution) and by the Supervisory Board at its meetings of January 26, April 3 and December 14, 2015. It should be noted that the authorization granted at the general meeting was subject to the successful listing of the Company's shares on the Euronext Paris regulated market.

All of the performance shares granted in 2015 to the members of the Management Board are subject to combined conditions of continued employment and achievement of performance targets. The performance conditions were defined based on three criteria linked to consolidated revenue, consolidated EBIT and the Company's share price performance relative to the SBF 120 index as at end-2016 (see notes 5.4 and 5.2 respectively to the consolidated and full-year financial statements for the 2015 financial year).

20% of the shares thus granted shall vest if one criterion is satisfied, 50% if two targets are met, and 100% if all three targets are met. No shares shall be acquired if none of the three criteria is met.

As the first two criteria are related to revenue and EBIT forecasted in the business plan, they cannot be made public for confidentiality reasons.

The members of the Management Board are additionally required to keep a proportion of their shares as registered shares, as follows:

- for the chairman of the Management Board, one third of the shares vested capped to three times the amount of his annual fixed compensation;
- for the other members, one third of the shares vested capped to two times the amount of their annual fixed compensation;

It should also be noted that the members of the Management Board are subject to lock-up periods of prohibition from trading in the Company's securities. To the best of the Company's knowledge, no hedging instrument was set up in 2015.

Changes approved for 2016

In its meeting of March 9, 2016 and on the proposal of the Appointments and Compensation Committee, the Supervisory Board approved the following strategy concerning the Management Board members' compensation:

- maintenance of the annual fixed salary and the annual variable compensation at their 2015 levels, *i.e.*, for the chairman of the Management Board a fixed component of €550,000 and a variable component corresponding to a variable target equal to 100% of the fixed compensation, and for the other members of the Management Board, a fixed component of €250,000 and a variable component corresponding to a variable target of 40% of the fixed compensation;
- a long-term compensation plan through the granting of performance shares which shall vest subject to meeting operating performance targets and to changes in the share price.

Shareholders' opinion on the compensation of the members of the Management Board

The components of the Management Board members' compensation that will be submitted for the opinion of the general shareholders' meeting called to meet on May 27, 2016 pursuant to the AFEP-MEDEF Code are presented in chapter 7, section 7.2 "Management Board's report on the draft resolutions" of the 2015 registration document.

Termination benefits for the members of the Management Board

Severance pay in the event of forced departure

At its meeting of October 10, 2014 and on the recommendations of the Appointments and Compensation Committee, the Supervisory Board approved the award by the Company to each of the members of the Management Board of severance pay in the event of termination of their respective terms of office on the Management Board due to forced departure, with the understanding that the payment will not be due in the event of departure for negligence or if on the date of forced departure the member concerned is able to exercise his retirement rights in the short term.

As a reminder, these commitments were approved under the terms of the 9th resolution of the ordinary general meeting of June 24, 2015.

The amount of benefits likely to be due is capped at 18 months of gross fixed and variable compensation calculated based on the average compensation received during the two full years preceding the departure.

In addition, the payment of the benefits is subject to performance conditions defined and measured based on two quantitative criteria tied to revenue and EBIT calculated over the 12 consecutive months preceding the date of the last half-year-end prior to departure. Performance is measured in relation to the targets approved by the Supervisory Board for the same period.

The benefits are subject to achievement conditions, such that no benefit is payable if no target is achieved, whereas if one target is achieved, two thirds of the benefit is payable (*i.e.*, 12 months of average fixed and variable compensation) and if both targets are achieved, the benefits are payable in full.

These commitments made to the members of the Management Board were authorized by the Supervisory Board at its meeting of October 10, 2014 on the recommendations of the Appointments and Compensation Committee, and were approved by the shareholders at the ordinary general meeting of June 24, 2015.

Compensation due under a non compete clause

Considering the expertise acquired by each of the members of the Management Board they are subject to a non-compete commitment, for a duration of one-year in the case of the chairman of the Management Board or six months for the other members of the Management Board. This commitment starts at the end of their term of office or employment contract and is intended to protect the Group's interests in the event of departure.

If the Supervisory Board decides to implement said non-compete commitment it would result in the payment, during the entire period of the commitment, of non-compete benefits equal to 50% of the gross fixed and variable compensation received over the last full year prior to departure. The payment of these benefits is not subject to performance conditions.

If the severance payment in the event of forced departure mentioned above and non-compete payment were both to become payable, the total amount of compensation that could be received by each of the members of the Management Board will be capped at 24 months of compensation.

No sum was been paid for these commitments in 2015.

Employment contracts of the members of the Management Board

With the exception of Xavier Martiré, the members of the Management Board combine an employment contract with their corporate office. Louis Guyot and Matthieu Lecharny have an employment contract with the Company for their respective positions as chief financial officer and chief operating officer.

Xavier Martiré, chairman of the Company's Management Board and previously President of the Company under its former structure as a French simplified limited liability company *(société par actions simplifiée)*, had an permanent employment contract which was suspended after his appointment as President of the Company under its former structure as a French simplified limited liability company. Xavier Martiré resigned from the Company on February 11, 2015 in accordance with the recommendations of the AFEP-MEDEF Code that the Company adopted after its initial public offering.

Benefits in kind

Each of the members of the Management Board benefit from a Company car which represents an in-kind benefit whose total amount was €10,587 for the financial year 2015 allocated among the members of the Management Board as follows:

Xavier Martiré	€3,896
Louis Guyot	€2,705
Matthieu Lecharny	€3,986

Directors' fees

No directors' fees were granted to the members of the Management Board.

Supplemental retirement plans

No member of the Management Board benefits from a specific retirement plan beyond the plans legally required. Therefore, the Company did not reserve any specific amounts to pay pensions, retirement or other similar benefits to the members of the Management Board. As Company employees, Louis Guyot and Matthieu Lecharny benefit from the statutory retirement plan applicable to employees in France.

Summary table of commitments made to the members of the Management Board

(AFEP-MEDEF Code – Table no. 10 & AMF – Table no. 11)

	Employment contract		Supplementary retirement plan[f]		Benefits due or potentially due on termination or change of position		Non-compete benefits[e]	
Members of the Management Board	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Xavier Martiré Chairman of the Management BoardStart of term of office: November 5, 2014 End of term of office: November 4, 2018		✓[a]		✓	✓[b]		✓	
Louis Guyot Member of the Management Board Start of term of office November 5, 2014 End of term of office: November 4, 2018	✓[c]			✓	✓[b]		✓	
Matthieu Lecharny Member of the Management Board Start of term of office November 5, 2014 End of term of office: November 4, 2018	✓[d]			✓	✓[b]		✓	

(a) In accordance with the provisions of the AFEP-MEDEF Code that the Company adopted after its initial public offering, Xavier Martiré resigned from his positions on February 11, 2015 and no longer has an employment contract with the Company.

(b) The commitments made by the Company to Xavier Martiré, Louis Guyot and Matthieu Lecharny because of the termination or change in their positions are detailed in this chapter 4 and are described in the Company's Statutory Auditors' special report incorporated in this chapter, section 4.2 of the 2015 registration document.

(c) Louis Guyot has an employment contract with Elis.

(d) Matthieu Lecharny has an employment contract with Elis.

(e) The compensation due or likely to be due by the Company for the non-compete commitment made by Xavier Martiré, Louis Guyot and Matthieu Lecharny, members of the Management Board are developed above in this chapter, and described in the special report of the Statutory Auditors, incorporated in this chapter, section 4.2 of the 2015 registration document.

(f) No member of the Management Board benefits from a supplementary retirement plan.

4.5.2 COMPENSATION POLICY FOR THE MEMBERS OF THE SUPERVISORY BOARD AND ITS SPECIAL COMMITTEES

Compensation paid by the Company

The Company's general shareholders' meeting of October 8, 2014 (25th resolution) set the total amount of directors' fees to be allocated to members of the Supervisory Board and its committees at €350,000.

At its meeting of October 10, 2014 and based on the recommendations of the Appointments and Compensation Committee, the Supervisory Board set the allocation rules of directors' fees among its members and those on its committees. These rules are based on an allocation formula including a fixed compensation component and a variable compensation component linked to the regularity of attendance at the Supervisory Board meetings and the special committee meetings, in accordance with the recommendations of the AFEP-MEDEF Code, as follows, with the understanding that this mechanism applies to all of the members of the Supervisory Board:

- Member of the Supervisory Board:
  - fixed: €15,000 for each member;
  - fixed: an additional €15,000 for the chairman;
  - variable: €4,000 per member for effective attendance at a Board meeting.

- Member of the Audit Committee:
  - variable: €2,500 per member for effective attendance at an Audit Committee meeting;
  - variable: an additional €1,250 for the chairman for effective attendance at an Audit Committee meeting.
- Member of the Appointments and Compensation Committee:
  - variable: €2,500 per member for effective attendance at an Appointments and Compensation Committee meeting;
  - variable: an additional €1,250 for the chairman for effective attendance at an Appointments and Compensation Committee meeting.

As the fixed component of directors' fees is allocated on an annual basis, the amount allocated to each of the members is calculated on a pro rata basis in the event of appointment or termination for any reason of the term of office of a Supervisory Board member during the financial year.

It should be noted that considering the special contribution of the members of the Supervisory Board to the preparatory meetings prior to the Company's initial public offering and to those relating to the refinancing of the Group's debt, and the particularly large number of those meetings, it was decided that the sums due to the members of the Supervisory Board would not be pro-rated so that in 2015 each one of them was paid 100% of the fixed component of the directors' fees for the year 2014.

On this basis, the total amount of directors' fees paid in February 2015 for 2014 was €128,207.00, compared with €25,000 for 2013. As a reminder, until September 5, 2014, the Company had the structure of a French simplified limited liability company *(société par actions simplifiée)* and only Michel Datchary received directors' fees.

The details of the sums paid in 2015 to each of the members of the Supervisory Board for the year 2014 are presented below in "Table no. 3 – Compensation and benefits granted to the members of the Supervisory Board" in section 4.5.3 "Compensation and benefits paid to executives and corporate officers".

For 2015, taking account of the change in the composition of the Supervisory Committee, notably the appointment of a new member to the Board in 2015, and the creation of its special committees, the ordinary shareholders' meeting of June 24, 2015 approved an increase in the total amount of directors' fees to €500,000. After that general meeting, the Supervisory Board met on June 24, 2015 and decided, on the recommendations of the Appointments and Compensation Committee, on the following:

- a reduction in the variable compensation of the members of the Supervisory Board of €1,000 per meeting for effective attendance at a Supervisory Board meeting;
- a reduction of €500 per meeting for effective attendance to a meeting of any committee;
- a reduction of €250 of the additional compensation of committee chairmen.

Lastly, the Supervisory Board decided that attendance by telephone conference entitles to compensation equal to 50% of the above-mentioned sums. These new allocation rules apply throughout 2015. The supplementary compensation of committee chairmen remains unchanged.

It should be noted that the variable component remains predominant for committee members.

In consideration of the preceding, effective January 1, 2015 the allocation rules for directors' fees among the members of the Supervisory Board and the committees were as follows:

- Member of the Supervisory Board:
  - fixed: €15,000 for each Supervisory Board member;
  - fixed: an additional €15,000 for the chairman of the Supervisory Board;
  - variable: €3,000 per member for effective attendance at a Board meeting.
- Member of the Audit Committee:
  - variable: €2,000 per member for effective attendance at an Audit Committee meeting;
  - variable: an additional €1,000 for the chairman for effective attendance at an Audit Committee meeting.
- Member of the Appointments and Compensation Committee:
  - variable: €2,000 per member for effective attendance at an Appointments and Compensation Committee meeting;

- variable: an additional €1,000 for the chairman for effective attendance at a meeting of said committee.

Current members of the Supervisory Board do not hold options or financial instruments giving access to the Company's share capital. Furthermore, there are no other commitments made by the Company to members of the Supervisory Board, corresponding to components of compensation, or benefits due or potentially due on termination or change of position.

Compensation paid by controlled companies or the company that controls the Company within the meaning of Article L. 233-16 of the French Commercial Code

No non-senior executive corporate officer of the Company received compensation of any kind from companies controlled by the Company. During the year ended December 31, 2015, the Company was not exclusively controlled by an entity within the meaning of Article L. 233-16 of the French Commercial Code.

4.5.3 COMPENSATION AND BENEFITS PAID TO EXECUTIVES AND CORPORATE OFFICERS

It should be noted that in the context of the listing of the Company's shares on the Euronext regulated market in Paris, the Company intends to abide by the AFEP-MEDEF Code of Corporate Governance.

The compensation and benefits of all types paid to members of the Management Board and the Supervisory Board by (i) the Company, (ii) the companies controlled by the Company within the meaning of Article L. 233-16 of the French Commercial Code, (iii) the companies controlled by the Company or companies that control the Company within the meaning of Article L. 233-16 of the French Commercial Code, and (iv) the Company or companies that control the Company within the meaning of the same article, were as indicated in the table below according to the presentation rules defined by the AFEP-MEDEF Code and the more recent recommendations of the AMF.

Table 1: summary of the Management Board members' compensation, options and shares granted in 2014 and 2015

The following table presents a summary of the compensation and shares granted to Xavier Martiré, Louis Guyot and Matthieu Lecharny for the years ended December 31, 2014 and 2015:

(In euros)	Year ended December 31, 2015	Year ended December 31, 2014
Xavier Martiré, chairman of the Management Board		
Compensation due for the year[a]	2,674,896	918,299
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares[b][c]	552,813	0
TOTAL	**3,227,709**	**918,299**
Louis Guyot, member of the Management Board		
Compensation due for the year[a]	829,205	309,077
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares[b][c]	70,379	0
TOTAL	**899,584**	**309,077**
Matthieu Lecharny, member of the Management Board		
Compensation due for the year[a]	603,486	317,609
Value of multi-year variable compensation granted during the year	0	0
Value of options granted during the year	0	0
Value of performance shares[b][c]	70,379	0
TOTAL	**673,865**	**317,609**

(a) Compensation due, i.e., after application of the achievement condition to the basis of variable compensation. The variable compensation of the members of the Management Board is established based on the following criteria: economic indicators (counting for 70%) and strategic and managerial indicators (counting for 30%). The achievement condition corresponding to the fixed targets for 2015 which were approved by the Supervisory Board on March 9, 2016, is 76.5% for Xavier Martiré and Louis Guyot, and 79.5% for Matthieu Lecharny.

(b) All of the performance shares granted in 2015 to the members of the Management Board are subject to combined conditions of continued employment and performance defined based on three criteria linked to consolidated revenue, consolidated EBIT and the Company's share price performance relative to the SBF 120 index. Table 6 below as well as note 5.4 to the 2015 financial statements included in chapter 6 "Financial statements for the year ended December 31, 2015" detail the rules of the performance share plans granted in 2015.

(c) The value of the performance shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2015, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It takes account of data and assumptions prevailing at the grant date.

Table 2: compensation due and paid to the members of the Management Board

	Year ended December 31, 2015		Year ended December 31, 2014	
(In euros)	Amount due[1]	Amount paid[2]	Amount due[1]	Amount paid[2]
Xavier Martiré, chairman of the Management Board				
Fixed compensation	550,000[a]	549,996	400,008	400,008
Annual variable compensation	421,000[b]	514,395[e]	514,395[e]	397,085[f]
Multi-year variable compensation	0	0	0	0
Special compensation	1,700,000[c]	1,700,000[c]	0	220,000
Directors' fees	0	0	0	0
Benefits in kind[4]	3,896[d]	3,896[d]	3,896[d]	3,896[d]
TOTAL	**2,674,896**	**2,768,287**	**918,299**	**1,020,989**
Louis Guyot, member of the Management Board				
Fixed compensation	250,000[a]	249,996	200,004	200,004
Annual variable compensation	76,500[b]	108,024[e]	108,024[e]	14,667[f]
Multi-year variable compensation	0	0	0	0
Special compensation	500,000[c]	500,000[c]	0	0
Directors' fees	0	0	0	0
Benefits in kind[4]	2,705[d]	2,705[d]	1,049[d]	1,049[d]
TOTAL	**829,205**	**860,725**	**309,077**	**215,720**
Matthieu Lecharny, member of the Management Board				
Fixed compensation	250,000[a]	249,996	204,000	204,000
Variable annual compensation[2]	79,500[b]	109,430[e]	109,430[e]	69,547[f]
Multi-year variable compensation	0	0	0	0
Special compensation	270,000[c]	270,000[c]	0	0
Directors' fees	0	0	0	0
Benefits in kind	3,986[d]	3,986[d]	4,179[d]	4,179[d]
TOTAL	**603,486**	**633,412**	**317,609**	**277,726**

(1) Fixed compensation due to the members of the Management Board during the year under consideration.

(2) Total compensation paid during the year, i.e., after application of the achievement condition to the basis of variable compensation.

(a) The fixed compensation of Xavier Martiré, Louis Guyot and Matthieu Lecharny for 2015 has been determined based on the market practices of international listed companies. Their respective fixed compensation was adjusted following the Company's initial public offering and applies to the entire year of 2015.

(b) The variable component of the 2015 compensation for each of the members of the Management Board is based on ambitious targets and pre-defined performance criteria, including quantitative criteria counting for 70% and qualitative criteria counting for 30%, which were set by the Supervisory Board on October 10, 2014 based on the opinion of the Appointments and Compensation Committee. The achievement condition corresponding to 2015 targets approved by the Supervisory Board on March 9, 2016 is 76.5% for Xavier Martiré, chairman of the Management Board, and Louis Guyot, and 79.5% for Matthieu Lecharny.

(c) Special bonus decided upon by the Supervisory Board on October 10, 2014 and January 26, 2015, subject to the Company's successful initial public offering.

(d) The benefits in-kind are measured for individual members and correspond to a company car made available to each of the members of the Management Board.

(e) In 2015, Xavier Martiré received a performance-related bonus of €481,900 for 2014 and incentive and profit sharing compensation of €32,495 as an Elis employee for the period from January 1, 2014 to December 31, 2014. Louis Guyot received a performance-related bonus of €96,919 for the year 2014. He also received profit sharing compensation of €11,105 for 2014 as an employee of Elis Services. Matthieu Lecharny received a performance-related bonus of €98,325 for 2014 and profit sharing compensation of €11,105 for 2014 as an employee of Elis Services.

(f) In 2014, a €373,800 bonus was paid to Xavier Martiré for 2013 as well as incentive and profit sharing compensation of €23,285 as an Elis employee for the period from January 1, 2013 to December 31, 2013. Louis Guyot received a performance-related bonus of €10,000 for 2013. He also received profit sharing compensation of €4,667 for 2013 as an employee of Elis Services for the period from January 1, 2013 to December 31, 2013. Matthieu Lecharny received a performance-related bonus of €54,520 for 2013 and profit sharing and incentive compensation of €15,027 as an employee of Elis Services for the period from January 1, 2013 to December 31, 2013.

Table 3: directors' fees and other compensation granted to members of the Supervisory Board

The table below shows the gross amount (before withholding tax of 15.5% and a tax installment payment of 21%) of directors' fees and other types of compensation paid by the Company to members of the Supervisory Board and its committees in 2014 and 2015 for the years ended December 31, 2013 and 2014, respectively, calculated in accordance with the rules indicated above:

Non-executive corporate officers	Gross amount in euros paid during the year ended December 31, 2015	Gross amount in euros paid during the year ended December 31, 2014
Philippe Audouin[(a)] – Member of the Supervisory Board and the Audit Committee		
Directors' fees	20,558	-
Other compensation	-	-
Michel Datchary[(b)] – Member of the Supervisory Board and the Appointments and Compensation Committee		
Directors' fees	40,295	25,000
Other compensation	-	-
Marc Frappier[(c)] – Vice-Chairman of the Supervisory Board and member of the Appointments and Compensation Committee		
Directors' fees	27,308	-
Other compensation	-	-
Virginie Morgon[(d)] – Member of the Supervisory Board		
Directors' fees	29,366	-
Other compensation	-	-
Thierry Morin[(e)] – Chairman of the Supervisory Board		
Directors' fees	24,808	-
Other compensation	-	-
Florence Noblot[(f)] – Member of the Supervisory Board and the Appointments and Compensation Committee		
Directors' fees	24,808	-
Other compensation	-	-
Agnès Pannier-Runacher[(g)] – Member of the Supervisory Board and the Audit Committee		
Directors' fees	11,452	-
Other compensation	-	-
Eric Schaefer[(h)] – Member of the Supervisory Board		
Directors' fees	23,308	-
Other compensation	-	-
Philippe Delleur[(i)] – Member of the Supervisory Board		
Directors' fees	-	-
Other compensation	-	-
TOTAL DIRECTORS' FEES	**201,903**	**25,000**
TOTAL OTHER COMPENSATION	**-**	**-**
TOTAL	**201,903**	**25,000**

(a) Appointed as a member of the Supervisory Board on September 5, 2014 and as a member of the Audit Committee on October 10, 2014.
(b) Appointed as a member of the Supervisory Board on September 5, 2014 and as chairman of the Appointments and Compensation Committee on October 10, 2014, subject to the condition precedent of the admission of the Company's shares to trading on the regulated market and effective as from that date.
(c) Appointed as a member and Vice-Chairman of the Supervisory Board on September 5, 2014 and as a member of the Appointments and Compensation Committee on October 10, 2014, subject to the condition precedent of the admission of the Company's shares to trading on the regulated market and effective as from that date.
(d) Appointed as a member of the Supervisory Board on September 5, 2014.
(e) Appointed as a member and chairman of the Supervisory Board on September 5, 2014 and as a member of the Audit Committee on October 10, 2014, subject to the condition precedent of the admission of the Company's shares to trading on the regulated market and effective as from that date.
(f) Appointed as a member of the Supervisory Board on September 5, 2014 and as a member of the Appointments and Compensation Committee on October 10, 2014, subject to the condition precedent of the admission of the Company's shares to trading on the regulated market and effective as from that date.
(g) Appointed as a member of the Supervisory Board on October 8, 2014 and as chairman of the Audit Committee on October 10, 2014, subject to the condition precedent of the admission of the Company's shares to trading on the regulated market and effective as from that date.
(h) Appointed as a member of the Supervisory Board on September 5, 2014.
(i) Appointed by the general shareholders' meeting on June 24, 2015.

The amounts indicated in the above table constitute the only compensation paid by the Company to the members of the Supervisory Board and its committees in 2014 and 2015.

Table 4: stock options granted in 2015 to each member of the Company's Management Board by the Company or any Group company

No stock options were granted to the members of the Management Board in 2015.

The members of the Supervisory Board held no stock options.

Table 5: stock options exercised in 2015 by each member of the Management Board

None

Table 6: bonus shares granted to each corporate officer in 2015

Name of executive corporate officer	No. of plan and date of grant	Number of shares granted in 2015	Value of shares based on the method used for consolidated financial statements[(a)] *(In euros)*	Vesting date[(b)]	Availability date[(c)]	Performance conditions
Xavier Martiré Chairman of the Management Board	Plan no. 1 April 7, 2015	104,108 *i.e.*, 0.09% of the share capital[(e)]	552,813	April 7, 2017	April 7, 2019	[(d)]
Louis Guyot Member of the Management Board	Plan no. 1 April 7, 2015	13,253 *i.e.*, 0.011% of the share capital[(e)]	70,379	April 7, 2017	April 7, 2019	[(d)]
Matthieu Lecharny Member of the Management Board	Plan no. 1 April 7, 2015	13,253 *i.e.*, 0.011% of the share capital[(e)]	70,379	April 7, 2017	April 7, 2019	[(d)]
TOTAL		**130,614 *i.e.*, 0.11% of the share capital[(e)]**				

(a) The value of the performance-related bonus shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2015, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It takes account of data and assumptions prevailing at the grant date.

(b) The performance-related bonus shares vest at the end of a period of two years starting from the grant date (vesting period) under the combined conditions of continued employment and achievement of performance targets.

(c) At the end of the vesting period, the shares delivered may not be transferred for a period of two years starting from their effective vesting date. Furthermore, the members of the Management Board are subject to an additional holding requirement for the term of their office.

(d) The vesting of shares at the end of the vesting period is subject to the achievement, at the end of this period, of the performance targets defined based on three criteria linked to the Group consolidated revenue and EBIT as they appear in the financial statements for the 2016 financial year, as well as Elis's share price performance relative to the SBF 120 index, with the understanding that:

- the change in the Company's share price corresponds to the difference (as a percentage) between (I) the moving average of the share value over the 20 trading days preceding the last trading day of 2016 plus dividends paid between February 11, 2015 and December 31, 2016, and (II) the IPO price (€13);

- the change in the SBF 120 corresponds to the difference (as a percentage) between (I) the moving average of the index over the twenty trading days preceding the last trading day of 2016 and (II) the value of the index as at February 10, 2015 (€3,701.09).

Only 20% of the granted shares will be delivered to beneficiaries if just one of those performance conditions is met, 50% if two of the conditions are met, and 100% if all three conditions are met. No share shall vest if none of the conditions is met.

As the first two criteria are related to revenue and EBIT forecasted in the business plan, they cannot be made public for confidentiality reasons.

(e) On the basis of the share capital as at December 31, 2015.

Table 7: performance-related bonus shares granted that became available in 2015 for each member of the Management Board

Name of executive corporate officer	No. and date of plan	Number of shares that became available during the year[(a)]	Vesting conditions
Xavier Martiré Chairman of the Management Board	Plan no. 1 April 7, 2015	0	[(b)]
Louis Guyot Member of the Management Board	Plan no. 1 April 7, 2015	0	[(b)]
Matthieu Lecharny Member of the Management Board	Plan no. 1 April 7, 2015	0	[(b)]

(a) Pursuant to the rules of the plan governing the performance-related shares, the shares become available at the end of a holding period of two years from their vesting date, i.e., four years from their grant date.

(b) See above in comments (b), (c) and (d) of Table 6 describing the vesting and holding conditions for performance-related shares.

Table 8: history of grants of stock options and other financial instruments giving access to the Company's share capital subscribed for by the members of the Management Board

No stock options were granted over the past five financial years.

The table below shows the history of the share purchase warrants (BSA) issued by the Company for executive corporate officers. These were the only financial instruments issued by the Company for the members of the executive bodies.

As of the date of this registration document, all share purchase warrants issued on October 4, 2007 by the Company for members of the Management Board had been exercised as part of the reorganization transactions preceding the listing of the Company's shares on the Euronext Paris stock market, which are described in chapter 8 "Information about the Company and its capital" of this registration document.

The members of the Supervisory Board held no BSA.

HISTORY OF ISSUES OF SHARE PURCHASE WARRANTS AS PART OF TRANSACTIONS RESERVED FOR EXECUTIVE CORPORATE OFFICERS AND EMPLOYEES

Date of shareholders' meeting	October 4, 2007
Date of the Board of Directors or Management Board meeting, as applicable	-
Total number of share purchase warrants issued	16,000,000
Maximum number of shares to be issued following the exercise of BSA, including the number of shares that may be subscribed by:	8,000,000[(a)]
■ Corporate officers members of the Management Board	
Xavier Martiré	*1,759,992[(b)]*
Louis Guyot	*-[(c)]*
Matthieu Lecharny	*-[(d)]*
■ The members of the Executive Committee (other than the members of the Management Board)	456,000
Start date for the exercise of the BSA	[(e)]
Expiration date	October 4, 2027
Exercise price of the BSA	€5[(f)]
Terms of exercise (when the plan has several tranches)	-
Number of BSA that can be exercised	3,879,602[(g)]
Total number of BSA exercised	3,879,602
Total number of BSA canceled or forfeited	12,120,398[(h)]
Number of BSA outstanding as at December 31, 2015	0

(a) The number of new shares that can be issued in the event of the exercise of the BSA was modified on September 22, 2014 by the Supervisory Board in order to account for the share reverse split transactions decided on by the general shareholders' meeting on October 8, 2014 according to an exchange ratio of one new share for twenty old shares. As a result, the maximum number of shares that can be issued after the exercise of the BSA was brought from 160,000,000 (i.e., 10 shares for 1 BSA) to 8,000,000 (i,e, 0.5 new shares per 1 BSA, or 1 new share for 2 BSA).

(b) As part of the reorganization transactions prior to the Company's initial public offering, and in accordance with the terms of the contribution agreement concluded by Quasarélis and Xavier Martiré on September 23, 2014, as amended on December 22, 2014, the latter contributed all of his 1,759,992 BSA to Quasarélis, and was granted 639,941 Quasarélis shares as consideration for his contribution. The contribution transaction was completed on February 10, 2015. After this contribution transaction, Quasarélis was absorbed by the Company in a merger transaction that completed on February 10, 2015. As consideration for his contribution to the merger, 49,196 Elis shares were granted to Xavier Martiré.

(c) Louis Guyot held 300,000 Quasarélis shares, representing around 6% of its share capital, which held 7,940,771 BSA (for more information on the changes in the Company's share capital and the reorganization transactions that preceded the Company's initial public offering, see chapter 8 "Information about the Company and its capital", section 8.3.3 "Changes in the Company's share capital over the past three years" of the 2015 registration document). Quasarélis was absorbed by the Company in a merger transaction that completed on February 10, 2015. As consideration for his contribution to the merger, 23,063 Elis shares were granted to Louis Guyot.

(d) Matthieu Lecharny held 190,000 Quasarélis shares, representing around 3.8% of its share capital, which held 7,940,771 BSA (for more information on the changes in the Company's share capital and the reorganization transactions that preceded the Company's initial public offering, see chapter 8 "Information about the Company and its capital", section 8.3.3 "Changes in the Company's share capital over the past three years" of the 2015 registration document). Quasarélis was absorbed by the Company in a merger transaction that completed on February 10, 2015. As consideration for his contribution to the merger, 14,606 Elis shares were granted to Matthieu Lecharny.

(e) The admission of the Company's shares to trading on the Euronext Paris regulated market constituted an exercise event of the BSA in accordance with the terms and conditions for BSA adopted on October 4, 2007 and amended on September 22, 2014. The non-exercisable BSA or those that were not exercised during the Company's initial public offering automatically forfeited and can no longer be exercised. Because of the constraints related to the public offering of Company shares, the exercise of BSA occurred on the day of the setting of the IPO price. The terms and conditions for the BSA were consequently amended by the general shareholders' meeting of October 10, 2014 to complete the exercise of the BSA in the event of an initial public offering.

(f) The subscription price is €5 per 0.5 shares, i,e, €10 per share, each BSA giving the right to the subscription of 0.5 shares.

(g) Pursuant to the terms and conditions for the BSA in the event of an initial public offering, at its meeting of February 10, 2015 the Management Board determined the number of exercisable BSA at the IPO price pursuant to the calculation method provided for in the terms and conditions for the BSA.

(h) The BSA that were non-exercisable at the date of the Company's initial public offering forfeited.

Table 9: stock options granted to the top ten employees who are not corporate officers and options exercised thereby

In 2015, no stock options were granted to employees who were not corporate officers and no financial instruments were issued for the top ten employees.

Table 10: history of bonus share grants

The Company granted performance-related shares in the three financial years ended December 31, 2010, 2011 and 2015.

As the vesting conditions for the performance-related shares awarded in 2010 and 2011 as provided for in the terms of the rules of the plan governing these grants have not been met, no performance shares granted for the 2010 and 2011 plans vested, and the plan forfeited in 2014.

The details of the performance-related shares granted in 2015 are included in note 5.4 to the 2015 consolidated financial statements of the Group and in note 5.2 to the separate financial statements for the year ended December 31, 2015, which are incorporated in chapter 6 "Financial statements for the year ended December 31, 2015" of the 2015 registration document.

No bonus shares were granted to the members of the Supervisory Board.

Comments on the 2015 financial year AFR

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5.1 HIGHLIGHTS OF THE 2015 FINANCIAL YEAR

5.1.1 INITIAL PUBLIC OFFERING

On **February 11, 2015**, Elis was listed for trading on Compartment A of the Euronext Paris regulated market. The initial public offering was completed following the listing for trading of the 114,006,167 shares making up the Company's equity, of which 57,692,306 were issued under a global offering which included 3,846,153 existing shares that were sold and 53,846,153 new shares, before any exercise of the overallotment option.

On **March 11, 2015**, Elis announced the exercise of the over-allotment option in connection with its initial public offering on the Euronext Paris regulated market. Deutsche Bank AG, London Branch exercised the over-allotment option on 8,022,323 additional existing shares sold by Legendre Holding 27, an entity controlled by Eurazeo, at the offer 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, representing 57.6% of the Company's share capital and voting rights, thereby increasing the total offer size to approximately €854 million. After the exercise of the overallotment option, Elis's public float amounted to approximately 57.6% of its share capital.

On **April 13, 2015**, Elis entered into a liquidity agreement with Kepler Cheuvreux, which complies with the Code of Conduct issued by the French Association of Financial Market Professionals *(Association française des marchés financiers* – AMAFI) on March 8, 2011 and approved by the French Financial Markets Authority *(Autorité des marchés financiers* – AMF) on March 21 of the same year. A total of €3 million was credited to the liquidity account to fund these market-making transactions.

On **June 19, 2015**, Elis joined the companies' list of the SBF 120 Index.

5.1.2 ACQUISITIONS

On **January 26, 2015**, Elis announced its acquisition of Kress, a German company which posted revenue for the year of approximately €7 million and has been consolidated since January 1, 2015.

On **April 8, 2015**, Elis announced it had closed five acquisitions in France, Spain, Germany and Switzerland. The five acquired companies have combined revenues of around €40 million on a full-year basis. They have been consolidated into the Group's financial statements as from the second quarter of 2015. At that point, Elis became the market leader in Switzerland.

On **September 30, 2015**, Elis announced its acquisition of the number one player in Chile, Albia, which is a clear market leader with a market share of approximately 25% and operates eight laundries across the country, mainly serving customers in the healthcare, hospitality and mining industries. Its national network covers the largest cities in Chile, including Santiago and Valparaiso. Chile is one of Latin American countries whose GDP per capital is the highest. The country enjoys a favorable economic environment along with political and social stability particularly conducive to business. Elis acquired Albia's shares from a private equity fund managed by ECUS Private Equity and from Albia's management. Albia finished 2015 with revenues of 15 billion Chilean pesos or approximately €20 million. It has been consolidated into the Group's financial statements since October 1, 2015.

On **January 7, 2016**, Elis announced it had closed two major acquisitions in Germany and Brazil representing combined revenues of approximately €20 million on a full-year basis. They will be consolidated into the Group's financial statements from January 1, 2016 onwards.

5.1.3 REFINANCING OF GROUP DEBT

On **April 22, 2015**, Elis announced the success of the offering of €800 million of bonds (the "2022 Bonds" or "High-Yield Bonds") through its wholly owned subsidiary Novalis SAS (a company acquired by Elis during the 2015 financial year). The transaction was launched on April 17, 2015 and Elis priced the 2022 Bonds at 3.000%. An application was made to list the 2022 Bonds on the Irish Stock Exchange (Global Exchange Market). The 2022 Bonds were issued and settled on April 28, 2015.

5.2 GROUP RESULTS

The Group's consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union. Audit procedures have been performed on the consolidated financial statements.

5.2.1 KEY PERFORMANCE INDICATORS

(In millions of euros)	2015	2014[(a)]	2013	2015 vs 2014
Revenue	**1,415.4**	**1,331.0**	**1,225.4**	**+6.3%**
EBITDA	**446.1**	**429.1**	**400.7**	**+4.0%**
As a % of revenue	*31.5%*	*32.2%*	*32.7%*	*-70bp*
EBIT	**208.4**	**210.2**	**212.6** [(d)]	**-0.9%**
As a % of revenue	*14.7%*	*15.8%*	*17.3%*	*-110bp*
Net income (loss)	**(57.1)**	**(21.9)**	**(44.1)**	**n/a**
Net income (loss) from ordinary operations[(b)]	**71.4**	**6.5**	**4.2**	
Free cash flow from ordinary operations[(c)]	**56.6**	**87.0**	**31.4**	
Adjusted net debt (as at the end of the period)	**1,440.7**	**2,019.1**	**1,991.7**	

Percentage changes are calculated on the basis of exact values.

(a) 2014 figures are restated from the first-time application of IFRIC Interpretation 21.

(b) After elimination of impairment losses, amortization of intangible assets related to acquisitions and transaction costs related to the initial public offering and refinancing (net of related tax of €55.0 million in 2015 and €12.8 million in 2014).

(c) After elimination of transaction costs related to the initial public offering and refinancing.

(d) The 2013 EBIT benefits from the positive effect of about €10 million relating to period covered by the depreciation charges applied in 2012.

See sections 1.11.1 and 5.2.4 of the registration document for information on the amount of investments for the past three years, as well as cash flows from operating, investing and financing activities and free cash for the past two years.

5.2.2 ANALYSIS OF REVENUE AND EBITDA BY OPERATING SEGMENT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

This document contains EBIT and EBITDA indicators and ratios, as defined by the Group. The Group has included these indicators because management uses them to assess operating performance, for presentations to members of the Supervisory Board, as the basis for strategic planning and projections and to monitor certain aspects of its cash flow and liquidity in tandem with its operating activities. The Group defines these indicators as follows:

- EBIT is defined as net income (loss) before net financial expense, income tax, share in net income of equity-accounted companies, amortization of customer relationships, goodwill impairment losses, other income and expense and miscellaneous financial items (bank fees recognized in operating income). For a reconciliation of EBIT with the consolidated income statement, please see note 3.2 to the Group's consolidated financial statements for the financial year ended December 31, 2015;
- EBITDA is defined as EBIT before additions to/(reversals from) depreciation and amortization net of the share of subsidies transferred to the income statement. For a reconciliation of EBITDA with EBIT, please see note 3.2 to the Group's consolidated financial statements for the financial year ended December 31, 2015.

Insofar as participants and rivals in the end markets in which the Group operates do not all calculate EBIT and EBITDA in the same way, the EBIT and EBITDA presented by the Group may not be comparable with the figures published by other companies under the same heading.

(In millions of euros)	Year ended December 31 2015	2014	2013
France			
Revenue	978.1	954.0	941.9
Inter-segment[(a)]	1.7	2.3	2.1
Revenue including inter-segment	979.8	956.3	944
EBITDA[(b)]	346.5	345.1	339.0
As a % of revenue including inter-segment[(c)]	*35.4%*	*36.1%*	*35.9%*
Europe			
Revenue	327.7	274.3	260.1
Inter-segment[(a)]	0.5	0.4	1.1
Revenue including inter-segment	328.2	274.7	261.2
EBITDA[(b)]	80.9	65.9	60.5
As a % of revenue including inter-segment[(c)]	*24.6%*	*24.0%*	*23.2%*
Latin America			
Revenue	92.2	85.3	0
Inter-segment[(a)]	(0.0)	(0.0)	0
Revenue including inter-segment	92.2	85.3	0
EBITDA[(b)]	19.8	17.3	(0.8)
As a % of revenue including inter-segment[(c)]	*21.4%*	*20.3%*	-
Manufacturing Entities			
Revenue	17.5	17.4	23.4
Inter-segment[(a)]	9.8	8.6	8.4
Revenue including inter-segment	27.3	26.0	31.8
EBITDA[(b)]	2.5	2.3	3.4
As a % of revenue including inter-segment[(c)]	*9.2%*	*8.8%*	*10.7%*
Inter-segment eliminations & Holding companies			
Revenue	-	-	-
Inter-segment[(a)]	(12.1)	(11.3)	(11.6)
Revenue including inter-segment	(12.1)	(11.3)	(11.6)
EBITDA[(b)(d)]	(3.6)	(1.5)	(1.4)
As a % of revenue including inter-segment[(c)]	-	-	-
TOTAL			
Consolidated revenue	1,415.4	1,331.0	1,225.4
EBITDA[(b)]	446.1	429.1	400.7
As a % of total consolidated revenue	*31.5%*	*32.2%*	*32.7%*
Adjusted net debt[(e)]	1,440.7	2,019.1	1,991.7

(a) Inter-segment reflects inter-company sales between operating segments dedicated to rental, laundry and maintenance services and to sales of goods by the Manufacturing Entities to the other operating segments. It does not represent sales to external customers. Accordingly, these sales are eliminated for the purpose of calculating the Group's revenue. Inter-company sales are not material in relation to sales to external customers for the France and Europe operating segments. Conversely, these inter-company sales account for a material portion of the Manufacturing Entities' revenue. For the year ended December 31, 2015, inter-segment sales recorded by the Manufacturing Entities amounted to €6.0 million for Kennedy Hygiene Products (€5.7 for the year ended December 31, 2014) and €3.8 million for Le Jacquard Français (€2.9 million for the year ended December 31, 2014).

(b) For a definition of EBITDA and EBIT, please see note 3.2 to the Group's consolidated financial statements for the financial year ended December 31, 2015.

(c) The EBITDA margin is calculated as a percentage of revenue including inter-segment because the expenses related to these inter-segment sales are captured in the calculation of each operating segment's EBITDA.

(d) The "Inter-segment eliminations & Holding companies" EBITDA corresponds to the EBITDA of the Group's holding companies. These companies incur certain administrative costs that are not allocated to the operating segments.

(e) For the Group, adjusted net debt consists of non-current debt, current debt and cash and cash equivalents, adjusted for the unamortized loan costs and the loan from the employee profit-sharing fund.

(I) Revenue

(In millions of euros)	2015	2014	Change	Organic growth
Hospitality	309.5	290.5	+6.6%	+6.6%
Industry	189.6	187.6	+1.0%	+1.0%
Trade and Services	340.0	338.8	+0.3%	+0.3%
Healthcare	159.7	152.5	+4.7%	+4.7%
France[(a)]	**978.1**	**954.0**	**+2.5%**	**+2.5%**
Northern Europe	***185.2***	***148.7***	***+24.5%***	***+1.4%***
Southern Europe	***142.5***	***125.5***	***+13.5%***	***+8.0%***
Europe	**327.7**	**274.3**	**+19.5%**	**+4.4%**
Latin America	**92.2**	**85.3**	**+8.0%**	**+3.2%**
Manufacturing Entities	**17.5**	**17.4**	**+0.7%**	**-3.3%**
TOTAL	**1,415.4**	**1,331.0**	**+6.3%**	**+2.9%**

Percentage changes are calculated on the basis of exact values.
(a) After Others including Reductions on sales.

In 2015, the Group's revenue was up by 6.3% to €1,415.4 million.

This €84.4 million increase was due to organic growth in France, Southern Europe and Latin America, and the incorporation of acquisitions.

FRANCE

In 2015, revenue growth in France was driven entirely by organic growth[(1)] of +2.5%. The ramp-up of large contracts was partially offset by pricing pressure, particularly in the first half of the year.

- The Hospitality segment posted robust growth in revenue of 6.6% despite the negative impact on business after the terrorist attacks in the Paris region in January and November. This growth was driven by the good summer season and by the continued rollout of large contracts, in line with expectations.
- Revenue for the Healthcare segment grew by 4.7%, driven by the rollout of large contracts for short and long stays.
- Revenue for the Industry segment rose by 1.0%. Growth was driven by good sales momentum, especially in the food industry, but customer business activity was weak overall.
- Revenue for Trade and Services was up by 0.3%. The economic climate is still challenging, despite a slight improvement in the second half with good sales in the services sector.

EUROPE (EXCLUDING FRANCE)

The strong growth in revenue in Northern Europe (+24.5%) was driven by acquisitions in Germany and Switzerland. Organic performance (+1.4%) was impacted by the Hospitality segment in Switzerland, which was adversely affected by the appreciation of the Swiss Franc in the first half.

Revenue for Southern Europe was also up sharply (+13.5%, of which +8.0% was organic growth) in an economic climate that continues to improve. Strong sales were recorded in the Hospitality and Industry segments. Acquisitions made in Spain in April 2015 also contributed to the region's strong growth.

LATIN AMERICA

Approximately half the 8.0% increase in revenue in Latin America came from acquisitions. Against a challenging economic backdrop, business in Brazil was brisk, driving organic growth and underscoring our view that the market has strong potential.

(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.

(II) EBITDA

(In millions of euros)	2015	2014	Change
France	**346.5**	**345.1**	**+0.4%**
As a % of revenue	*35.4%*	*36.1%*	*-70bp*
Europe	**80.9**	**65.9**	**+22.8%**
As a % of revenue	*24.6%*	*24.0%*	*+60bp*
Latin America	**19.8**	**17.3**	**+13.9%**
As a % of revenue	*21.4%*	*20.3%*	*+110bp*
Manufacturing Entities	**2.5**	**2.3**	**+8.7%**
As a % of revenue	*9.2%*	*8.8%*	*+40bp*
Holding companies	**(3.6)**	**(1.5)**	**n/a**
TOTAL	**446.1**	**429.1**	**+4.0%**
As a % of revenue	*31.5%*	*32.2%*	*-70bp*

Percentage changes are calculated on the basis of exact values.

The Group's EBITDA was up by +4.0% to €446.1 million.

In France, EBITDA was up slightly but the margin was down -70bp, largely due to:

- a base effect of certain one-time items in the first half of 2014;
- price pressure in France due to fiercer competition, particularly in the first half of 2015.

In all other operating segments, EBITDA was up in value and as a percentage of revenue.

In Europe (excluding France), the consolidation of the Group's positions and the transfer of skills continued to yield results, with EBITDA margin up by +60bp, after increases of +200bp in 2013 and +80bp in 2014.

In Latin America, skills transfer improved profitability by +110bp.

5.2.3 INCOME STATEMENT ANALYSIS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

The following table shows certain line items from the income statement for the years ended December 31, 2015 and December 31, 2014.

	Year ended December 31			
(In millions of euros)	2015	2014	Change (€)	Change (%)
Revenue	**1,415.4**	**1,331.0**	**84.4**	**+6.3%**
Cost of linen, equipment and other consumables	(240.0)	(222.2)	(17.8)	+8.0%
Processing costs	(518.3)	(470.0)	(48.3)	10.3%
Distribution costs	(224.8)	(212.9)	(11.9)	+5.6%
Gross margin	**432.3**	**425.8**	**6.4**	**+1.5%**
Selling, general and administrative expenses	(225.3)	(216.7)	(8.6)	+4.0%
OPERATING INCOME BEFORE OTHER INCOME AND EXPENSE AND AMORTIZATION OF CUSTOMER RELATIONSHIPS	**206.9**	**209.1**	**(2.2)**	**-1.0%**
Amortization of customer relationships	(45.6)	(41.3)	(4.3)	+10.4%
Goodwill impairment	(14.6)	-	(14.6)	n/a
Other income and expense	(33.4)	(23.1)	(10.3)	+44.5%
OPERATING INCOME	**113.4**	**144.7**	**(31.3)**	**-21.6%**
Net financial expense	(170.9)	(153.6)	(17.4)	+11.3%
INCOME (LOSS) BEFORE TAX	**(57.6)**	**(8.9)**	**(48.7)**	**ns**
Income tax benefit (expense)	0.4	(13.0)	13.5	ns
Share of net income of equity-accounted companies	-	-	-	n/a
NET INCOME (LOSS)	**(57.1)**	**(21.9)**	**(35.2)**	**ns**

(III) Revenue

The Group's consolidated revenue increased by €84.4 million or +6.3% from €1,331.0 million for the year ended December 31, 2014 to €1,415.4 million for the year ended December 31, 2015.

The increase in revenue was due to a larger scope of consolidation arising from acquisitions, along with organic growth, particularly in France and Southern European countries. The table below presents a breakdown of revenue by operating segment for the years ended December 31, 2015 and December 31, 2014.

	Year ended December 31			
(In millions of euros)	**2015**	**2014**	**Change (€)**	**Change (%)**
France	978.1	954.0	24.0	+2.5%
Europe	327.7	274.3	53.4	+19.5%
Latin America	92.2	85.3	6.8	+8.0%
Manufacturing Entities	17.5	17.4	0.1	+0.7%
Revenue	1,415.4	1,331.0	84.4	+6.3%

(IV) Cost of linen, equipment and other consumables

Linen, equipment and other consumables costs increased by €17.8 million or +8.0% from €222.2 million for the year ended December 31, 2014 to €240.0 million for the year ended December 31, 2015. This increase was due to the impact of acquisitions coupled with the substantial increase in linen purchases in the second half of 2014 and the first half of 2015.

(V) Processing costs

Processing costs increased by €48.3 million or +10.3% from €470.0 million for the year ended December 31, 2014 to €518.3 million for the year ended December 31, 2015. The increase was mainly the result of higher personnel expenses in connection with the increase in revenue, the end of the impact of the buildings sale and lease transaction, and new acquisitions.

(VI) Distribution costs

Distribution costs increased by €11.9 million or +5.6% from €212.9 million for the year ended December 31, 2014 to €224.8 million for the year ended December 31, 2015. The increase in distribution costs was similar to the increase in revenue.

(VII) Gross margin

Gross margin increased by €6.4 million or +1.5% from €425.8 million for the year ended December 31, 2014 to €432.3 million for the year ended December 31, 2015.

(VIII) Selling, general and administrative expenses

Selling, general and administrative expenses increased by €8.6 million or +4.0% from €216.7 million for the year ended December 31, 2014 to €225.3 million for the year ended December 31, 2015. This increase was related to the effects of inflation, acquisitions and the reinforcement of sales teams in France and partially offset by the drop in profit sharing expenses productivity gains and savings in headquarters expenses.

(IX) Operating income before other income and expense and amortization of customer relationships

Operating income before other income and expense and amortization of customer relationships decreased by €2.2 million or -1.0% from €209.1 million for the year ended December 31, 2014 to €207.0 million for the year ended December 31, 2015.

(X) Amortization of customer relationships

Amortization of customer relationships increased by €4.3 million or +10.4% from €41.3 million for the year ended December 31, 2014 to €45.6 million for the year ended December 31, 2015. This increase stemmed from the impact of acquisitions made during the 2014 and 2015 financial years. Contracts and customer relationships are amortized on a straight-line basis over periods of 4-11 years. The carrying amount of customer relationships was €132.7 million at December 31, 2015, most of it due to be amortized by 2018.

(XI) Goodwill impairment

For the year ended December 31, 2015, the Group recognized impairment losses of €5.4 million on the goodwill of Kennedy CGU as a result of the downward revision of its future cash flow projections, and impairment losses of €9.2 million on the goodwill of the Belgian CGU reflecting a decline in its profitability due to a highly competitive market.

(XII) Other income and expense

Other income and expense increased by €10.3 million or +44.5% from a net expense of €23.1 million for the year ended December 31, 2014 to a net expense of €33.4 million for the year ended December 31, 2015. For the year ended December 31, 2015, other income and expense primarily consisted of initial public offering costs and the related non-recurring consideration amounting to -€21.1 million (see note 4.4 to the Group's consolidated financial statements for the financial year ended December 31, 2015).

(XIII) Net financial expense

Net financial expense decreased by €17.4 million or +11.3% from -€153.6 million for the year ended December 31, 2014 to -€170.9 million for the year ended December 31, 2015. This change in net financial expense was mainly due to (I) the refinancing that followed the initial public offering. Gross finance cost includes accelerated amortization of debt issuance costs of €24.9 million; (II) losses on traded derivatives in respect of the partial termination on May 11, 2015 of the interest rate hedging swap agreements. The par value was reduced from €650 million to €450 million (including €8.4 million paid in respect of the partial termination); (III) expenses of €68.9 million related to the early redemption of the principal amount and interests due under the Senior Secured Notes and Senior Subordinated Notes maturing in 2018 and in respect of approximately 40% of the Legendre Holding 27's loan (PIK Proceeds Loan).

(XIV) Income tax benefit (expense)

Income tax expense decreased by €13.5 million, from an expense of -€13.0 million for the year ended December 31, 2014 to a benefit of €0.4 million for the year ended December 31, 2015. This amount includes €10.2 million in the CVAE business tax in France and the IRAP regional tax on productive activity in Italy. Reasons for this decrease include the increase in other income and expense (expenses related to the initial public offering) and financial expenses, and the elimination of the exceptional contribution to corporate income tax.

(XV) Net income (loss)

The net loss increased by €35.2 million or +161.0% from -€21.9 million for the year ended December 31, 2014 to -€57.1 million for the year ended December 31, 2015 for the aforementioned reasons.

Restated for impairment losses, amortization of intangible assets related to acquisitions and transaction costs related to the initial public offering and financing (net of related tax), net income from ordinary operations was €71.4 million in 2015, compared with €6.5 million in 2014.

5.2.4 CAPITAL RESOURCES

Overview

The Group's financing needs arise mainly from its working capital requirement, capital expenditure (including acquisitions and purchases of linen), interest payments on borrowings, and the repayment of borrowings.

The Group's main regular source of liquidity is cash flow from operating activities. Its ability to generate cash from operating activities in the future depends on its future operating performance. To some extent, that performance depends in turn on economic, financial, competition, market, regulatory and other factors, most of which are not under the Group's control. The Group uses its cash and cash equivalents to cover its ordinary financing needs. Its cash position is denominated in euros.

Presentation and analysis of the main ways in which the Group uses cash

Capital expenditure

Part of the Group's cash flow is allocated to financing its capital expenditure, which breaks down (excluding acquisitions) into the following categories:

- industrial capital expenditure, including expenditure on property, plant and equipment (mainly major project investments and industrial maintenance expenditure), intangible assets (mainly technology and information systems) and hygiene appliances; and

- expenditure on linen, which varies according to the schedule for providing linen to the Group's customers.

The Group's gross capital expenditure for the years ended December 31, 2013, 2014 and 2015 (excluding acquisitions) totaled €214.9 million, €236.4 million and €268.0 million respectively.

Payment of interest and repayment of loans

In the past, a large proportion of the Group's cash flow was allocated to the servicing and repayment of its debt.

The Group's initial public offering, followed by its refinancing in April 2015, helped to significantly reduce the cost of its debt.

The Group paid interest (net of financial income) amounting to €117.2 million for the year ended December 31, 2014 and €76.9 million for the year ended December 31, 2015. Debt repayments amounted to a net €37.2 million in 2014 and net €490.8 million in 2015.

Consolidated cash flows

The following table summarizes the Group's cash flows for the years ended December 31, 2014 and December 31, 2015:

	December 31	
(In millions of euros)	**2015**	**2014**
Net cash from operating activities	293.9	361.0
Net cash used in investing activities	(375.5)	(240.0)
Net cash from (used in) financing activities	78.8	(111.5)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(2.8)**	**9.5**

Cash flows from operating activities

The following table breaks down the Group's cash flows from operating activities for the years ended December 31, 2014 and December 31, 2015:

	December 31	
(In millions of euros)	**2015**	**2014**
Consolidated net income (loss)	(57.1)	(21.7)
Cash flows after finance costs and tax	243.4	227.2
Cash flows before finance costs and tax	344.5	391.5
Income tax paid	(17.3)	(21.4)
Change in inventories	6.0	(12.0)
Change in trade and other receivables	(17.9)	(13.0)
Change in other assets	0.6	(7.1)
Change in trade and other payables	(14.2)	18.6
Change in other liabilities	(7.2)	5.2
Change in other items	(0.2)	(0.5)
Employee benefits	(0.5)	(0.4)
NET CASH FROM OPERATING ACTIVITIES	**293.9**	**361.0**

The change in working capital requirement in 2015 was characterized by two non-operating accounting effects amounting to €24 million:

- the €15-million increase in the CICE receivable for 2015;
- the €9-million drop in working capital requirement related to profit-sharing liabilities.

Cash flows from investing activities

The following table breaks down the Group's cash flows from investing activities for the years ended December 31, 2014 and December 31, 2015:

	December 31	
(In millions of euros)	**2015**	**2014**
Acquisition of intangible assets	(6.5)	(4.9)
Proceeds from sale of intangible assets	0.0	0.0
Acquisition of property, plant and equipment	(261.5)	(231.6)
Proceeds from sale of property, plant and equipment	8.9	92.5
Acquisition of subsidiaries, net of cash acquired	(117.3)	(97.3)
Proceeds from disposal of subsidiaries, net of cash transferred	1.0	1.0
Changes in loans and advances	(0.2)	0.1
Dividends from equity-accounted companies	0.0	0.0
Investment grants	0.1	0.0
NET CASH USED IN INVESTING ACTIVITIES	**(375.5)**	**(240.0)**

Ordinary investments in 2015 (€261.5 million) comprised capital expenditure, IT and linen expenditure. They increased because of revenue growth and major new contracts signed at the end of the year.

The table below shows inflows/outflows for 2014 and 2015.

Subsidiary acquisitions correspond to the acquisitions made throughout 2015.

(In millions of euros)	**2015**	**2014**
Purchases of linen & and other items for rental/laundry/maintenance services	(184.5)	(185.0)
Purchases excluding linen & other items for rental/laundry/maintenance services	(83.4)	(51.4)
Asset disposals[a]	8.9	92.5
OUTFLOWS/INFLOWS RELATING TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	**(259.0)**	**(143.9)**

(a) Disposals in 2014 corresponded primarily to sale and lease of land and buildings at 22 processing plants.

Cash flows from financing activities

The following table breaks down the Group's cash flows from financing activities for the years ended in December 31, 2014 and December 31, 2015:

	December 31	
(In millions of euros)	**2015**	**2014**
Capital increase	689.4	43.0
Treasury shares	(2.2)	–
Dividends paid	(39.9)	–
Change in borrowings[a]	(490.8)	(37.2)
Proceeds from new borrowings	*3,963.2*	*1,270.8*
Repayment of borrowings	*(4,453.3)*	*(1,308.0)*
Net interest paid	(76.9)	(117.2)
Other flows related to financing activities	(0.9)	–
Net cash from (used in) financing activities	**78.8**	**(111.5)**

(a) Net change in credit lines.

Equity

Equity attributable to owners of the parent totaled €368.3 million as at December 31, 2014 and €1,054.8 million as at December 31, 2015. Movements in equity attributable to owners of the parent in 2015 arose mainly from the capital increase during the Company's initial public offering in February 2015, the distribution of reserves and premiums at the end of the Annual general meeting of June 24, 2015, and the net loss for the year.

Off-balance sheet commitments

The Group's off-balance sheet commitments are presented in notes 2.6, 6.4 and 8.9 to the Group's consolidated financial statements for the financial year ended December 31, 2015.

5.2.5 FINANCIAL RESOURCES AND LIABILITIES

Financial resources

The Group's main financing sources are as follows:

- *net cash from operating activities*, which totaled €361.0 million for the year ended December 31, 2014 and €293.9 million for the year ended December 31, 2015;
- *available cash*. Cash and cash equivalents amounted to €59.3 million as at December 31, 2014. Cash and cash equivalents amounted to €56.6 million as at December 31, 2015; and
- *debt*, which includes the High-Yield Bonds, New Senior Credit Facilities Agreement, commercial paper program, loan from employee profit-sharing fund, finance leases and other loans.

Financial liabilities

The table in note 8.5 to the consolidated financial statements breaks down the Group's net debt as at December 31, 2014 and December 31, 2015:

For the Group, net debt consists of non-current debt, current debt and cash and cash equivalents.

The Group's adjusted net debt/EBITDA ratio, calculated in application of the banking agreements, was 4.7x as at December 31, 2014 and 3.1x as at December 31, 2015.

Adjusted net debt is calculated as follows:

	December 31	
(In millions of euros)	**2015**	**2014**
Net debt	**1,446.7**	**2,012.7**
Unamortized loan costs	27.9	38.1
Loan from employee profit-sharing fund	(33.9)	(31.7)
Adjusted net debt	**1,440.7**	**2,019.1**

The above ratios are calculated on the basis of EBITDA defined as EBIT before depreciation and amortization, net of the portion of grants transferred to income.

On February 11, 2015, the Company's shares were listed for trading on the Euronext regulated market in Paris. After that event, rating agencies Moody's and S&P upgraded their ratings on the Company to BB and Ba2 respectively.

2022 Senior Notes

On April 28, 2015, Novalis issued bonds with a principal amount of €800 million, paying interest at an annual rate of 3% and 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 leading international banks.

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

- a 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
- a revolving credit facility (Revolving Facility) with 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.

In addition, as at December 31, 2015, the Group had an undrawn credit line of approximately €350 million which covers the commercial paper program.

Commercial paper

In September 2015, the Group launched a commercial paper program with a maximum amount of €400 million, governed by Articles D. 213-9 II, paragraph 1 and 213-11 of the French Monetary and Financial Code and Article 1 of the amended Decree of February 13, 1992 and subsequent regulations. The program supplements bank-related financing and gives the Elis Group access to short-term funding on favorable terms.

5.3 EVENTS AFTER THE REPORTING PERIOD

Significant events that occurred between the reporting date and the approval date of the financial statements are described in notes 2.8 and 12 to the consolidated financial statements.

5.4 OUTLOOK

The outlook is based on the Group's strategy, which has four main strands:

- consolidating its positions through organic growth and acquisitions;
- developing the Latin America platform;
- continuing to improve the Group's operational excellence;
- introducing new products and services at limited marginal cost.

On March 10, 2016, during the presentation of its 2015 annual results, the Group outlined its goals for 2016:

- Revenue:
  - €1.5 billion (+6% vs 2015),
  - +3% organic growth,
  - +4% acquisition-driven growth;
- EBITDA margin:
  - -30bp in France,
  - Further margin improvement in Europe and Latin America.

These goals may be updated during the year, based on changes in the Group's business activities. In light of the recent developments in the French and Brazilian markets, the Group considers that the indications given in the Registration Statement *(document de base)* for 2017 no longer apply.

On the recommendation of the Management Board, shareholders will be asked to vote on a dividend in the same amount as that of the previous financial year. For 2017 and future financial years, the Company's aim is to distribute annual amounts totaling around 40% of its consolidated net income before amortization of customer relationships. However, that dividend distribution target in no way represents an undertaking by the Group. The actual amounts of future distributions will be determined on the basis of various factors, including the Company's general business conditions and in particular its strategic objectives, financial position, the opportunities it wishes to pursue and applicable statutory provisions (see chapter 8, the section on "Dividend policy").

In light of the risks that may occur during the reporting period the targets presented in this paragraph, as well as the profit forecasts or estimates within the meaning of the Commission regulation (EC) No 809/2004 as amended and of the European securities and markets authority (ESMA) recommendations on forecast data, in no way represent an undertaking by the Group.

5.5 ELIS RESULTS OF OPERATIONS

Given that Elis merged with its subsidiary Novalis on July 9, 2015 through a transfer of all assets and liabilities, and that this transaction had no retroactive impact, it is difficult to compare the two financial years presented in the income statement.

Elis shows an operating loss of -€4,309 thousand for the 2015 financial year, versus a net loss of -€2,396 thousand. The increase in the operating loss is mainly due to an increase in operating costs following the initial public offering.

Net financial expense was -€77,613 thousand. The -€25,768 thousand change over 2014 (-€51,845 thousand) was primarily due to early loan repayment compensation amounting to -€52,151 thousand, paid as part of the refinancing.

Net non-recurring income of €2,383 thousand includes:

- non-recurring income amounting to €11,731 thousand corresponding to the reversal of a non-recurring amortization expense of €11,289 thousand related to the cancellation of the Novalis shares following the transfer of all of its assets and liabilities to Elis;
- non-recurring expenses amounting to €9,348 thousand mainly comprising transaction costs related to the initial public offering and non-recurring consideration paid following the transaction.

Income tax represented a benefit of €24,698 thousand (€45,726 thousand in 2014). This benefit arose from tax consolidation, since the tax paid by the subsidiaries was lower than the tax owed by the tax group of which Elis is the parent company.

Elis's equity was €1,354,285 thousand, up by €714,767 thousand over December 31, 2014 due to the capital increase at the time of the initial public offering and the capitalization of the receivable previously held by Legendre Holding 27 and minus the net loss for the year and the cash distribution in 2015.

The Company expects to see an improvement in its net financial expense in light of the refinancing completed in 2015.

5.6 SIGNIFICANT EQUITY INVESTMENT IN FRANCE

Following the transfer of all the assets and liabilities of Novalis to Elis, the Company now wholly owns both M.A.J. And SPCI.

5.7 OTHER INFORMATION

The Company has no research and development activities.

5.8 INFORMATION ABOUT PAYMENT TERMS AND TRADE PAYABLES

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the balance of trade payables at the end of the financial year (excluding accrued expenses) was €179,267.

(In euros)	Not due payable in more than 60 days	Not due payable in 30 to 60 days	Not due payable in less than 30 days	Due	Total
Suppliers of goods and services	-	91,704	4,376	83,187	179,267
Ratio (%)	-	51.2%	2.4%	46.4%	100%

By way of comparison, trade payables as at December 31, 2014, amounted to €1,853,120 (excluding accrued expenses).

(In euros)	Not due payable in more than 60 days	Not due payable in 30 to 60 days	Not due payable in less than 30 days	Due	Total
Suppliers of goods and services	455,888	8,525	788,919	599,787	1,853,120
Ratio (%)	24.6%	0.5%	42.5%	32.4%	100%

5.9 INJUNCTIONS OR FINES FOR ANTI-COMPETITIVE PRACTICES

None[(1)].

5.10 INFORMATION ABOUT NON-TAX-DEDUCTIBLE EXPENSES

During the year ended December 31, 2015, the Company:

- recognized €19,471 in sumptuary expenses that were not deductible from taxable income within the meaning of Article 39-4 of the French Tax Code *(Code général des impôts)* (lines WE and WF of the tax return);
- did not exclude any general expenses from tax deductible expenses in the income taxable pursuant to Articles 39-5 and 223 quinquies of the French Tax Code;
- added back an amount of €463,286 for directors' fees exceeding the deductible threshold of €457 per Board member.

(1) Article L. 464-2 I of the French Commercial Code stipulates that when injunctions or fines for anti-competitive practices are imposed by the French competition authorities (Autorité de la concurrence), said authorities can ask for its decision or the extract thereof to be included in the Management Board's report.

5.11 FIVE-YEAR FINANCIAL SUMMARY

Financial year Type of indication *(In euros)*	2011	2012	2013	2014	2015
I. Financial position at the reporting date					
■ Share capital	214,663,565	214,663,565	461,177,277	497,610,410	1,114,061,670
■ Number of shares issued	214,663,565	214,663,565	922,354,554	49,761,041	111,406,167
■ Number of bonds convertible into shares					
II. Results of operations					
■ Revenue excl. tax	1,500,000	1,500,000	1,500,000	1,500,000	1,114,900
■ Net loss before tax, depreciation, amortization and provisions	(48,382,939)	(55,800 ,776)	(95,160,441)	(55,378,009)	(90,884,608)
■ Income tax benefit (expense)	50,546,439	44,292,116	52,344,348	45,726,208	24,698,314
■ Net loss after tax, depreciation, amortization and provisions	(112,905)	(13,237,268)	(42,825,339)	(9,632,341)	(54,840,383)
■ Amount of earnings distributed	0	0	0	0	0
III. Per share data					
■ Net loss after tax, but before depreciation, amortization and provisions	0.01	(0.05)	(0.05)	(0.20)	(0.62)
■ Net loss after tax, depreciation, amortization and provisions	0.00	(0.06)	(0.05)	(0.19)	(0.52)
■ Dividend per share	0.00	0.00	0.00	0.00	0.00
IV. Employees					
■ Number of employees	3	3	3	3	3
■ Payroll expenses	810,825	1,146,771	1,403,842	1,572,954	4,381,986
■ Employee benefits (social security, etc.)	260,715	345,949	349,808	558,368	957,449

Financial statements
for the financial year ended December 31, 2015

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6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 CONSOLIDATED INCOME STATEMENT

(In thousands of euros)	Notes	2015	2014
Revenue	**3.1/4.1**	**1,415,418**	**1,330,980**
Cost of linen, equipment and other consumables		(240,048)	(222,214)
Processing costs		(518,275)	(470,014)
Distribution costs		(224,819)	(212,921)
Gross margin		**432,276**	**425,831**
Selling, general and administrative expenses		(225,346)	(216,748)
Operating income before other income and expense and amortization of customer relationships	**3.2**	**206,930**	**209,083**
Amortization of customer relationships	4.3	(45,584)	(41,271)
Goodwill impairment		(14,575)	0
Other income and expense	4.4	(33,413)	(23,130)
Operating income		**113,359**	**144,681**
Net financial expense	8.2	(170,932)	(153,551)
Income (loss) before tax		**(57,573)**	**(8,870)**
Income tax benefit (expense)	9	435	(13,018)
Share of net income of equity-accounted companies		0	0
Net income (loss)		**(57,138)**	**(21,888)**
Attributable to:			
■ owners of the parent		(57,613)	(22,731)
■ non-controlling interests		475	843
Earnings (loss) per share (EPS):			
■ basic, attributable to owners of the parent	10.3	€(0.54)	€(0.46)
■ diluted, attributable to owners of the parent	10.3	€(0.54)	€(0.46)

6.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of euros)	Notes	2015	2014
Net income (loss)		**(57,138)**	**(21,888)**
Gains (losses) on change in fair value of hedging instruments	8.7	(2,972)	(3,752)
Hedging reserve reclassified to income	8.8	6,283	1,110
Total change in hedging reserve	**8.8**	**3,311**	**(2,642)**
Related tax		(1,140)	910
Translation reserve		**(34,010)**	**3,703**
Other comprehensive income (loss) which may be subsequently reclassified to income		**(31,839)**	**1,971**
Actuarial gains and losses recognized in equity		**(3,823)**	**(4,802)**
Related tax		832	1,106
Other comprehensive income (loss) which may not be subsequently reclassified to income		**(2,990)**	**(3,696)**
Other comprehensive income		**(34,830)**	**(1,725)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(91,968)**	**(23,613)**
Attributable to:			
■ owners of the parent		(91,888)	(24,335)
■ non-controlling interests		(80)	722

The change in hedging reserve reflects the change in fair value of derivatives eligible for hedge accounting. The fair value of derivatives has decreased due to the decline in the forward yield curve, with a negative impact on the hedging reserve. However, it has not affected hedge effectiveness. The fair value of derivatives is presented in note 8.8 “Derivative financial instruments and hedges”.

Translation reserves arise from the translation, during consolidation, of assets and liabilities of Group entities denominated in foreign currencies as described in note 2.3 “Foreign currency translation”.

Actuarial gains and losses arising on the remeasurement of employee benefits reflect the effect of changes in assumptions (obligation discount rate, salary increase rate, retirement benefit increase rate and expected return on plan assets) used to measure defined benefit plan obligations.

6.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(In thousands of euros)	Notes	12/31/2015 net	12/31/2014 net
Goodwill	6.1	1,589,340	1,536,098
Intangible assets	6.2	368,778	404,383
Property, plant and equipment	6.3	774,923	707,086
Equity-accounted companies		0	0
Available-for-sale financial assets		146	168
Other non-current assets	8.7	6,270	6,890
Deferred tax assets	9	12,118	12,450
TOTAL NON-CURRENT ASSETS		**2,751,575**	**2,667,074**
Inventories	4.5	52,547	58,641
Trade and other receivables	4.2	358,341	327,863
Current tax assets		4,099	2,842
Other assets	4.7	12,780	13,461
Cash and cash equivalents	8.4	56,594	59,255
TOTAL CURRENT ASSETS		**484,361**	**462,062**
Assets held for sale		0	0
TOTAL ASSETS		**3,235,936**	**3,129,136**

Equity and liabilities

(In thousands of euros)	Notes	12/31/2015	12/31/2014
Share capital	10.1	1,140,062	497,610
Additional paid-in capital	10.1	320,777	175,853
Other reserves		724	7,224
Retained earnings (accumulated deficit)		(361,142)	(302,305)
Other components of equity		(45,616)	(10,105)
Equity attributable to owners of the parent		1,054,804	368,277
Non-controlling interests	2.7	(338)	(125)
TOTAL EQUITY		**1,054,466**	**368,152**
Non-current provisions	7.1	22,918	28,997
Employee benefit liabilities	5.3	58,259	48,337
Non-current borrowings	8.3	1,267,386	1,947,291
Deferred tax liabilities	9	182,131	197,777
Other non-current liabilities	8.7	39,639	34,373
TOTAL NON-CURRENT LIABILITIES		**1,570,332**	**2,256,775**
Current provisions	7.1	5,766	4,078
Current tax liabilities		1,848	892
Trade and other payables	4.6	135,059	139,718
Other liabilities	4.7	232,546	234,836
Bank overdrafts and current borrowings	8.3	235,919	124,684
TOTAL CURRENT LIABILITIES		**611,138**	**504,208**
Liabilities directly associated with assets held for sale		0	0
TOTAL EQUITY AND LIABILITIES		**3,235,936**	**3,129,136**

6.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)	Note	2015	2014
Cash flows from operating activities			
CONSOLIDATED NET INCOME (LOSS)		**(57,138)**	**(21,738)**
Depreciation, amortization and provisions	4.3	284,508	251,518
Portion of grants transferred to income	4.3	(128)	(125)
Goodwill impairment		14,575	0
Share-based payments		981	0
Discounting adjustment on provisions and retirement benefits	8.2	824	1,266
Net gains and losses on disposal of assets		1,229	(3,737)
Share of net income of equity-accounted companies		0	0
Other	4.4	(1,478)	0
Dividends received (from non-consolidated entities)		(12)	(13)
CASH FLOWS AFTER FINANCE COSTS AND TAX		**243,361**	**227,171**
Net finance costs	8.2	101,606	151,268
Income tax expense	9	(435)	13,095
CASH FLOWS BEFORE FINANCE COSTS AND TAX		**344,532**	**391,535**
Income tax paid		(17,280)	(21,414)
Change in inventories	4.5	5,980	(11,989)
Change in trade and other receivables	4.2	(17,883)	(12,982)
Change in other assets	4.7	602	(7,076)
Change in trade and other payables	4.6	(14,198)	18,608
Change in other liabilities	4.7	(7,159)	5,191
Other changes		(231)	(471)
Employee benefits		(455)	(437)
NET CASH FROM OPERATING ACTIVITIES		**293,908**	**360,965**
Cash flows from investing activities			
Acquisition of intangible assets		(6,481)	(4,853)
Proceeds from sale of intangible assets		0	0
Acquisition of property, plant and equipment		(261,475)	(231,558)
Proceeds from sale of property, plant and equipment		8,910	92,541
Acquisition of subsidiaries, net of cash acquired	2.4	(117,253)	(97,262)
Proceeds from disposal of subsidiaries, net of cash transferred		1,000	1,000
Changes in loans and advances		(226)	121
Dividends from equity-accounted companies		12	13
Investment grants		50	0
NET CASH USED IN INVESTING ACTIVITIES		**(375,463)**	**(239,998)**
Cash flows from financing activities			
Capital increase		689,400	43,000
Treasury shares		(2,175)	0
Dividends paid			
to owners of the parent		(39,881)	0
to non-controlling interests		(5)	(9)
Change in borrowings[(a)]		(490,785)	(37,237)
Proceeds from new borrowings		3,962,527	1,270,786
Repayment of borrowings		(4,453,312)	(1,308,023)
Net interest paid		(76,939)	(117,206)
Other flows related to financing activities		(853)	0
NET CASH USED IN FINANCING ACTIVITIES		**78,762**	**(111,452)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,793)**	**9,515**
Cash and cash equivalents at beginning of period		58,523	48,598
Effect of changes in foreign exchange rates on cash and cash equivalents		(33)	410
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8.4**	**55,697**	**58,523**

(a) Net change in credit lines.

6.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of euros)	Share capital	Additional paid-in capital	Other reserves	Retained earnings (accumulated deficit)	Hedging reserves[(a)]
Balance as at December 31, 2013	**461,177**	**169,286**	**7,224**	**(286,408)**	**(10,596)**
Increase in share capital	36,433	6,567			
Decrease in share capital					
Dividends paid				(9)	
Changes in consolidation scope					
Other movements				**6,842**	
Net income (loss) for the period				(22,731)	
Other comprehensive income					(2,642)
TOTAL COMPREHENSIVE INCOME				**(22,731)**	**(2,642)**
Balance as at December 31, 2014	**497,610**	**175,853**	**7,224**	**(302,305)**	**(13,238)**
Increase in share capital	658,805	181,789			
Decrease in share capital	(16,354)	(3,463)		(1,410)	
Dividends paid		(33,402)	(6,500)	21	
Changes in consolidation scope				175	(57)
Other movements				**(10)**	
Net income (loss) for the period				(57,613)	
Other comprehensive income					3,311
TOTAL COMPREHENSIVE INCOME				**(57,613)**	**3,311**
Balance as at December 31, 2015	**1,140,062**	**320,777**	**724**	**(361,142)**	**(9,984)**

(a) See note 8.7.

Translation reserve	Share-based payment reserve	Tresury share reserve	Actuarial gains and losses	Deferred taxes	Owners of the parent	Non-controlling interests	Total equity
(3,148)	**6,834**	**0**	**1,399**	**3,857**	**349,626**	**(847)**	**348,779**
					43,000		43,000
					(9)		(9)
					0		0
	(6,834)			**(13)**	**(5)**		**(5)**
					(22,731)	843	(21,888)
3,722			(4,672)	1,988	(1,604)	(121)	(1,725)
3,722	**0**	**0**	**(4,672)**	**1,988**	**(24,335)**	**722**	**(23,613)**
574			**(3,273)**	**5,832**	**368,277**	**(125)**	**368,152**
					840,594		840,594
					(21,227)		(21,227)
					(39,881)		(39,881)
				14	133	(133)	
	981	**(2,175)**			**(1,204)**		**(1,204)**
					(57,613)	475	(57,138)
(33,920)			(3,229)	(436)	(34,275)	(555)	(34,830)
(33,920)			**(3,229)**	**(436)**	**(91,888)**	**(80)**	**(91,968)**
(33,346)	**981**	**(2,175)**	**(6,502)**	**5,410**	**1,054,804**	**(338)**	**1,054,466**
(45,616)							

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Elis Group is a leader in textile rental and laundering and hygiene services in Continental Europe and Latin America. Elis is a company formed under French law, listed on Euronext Paris and having its registered office at 33 rue Voltaire, 92800 Puteaux, France.

The IFRS consolidated financial statements of the Elis Group for the year ended December 31, 2015 were approved by the Management Board on March 9, 2016 and reviewed by the Audit Committee on March 8, 2016 and by the Supervisory Board on March 9, 2016.

Note 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The Elis Group's consolidated financial statements include the financial statements of Elis as well as its subsidiaries. The Elis Group refers to Elis, the parent company of the Elis Group and the companies included in its consolidation scope (see note 2 "Scope of consolidation").

The consolidated financial statements have been prepared on a going concern basis, and under the historical cost convention, except for 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 accounting policies used to prepare the consolidated financial statements comply with the IFRS and IFRIC interpretations as adopted for use in the European Union as at December 31, 2015 and available on the website: ec.europa.eu/finance/company-reporting/index_en.htm.

The accounting policies adopted are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2014 except for the following standards, amendments and interpretations effective for annual periods beginning on or after January 1, 2015:

- IFRIC 21 "Levies";
- Annual Improvements to IFRSs 2011-2013 Cycle.

IFRIC Interpretation 21 "Levies" effective for annual periods beginning on or after January 1, 2015 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy in accordance with the relevant legislation. In addition, IFRIC Interpretation 21 prohibits the progressive recognition of a liability for tax levies and requires the recognition of the liability in full when the obligating event for the payment of the levy occurs.

The impact of the first-time application of IFRIC 21 is described in note 1.4 "Accounting changes and restatement of prior-year financial information".

The Group has not opted for the early adoption of any other standards, amendments or interpretations that have been issued but are not yet mandatory.

Lastly, the standards and amendments that have been published but not yet adopted by the European Union or whose application date is subsequent to the reporting date of these financial statements are:

- for annual periods beginning on or after February 1, 2015:
  - amendment to IAS 19R "Defined Benefit Plans: Employee Contributions",
  - annual improvements to IFRSs 2010-2012 Cycle,
- For annual periods beginning on or after January 1, 2016:
  - IFRS 14 "Regulatory Deferral Accounts",
  - amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture",
  - amendment to IAS 27 "Equity Method in Separate Financial Statements",
  - amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization",
  - amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations",
  - annual improvements to IFRSs 2012-2014 Cycle,
  - amendments to IAS 1 "Disclosure Initiative",
  - amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities – Applying the Consolidation Exception".

The Group does not expect any material impact of these standards, amendments and improvements on its consolidated financial statements;

- for annual periods beginning on or after January 1, 2018:
  - IFRS 9 "Financial Instruments",
  - IFRS 15 "Revenue from Contracts with Customers".

The Group is currently assessing the impact of these standards.

The Group plans to adopt, if applicable, these new standards on the required effective date in the European Union.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements requires the Elis Group to make estimates and assumptions that affect the carrying amount of assets, liabilities, income and expenses and related disclosures. The Elis Group reviews these estimates and judgments on a regular basis, taking into consideration past experience and other factors deemed relevant in light of economic conditions.

Amounts reported in future financial statements may differ from current estimates due to changes in assumptions or if conditions vary from those anticipated.

Critical accounting estimates and assumptions

The recoverable amount of goodwill and intangible assets with indefinite useful lives

The Group performs annual impairment tests on goodwill and intangible assets with indefinite useful lives (brands), in accordance with IAS 36 "Impairment of Assets". The recoverable amount of cash-generating units is calculated on the basis of their value in use. These calculations require the use of estimates. Concerning goodwill, the estimates used, together with an analysis of assumption sensitivity are presented in note 6.1 "Goodwill".

Employee benefit liabilities

The present value of employee benefit obligations is computed on an actuarial basis using various assumptions. The discount rate is one of the assumptions used to calculate the net cost of retirement benefits. Any change in the assumptions affects the carrying amount of the employee benefit liabilities.

The Group sets the appropriate discount rate at the end of each reporting period. This is the interest rate applied to calculate the present value of future disbursements necessary to meet retirement benefit obligations. To determine the appropriate rate, the Group takes into account the interest rates on high-quality corporate bonds (Iboxx Corporate AA 10+ for France) in the currencies in which benefits are to be paid and with a term comparable to the estimated average maturity of the corresponding obligation.

Note 5.3 "Employee benefit liabilities provides further details on the matter".

Critical judgments in applying accounting policies

Recognition of assets related to rental and laundry services

Rental-laundering services agreements are not deemed to transfer to the lessee substantially all the risks and rewards incident to ownership of the assets (linen, equipment, etc.) associated with the service agreements. Accordingly, items subject to rental and laundry services agreements are recognized as non-current assets.

Accounting classification of French business tax (cotisation sur la valeur ajoutée des entreprises – CVAE)

According to the Group's analysis, French business tax (CVAE) meets the definition of income tax under IAS 12.2 "Income taxes based on taxable profits". Total current and deferred amounts of CVAE are therefore presented in the line item "Income tax benefit (expense)".

1.4 ACCOUNTING CHANGES AND RESTATEMENT OF PRIOR-YEAR FINANCIAL INFORMATION

The accounting policies adopted are identical to those used to prepare the consolidated financial statements for the year ended December 31, 2014 except for IFRIC Interpretation 21 "Levies" which is required to be applied to annual periods beginning on or after January 1, 2015.

The first-time application of this interpretation on December 31, 2015 led to the restatement of consolidated equity at January 1, 2015 as well as operating income and net income presented for the prior period from January 1 to December 31, 2014 relating to the French corporate social solidarity contribution (contribution sociale de solidarité des sociétés – C3S).

The tables below show the impact of the retrospective application of IFRIC 21 compared to the consolidated financial statements for the year ended December 31, 2014 and approved on March 9, 2015.

Moreover, IFRS 3 requires previously published comparative periods to be retrospectively restated in the event of business combinations (recognition of the final 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 L'Acqua in second-half 2014, the amount of goodwill shown differs from that presented in the 2014 consolidated financial statements published for the purposes of the annual financial report by an amount of €3,436 thousand.

(In thousands of euros)	**2014 published**	**IFRIC 21**	**IFRS 3**	**2014 restated**
Revenue	**1,330,980**			**1,330,980**
Cost of linen, equipment and other consumables	(222,214)			(222,214)
Processing costs	(469,951)		(63)	(470,014)
Distribution costs	(212,921)			(212,921)
Gross margin	**425,894**	**0**	**(63)**	**425,831**
Selling, general and administrative expenses	(216,880)	132		(216,748)
Operating income before other income and expense and amortization of customer relationships	**209,014**	**132**	**(63)**	**209,083**
Amortization of customer relationships	(41,107)		(164)	(41,271)
Goodwill impairment	0			0
Other income and expense	(23,130)			(23,130)
Operating income	**144,777**	**132**	**(227)**	**144,681**
Net financial expense	(153,551)			(153,551)
Income (loss) before tax	**(8,774)**	**132**	**(227)**	**(8,870)**
Income tax benefit (expense)	(13,050)	(45)	77	(13,018)
Share of net income of equity-accounted companies	0			0
NET INCOME (LOSS)	**(21,824)**	**87**	**(150)**	**(21,888)**
Attributable to:				
▪ owners of the parent	(22,667)	87	(150)	(22,731)
▪ non-controlling interests	843	0	0	843
Earnings (loss) per share (EPS):				
▪ basic, attributable to owners of the parent	€(0.46)	€0.00	€0,00	€(0.46)
▪ diluted, attributable to owners of the parent	€(0.46)	€0.00	€0,00	€(0.46)

(In thousands of euros)	12/31/2014 published	IFRIC 21	IFRS 3	12/31/2014 restated
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)	12/31/2014 published	IFRIC 21	IFRS 3	12/31/2014 restated
Share capital	497,610	0	0	497,610
Additional paid-in capital	175,853	0	0	175,853
Other reserves	7,224	0	0	7,224
Retained earnings (accumulated deficit)	(303,592)	1,437	(150)	(302,305)
Other components of equity	(10,111)	0	6	(10,105)
Equity attributable to owners of the parent	366,985	1,437	(144)	368,277
Non-controlling interests	(125)	0	0	(125)
TOTAL EQUITY	**366,860**	**1,437**	**(144)**	**368,152**
Non-current provisions	28,997	0	0	28,997
Employee benefit liabilities	48,323	0	14	48,337
Non-current borrowings	1,947,291	0	0	1,947,291
Deferred tax liabilities	197,022	755	0	197,777
Other non-current liabilities	34,552	0	(179)	34,373
TOTAL NON-CURRENT LIABILITIES	**2,256,186**	**755**	**(165)**	**2,256,775**
Current provisions	4,078	0	0	4,078
Current tax liabilities	892	0	0	892
Trade and other payables	139,630	0	88	139,718
Other liabilities	237,028	(2,192)	(0)	234,836
Bank overdrafts and current borrowings	124,684	0	0	124,684
TOTAL CURRENT LIABILITIES	**506,312**	**(2,192)**	**88**	**504,208**
Liabilities directly associated with assets held for sale	**0**	**0**	**0**	**0**
TOTAL EQUITY AND LIABILITIES	**3,129,357**	**0**	**(221)**	**3,129,136**

(In thousands of euros)	2014 published	IFRIC 21	2014 restated
Cash flows from operating activities			
CONSOLIDATED NET INCOME (LOSS)	**(21,824)**	**87**	**(21,738)**
Depreciation, amortization and provisions	251,518		251,518
Portion of grants transferred to income	(125)		(125)
Goodwill impairment	0		0
Share-based payments	0		0
Discounting adjustment on provisions and retirement benefits	1,266		1,266
Net gains and losses on disposal of assets	(3,737)		(3,737)
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	**227,085**	**87**	**227,171**
Net finance costs	151,268		151,268
Income tax expense	13,050	45	13,095
CASH FLOWS BEFORE FINANCE COSTS AND TAX	**391,403**	**132**	**391,535**
Income tax paid	(21,414)		(21,414)
Change in inventories	(11,989)		(11,989)
Change in trade and other receivables	(12,982)		(12,982)
Change in other assets	(7,076)		(7,076)
Change in trade and other payables	18,608		18,608
Change in other liabilities	5,323	(132)	5,191
Other changes	(471)		(471)
Employee benefits	(437)		(437)
NET CASH FROM OPERATING ACTIVITIES	**360,965**	**0**	**360,965**
Cash flows from investing activities			
Acquisition of intangible assets	(4,853)		(4,853)
Proceeds from sale of intangible assets	0		0
Acquisition of property, plant and equipment	(231,558)		(231,558)
Proceeds from sale of property, plant and equipment	92,541		92,541
Acquisition of subsidiaries, net of cash acquired	(97,262)		(97,262)
Proceeds from disposal of subsidiaries, net of cash transferred	1,000		1,000
Changes in loans and advances	121		121
Dividends from equity-accounted companies	13		13
Investment grants	0		0
NET CASH USED IN INVESTING ACTIVITIES	**(239,998)**	**0**	**(239,998)**
Cash flows from financing activities			
Capital increase	43,000		43,000
Dividends paid			
to owners of the parent			
to non-controlling interests	*(9)*		*(9)*
Change in borrowings[(a)]	(37,237)		(37,237)
Proceeds from new borrowings	*1,270,786*		*1,270,786*
Repayment of borrowings	*(1,308,023)*		*(1,308,023)*
Net interest paid	(117,206)		(117,206)
Other flows related to financing activities	0		0
NET CASH USED IN FINANCING ACTIVITIES	**(111,452)**	**0**	**(111,452)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**9,515**	**0**	**9,515**
Cash and cash equivalents at beginning of period	48,598		48,598
Effect of changes in foreign exchange rates on cash and cash equivalents	410		410
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**58,523**		**58,523**

(a) Net change in credit lines.

Note 2 SCOPE OF CONSOLIDATION

2.1 BASIS OF CONSOLIDATION

Fully consolidated companies

Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (*i.e.*, existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Net income or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss.

Associates and joint ventures

Investments in companies over which the Group has significant influence on financial and operating decisions but does not exercise control and joint ventures are accounted for using the equity method.

2.2 BUSINESS COMBINATIONS

Business combinations from July 1, 2009

Business combinations are accounted for using the acquisition method. Accordingly, when the Group acquires a business, its assets, liabilities and contingent liabilities are measured at fair value. Moreover, for each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at the Group's proportionate share of the acquiree's identifiable net assets.

Acquisition-related transaction costs are expensed as incurred (see note 4.4 "Other income and expense").

At the acquisition date, the Group recognizes goodwill as the difference between the consideration transferred plus any non-controlling interests in the entity acquired and the net identifiable assets acquired and liabilities assumed.

In a step acquisition where control is obtained in stages, the Group measures the previously-held equity interest in the acquiree at the acquisition-date fair value and recognizes any gain or loss in income.

Business combinations prior to June 30, 2009

The different accounting treatments applicable to these business combinations are as follows:

- transaction costs directly attributable to the acquisition were included in the acquisition cost;
- non-controlling interests (previously referred to as "minority interests") were measured at the share of net assets acquired;
- step acquisitions were recognized separately and did not affect subsequently recognized goodwill.

2.3 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions by Group companies are translated into the functional currency using the exchange rates effective at the transaction dates. Assets and liabilities denominated in foreign currencies are translated using the exchange rate effective at the reporting date. Foreign exchange gains and losses are recognized in the income statement, except for those concerning monetary items associated with a net investment in a foreign operation. For the latter, translation differences are recognized directly in equity until the net investment is sold, when they are reclassified to the income statement.

For consolidation purposes, the assets and liabilities of Group entities denominated in foreign currencies are translated using the exchange rate effective at the reporting date. Income statement items are translated using the average exchange rate for the reporting period. Resulting foreign currency differences are recognized directly in equity and presented in a separate line item "Foreign currency translation reserve".

2.4 CHANGES IN THE SCOPE OF CONSOLIDATION

2015 acquisitions

The Group made the following investments during the financial year ended December 31, 2015:

In Germany, the Group acquired:

- Kress Textilpflege on January 7, 2015, a company operating a processing center in the Munich area. The company generated annual revenue of €7 million in 2015 and serves customers in the hospitality sector;
- Zischka Textilpflege on March 31, 2015, a company operating two laundries in the Frankfurt area with annual revenue of €10 million. This new acquisition extends the Elis network to nine laundries across the country, and in particular along the axis between Stuttgart and Essen.

In Brazil

On July 1, 2015 the Group acquired Teclav, a laundry company in Fortaleza (State of Ceará) and AJS Industria e Comercio de Confeccoes on the country's north-east coast. Teclav offers rental and laundry solutions to the region's main hospitals. The company generates annual revenue of approximately €10 million and has around 400 employees. This acquisition gives Elis the opportunity to expand its operations in Brazil and enter a new region where market prices are favorable.

Elis continued its targeted acquisitions policy in December 2015 with four new transactions designed to:

- strengthen its leadership position in the healthcare market in São Paulo with the acquisition of Martins e Lococo, and in Fortaleza (State of Ceará) with the acquisition of Multilav;
- stand out in the Ultra-Clean market with MPW in Piracicaba (State of São Paulo);
- expand into new regions with LavEZ in Vitória (State of Espírito Santo), the leader in the hospital market.

These acquisitions represent annual revenue of approximately €13 million (based on the Brazilian real exchange rate as at December 31, 2015).

In Chile

On September 30, 2015 the Group finalized the acquisition of Albia, Chile's market leader with a market share of approximately 25%, which operates eight laundries across the country mainly serving customers in the healthcare, hospitality and mining industries. Its national network covers the largest cities in Chile, including Santiago and Valparaiso. Albia's revenue for the full year amounted to 15 billion Chilean peso or €20 million. Having become the number one player in Brazil in 2014 with the acquisition of Atmosfera, the Group now ranks number one in a new Latin American market.

In Spain

On March 31, 2015 Elis Manomatic acquired the Lavalia group, the market's fourth-ranked player operating two laundries in Alicante and the Balearic Islands mainly serving hotels. It posts annual revenue of more than €10 million. This acquisition means that Elis now owns a plant in the highly popular tourist area of Costa Blanca. The other site it acquired, in the Balearic Islands, gives Elis a good market share in the archipelago.

In France

On April 1, 2015 the Group acquired the business goodwill of Hytop Service, a company specializing in hygiene and wellbeing and serving Trade and Services customers in the Greater Paris region (annual revenue: approximately €1.6 million). This acquisition will help further optimize the Group's regional operations.

The Group also continued to expand into 3D pest control services with:

- the acquisition on July 31, 3015 of Hygiène Contrôle Île de France (annual revenue: €1.5 million);
- the acquisition on November 1, 2015 of the business goodwill of Traitements Service Plus in Avignon (annual revenue: €0.4 million).

In addition, the acquisition on April 1, 2015 of Blanchisserie Professionnelle d'Aquitaine, which operates a laundry primarily serving the hospitality sector in the Gironde region (2014 revenue: €3.3 million), followed by the acquisition on November 30, 2015 of Blanchisserie Le Grand Blanc (annual revenue: €0.9 million) serving the same market in Bordeaux, have boosted the customer portfolio in south-west France.

In Switzerland

On April 1, 2015 InoTex acquired the Wäscheria Textil Service group, which operates three laundries in the cantons of Grisons and Saint-Gall serving mainly hotels. The acquisition has enabled the Group to supplement its geographical coverage of the country, especially in Grisons, which is Switzerland's second most popular tourist canton. The Wäscheria group generated revenue of €12 million.

On July 9, 2015 the Group acquired Prohotel, a laundry near the airport of Zurich mainly serving hotels. The company has 70 employees and generates annual revenue of nearly €8 million. This acquisition enables Elis to extend its coverage in the canton of Zurich, which is the country's leading hotel market.

The Group is now the leading player in Switzerland with 15 laundries across the country, providing it with an unrivalled network to serve its historical customers in Hospitality and Healthcare, but also in Industry with its workwear offering.

Summary of the aforementioned 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 France	of which Germany	of which Spain	of which Switzerland	of which Brazil	of which Chile
Statement of financial position							
Intangible assets	10,374	1,130	4,702	553	3,916	72	1
Property, plant and equipment	59,719	4,121	9,279	9,757	17,554	11,398	7,609
Available-for-sale financial assets	3	3	0	0	0	0	0
Other non-current assets	65	20	0	0	0	0	45
Deferred tax assets	380	0	0	0	0	0	380
Inventories	1,102	163	45	226	46	327	296
Trade and other receivables	20,089	823	1,878	1,369	4,456	6,864	4,698
Current tax assets	342	0	3	33	0	0	305
Other assets	454	69	5	0	173	36	171
Other financial assets	0	0	0	0	0	0	0
Cash and cash equivalents	3,937	738	255	530	1,379	847	189
Non-current provisions	0	0	0	0	0	0	0
Employee benefit liabilities – non-current portion	(3,562)	(24)	0	0	(3,537)	0	0
Non-current borrowings	(11,353)	(2,018)	0	(2,481)	(2,675)	(2,222)	(1,957)
Deferred tax liabilities	(2,632)	(470)	(1,394)	0	(672)	0	(97)
Other non-current liabilities	(57)	0	0	0	0	0	(57)
Current provisions	(511)	0	0	0	0	0	(511)
Employee benefit liabilities – current portion	0	0	0	0	0	0	0
Current tax payables	(704)	53	(191)	(76)	0	0	(490)
Trade and other payables	(9,426)	(298)	(750)	(2,170)	(4,029)	(1,348)	(831)
Other liabilities	(10,127)	(1,211)	(1,335)	(774)	(1,224)	(4,320)	(1,265)
Bank overdrafts and current borrowings	(9,095)	(1,025)	(2,240)	(1,182)	0	(2,096)	(2,554)
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**48,998**	**2,074**	**10,259**	**5,785**	**15,387**	**9,559**	**5,933**
Non-controlling interests[a]	(125)	(125)	0	0	(0)	0	0
Goodwill	93,668	6,927	13,863	2,844	11,250	51,286	7,499
PURCHASE PRICE	**142,541**	**8,876**	**24,122**	**8,629**	**26,637**	**60,845**	**13,432**

(a) France: at fair value/Switzerland: at portion in fair value of acquired net assets.

CASH FLOWS FROM ACQUISITIONS

(In thousands of euros)	12/31/2015	of which France	of which Germany	of which Spain	of which Switzerland	of which Brazil	of which Chile
Net cash acquired with subsidiaries	3,494	757	(207)	530	1,379	847	189
Amount paid	(120,748)	(8,773)	(24,122)	(9,249)	(28,712)	(36,270)	(13,623)
NET CASH FLOW	**(117,253)**	**(8,016)**	**(24,329)**	**(8,719)**	**(27,333)**	**(35,422)**	**(13,434)**

As at December 31, 2015, given the recent acquisitions made in the second half of the year, the initial accounting for the business combinations had not been completed and the amounts recognized were therefore provisional.

Since the acquisition date, the acquired subsidiaries have contributed €45.5 million in revenue and €4.7 million in operating income (before amortization of customer relationships). If the acquisitions had taken place at the beginning of the year, additional revenue would have been €50.8 million and additional operating income (before amortization of customer relationships) would have been €7.5 million.

Residual goodwill

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

2014 acquisitions

The Group made the following investments during the year:

In Brazil

- Acquisition on February 4, 2014 of Atmosfera, Brazil's leading industrial laundry group. The company has 3,500 employees and generated revenue of nearly €90 million in 2013. The acquisition has boosted Elis' international expansion. The transaction was funded by a combination of €90 million of debt and equity financing through an increase in Elis' capital to which Legendre Holding 27 subscribed for €43 million.
- Acquisition on May 29, 2014 of the Brazilian company SC Lavanderia (Belo Horizonte – State of Minas Gerais, Brazil), which specializes in laundry services for healthcare customers and generates revenue of approximately €850 thousand.
- Acquisition on July 2, 2014 of the Brazilian company L'Acqua in the healthcare sector which generates revenue of approximately €4.6 million. Based in Ponta Grossa (State of Paraná, Brazil), l'Acqua has 200 employees.
- Acquisition on September 23, 2014 of the assets of the Brazilian company Lavtec (Salvador, State of Bahia) which generates revenue of approximately €1.1 million and serves healthcare customers.

In France

- Acquisition on April 1, 2014 of the business goodwill of Blanchisserie Mazamétaine et Castraise (Mazamet, France) and acquisition on April 22, 2014 of the business goodwill of Blanchisserie Quercy Périgord (Souillac-sur-Dordogne, France). These business combinations represented revenue of approximately €1.3 million in 2013.
- Acquisition on July 1, 2014 of Pro Services Environnement (PSE), (Rhône-Alpes, France). With a workforce of 18 employees, Pro Services Environment Services serves 2,000 customers and generates aggregate annual revenue of €2.2 million from 3D pest control services.

Summary of the aforementioned 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
Statement of financial position		
Intangible assets	19,274	18,580
Property, plant and equipment	50,599	50,230
Available-for-sale financial assets	0	0
Other non-current assets	0	0
Deferred tax assets	5,163	5,163
Inventories	2,383	2,347
Trade and other receivables	16,261	15,905
Current tax assets	1,124	1,124
Other assets	88	48
Other financial assets	0	0
Cash and cash equivalents	6,058	5,769
Non-current provisions	(16,378)	(16,378)
Employee benefit liabilities – non-current portion	(41)	0
Non-current borrowings	(34,573)	(34,450)
Deferred tax liabilities	(173)	0
Other non-current liabilities	(855)	(855)
Current provisions	(177)	(149)
Employee benefit liabilities – current portion	0	0
Current tax payables	17	0
Trade and other payables	(7,319)	(7,229)
Other liabilities	(7,666)	(7,164)
Bank overdrafts and current borrowings	(3,878)	(3,799)
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**29,907**	**29,142**
Non-controlling interests measured at fair value	0	0
Goodwill	78,452	75,069
PURCHASE PRICE OF SHARES	**108,358**	**104,211**

CASH FLOWS FROM ACQUISITIONS

(In thousands of euros)	12/31/2014	of which Brazil
Net cash acquired	6,058	5,769
Amount paid	(103,320)	(98,571)
NET CASH FLOW	**(97,262)**	**(92,802)**

The Group expects goodwill in Brazil to be deductible for tax purposes.

Customer relationships were measured at an aggregate €19,146 thousand using the excess earnings method (level 3 of fair value).

Trade receivables acquired amounted to €13,332 thousand gross, written down by €171 thousand, corresponding to the best estimate at the acquisition date of the cash flows not expected to be collected.

During the 2014 fiscal year, the acquired entities contributed approximately €87 million in revenue and €4 million in operating income. If the acquisitions had taken place at the beginning of 2014, additional revenue would have been €11.5 million and additional operating income (before amortization of customer relationships) would have been €1.3 million.

Residual goodwill

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

2.5 NON-CURRENT ASSETS (OR GROUPS OF ASSETS) HELD FOR SALE

Non-current assets (or groups of assets) are considered as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered primarily through a sale rather than continuing use. For this to be the case, an asset (or group of assets) must be available for immediate sale in its current state, subject only to terms that are usual and customary for sales of such assets, and its sale must be deemed highly probable.

2.6 OFF-BALANCE SHEET COMMITMENTS RELATING TO CHANGES IN THE CONSOLIDATION SCOPE

Commitments given relate to guarantees granted by Elis in connection with divestments. These totaled €2,150 thousand as at December 31, 2015 (versus €2,150 thousand as at December 31, 2014).

Commitments received totaled €103,393 thousand as at December 31, 2015 (€55,133 thousand as at December 31, 2014) and correspond to guarantees granted to Elis in connection with its acquisitions.

2.7 NON-CONTROLLING INTERESTS

No detailed information is provided under IFRS 12 as there is no subsidiary with significant non-controlling interests.

2.8 EVENTS AFTER THE REPORTING PERIOD RELATING TO CHANGES IN THE CONSOLIDATION SCOPE

On January 7, 2016 Elis acquired two laundries in Wismar and Stralsund, employing 340 people. This first acquisition of 2016 has strengthened Elis' industrial presence in Germany where it now has 11 processing centers.

The two laundries have combined revenue of approximately €14 million, with the Wismar plant's customers split equally between the hospitality and healthcare sectors, and the Stralsund plant, located on the Baltic Coast, serving mainly hotel customers.

Note 3 SEGMENT INFORMATION AND SIGNIFICANT EVENTS OF THE YEAR

The Group is organized into four main operating segments:

- France, representing the original rental and laundry services business in France;
- Europe, representing the same activities across the rest of Europe;
- Latin America, representing business in Brazil and Chile following the acquisition of Albia during the year;
- Manufacturing Entities, regrouping operations of the cash-generating units (CGUs) Le Jacquard Français and Kennedy Hygiene.

To track performance, management monitors each segment's EBITDA. Financing costs and income tax expense are primarily monitored at Group level.

3.1 REVENUE

H1-2015

(In millions of euros)	France	Europe	Latin America	Manufacturing Entities	Eliminations & holding companies	Total
External customers	978.1	327.7	92.2	17.5		1,415.4
Inter-segment	1.7	0.5	0.0	9.8	(12.1)	0.0
SEGMENT REVENUE	**979.8**	**328.2**	**92.2**	**27.3**	**(12.1)**	**1,415.4**

H1-2014

(In millions of euros)	France	Europe	Latin America	Manufacturing Entities	Eliminations & holding companies	Total
France	954.0	274.3	85.3	17.4		1,331.0
Foreign countries	2.3	0.4	0.0	8.6	(11.3)	0.0
SEGMENT REVENUE	**956.3**	**274.7**	**85.3**	**26.0**	**(11.3)**	**1,331.0**

3.2 EARNINGS

Non-IFRS indicators

EBIT is defined as net income (loss) before net financial expense, income tax, share in net income of equity-accounted companies, amortization of customer relationships, goodwill impairment losses, other income and expense and miscellaneous financial items (bank fees recognized in operating income). A reconciliation of EBIT with the consolidated income statement is presented below.

EBITDA is defined as EBIT before depreciation and amortization, net of the portion of grants transferred to income. A reconciliation of EBITDA with the consolidated income statement is presented below.

2015

(In millions of euros)	France	Europe	Latin America	Manufacturing Entities	Eliminations & holding companies	Total
Operating income before other income and expense and amortization of customer relationships	**187.8**	**19.4**	**2.3**	**1.1**	**(3.7)**	**206.9**
Miscellaneous financial items	*0.6*	*0.3*	*0.4*	*0.1*	*0.1*	*1.5*
EBIT	188.4	19.7	2.7	1.2	(3.6)	208.4
Depreciation and amortization including portion of grants transferred to income	*158.2*	*61.2*	*17.0*	*1.3*	*0.0*	*237.7*
EBITDA	**346.5**	**80.9**	**19.8**	**2.5**	**(3.6)**	**446.1**
	35.4%	*24.6%*	*21.4%*	*9.2%*		*31.5%*

2014

(In millions of euros)	France	Europe	Latin America	Manufacturing Entities	Eliminations & holding companies	Total
Operating income before other income and expense and amortization of customer relationships	**191.4**	**13.9**	**4.3**	**0.9**	**(1.5)**	**209.1**
Miscellaneous financial items	*0.7*	*0.2*	*0.1*	*0.1*	*0.0*	*1.1*
EBIT	192.1	14.1	4.4	1.0	(1.5)	210.2
Depreciation and amortization including portion of grants transferred to income	*152.9*	*51.7*	*12.9*	*1.3*	*0.0*	*218.9*
EBITDA	**345.1**	**65.9**	**17.3**	**2.3**	**(1.5)**	**429.1**
	36.1%	*24.0%*	*20.3%*	*8.8%*		*32.2%*

3.3 INFORMATION BY REGION

(In millions of euros)	2015	2014
France	988.9	965.2
Other countries	426.5	365.8
REVENUE	**1,415.4**	**1,331.0**

(In millions of euros)	12/31/2015	12/31/2014
France	2,173.3	2,166.9
Other countries	559.8	480.6
NON-CURRENT ASSETS	**2,733.0**	**2,647.6**

The non-current assets presented above comprise goodwill, property, plant and equipment and intangible assets.

3.4 INFORMATION ON REVENUE FROM SERVICES

Revenue from services is generated equally by three main activities: hygiene and well-being, flat linen and workwear.

(In millions of euros)	2015	2014
Flat linens	659.5	590.1
Workwear	433.9	412.5
Hygiene and well-being	319.6	322.8
Other	2.4	5.6
REVENUE	**1,415.4**	**1,331.0**

These services are rendered to customers who mainly operate in the hospitality, industry, sales and services, and healthcare sectors.

3.5 INFORMATION BY SECTOR, INDUSTRY END MARKET OR COUNTRY

(In millions of euros)	2015	2014
Hospitality	*309.5*	*290.5*
Industry	*189.6*	*187.6*
Trade and Services	*340.0*	*338.8*
Healthcare	*159.7*	*152.5*
Other	*(20.6)*	*(15.4)*
France	**978.1**	**954.0**
Germany	*57.0*	*44.5*
Belgium & Luxembourg	*31.0*	*29.8*
Czech Republic	*1.7*	*1.5*
Switzerland	*95.4*	*73.0*
Northern Europe	**185.2**	**148.7**
Spain & Andorra	*75.6*	*60.9*
Italy	*26.6*	*25.8*
Portugal	*40.3*	*38.8*
Southern Europe	**142.5**	**125.5**
Europe	**327.7**	**274.3**
Brazil	*87.4*	*85.3*
Chile	*4.8*	*-*
Latin America	**92.2**	**85.3**
Manufacturing Entities	**17.5**	**17.4**
REVENUE	**1,415.4**	**1,331.0**

The breakdown by customer segment in France is based on the APE activity code (characterizing the core activity by reference to national statistical nomenclature) of the entity that has contracted with a Group company.

3.6 SIGNIFICANT EVENTS OF THE YEAR

Initial public offering

Elis finalized its initial public offering on the regulated market of Euronext Paris on February 11, 2015. As part of this transaction, Elis raised €700 million by way of a new share capital increase.

Incurred costs have been determined to be:

- costs attributable to the issue of new shares in an amount of €15.2 million including €11.9 million paid to financial intermediaries and recognized directly as a deduction from equity of €10.0 million net of related income tax benefit;
- costs of initial public offering (IPO) recorded as "Other income and expense", with non-recurring consideration of €15.5 million paid in connection with the IPO, for a total amount of €21.1 million as described in note 4.4 to the consolidated financial statements "Other income and expense".

Net proceeds from the new share issue were used as follows:

- €92 million to redeem the PIK Proceeds Loan corresponding to (i) 40% of the nominal amount of the Private PIK Notes (plus capitalized interest), plus (ii) accrued interest on the amount redeemed, and (iii) the amount of penalties payable in respect of that redemption, applying the interest rate applicable to the Private PIK 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 Term and Revolving Facilities Agreement.

Refinancing

On April 28, 2015 the Elis Group finalized the refinancing of its debt through the issue of €800 million in bonds maturing in 2022. The 2022 Bonds, known as "High-Yield Bonds" and listed for trading on the Irish Stock Exchange (Global Exchange Market), will pay a coupon of 3.000%. This issue was allocated to:

- the redemption of the remaining 60% of the principal amount in respect of the Senior Subordinated Notes in an amount of €262 million plus interest accrued on the redeemed amount and early redemption compensation;
- the redemption of the Senior Secured Notes in an amount of €477 million corresponding to the nominal value plus (i) interest accrued on the redeemed amount and (ii) the amount of penalties calculated by applying the interest rate applicable to the amount of Senior Secured Notes redeemed.

Expenses related to the early extinction (partial or total) of these two debts were recorded in an amount of €93.8 million in net financial expense as described in note 8.2 to the consolidated financial statements, "Net financial expense".

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

In September 2015, the Group launched a commercial paper program for a maximum amount of €400 million. The program supplements bank-related financing and gives the Elis Group access to short-term funding on favorable interest rate terms.

Puteaux sale agreement

On July 15, 2015, M.A.J. signed a sale agreement with a real-estate development group for €54 million regarding a real-estate asset in Puteaux. The site is the location of the Group's headquarters and a former processing center. The sale transaction is still subject to conditions precedent and, in particular, to the obtaining of permits to build housing. The sale agreement will expire on March 30, 2017, after the Group has moved to its new headquarters in Saint-Cloud (French department 92), scheduled for end-2016.

Note 4 OPERATING DATA

4.1 REVENUE

Revenue is recognized to the extent where it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding any trade discounts, volume rebates and other sales reductions. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Revenue from services is recognized as and when the services are rendered.

When services are invoiced as part of a monthly or quarterly subscription, the portion of the invoice corresponding to a service not yet rendered is recognized as unearned revenue (see note 4.7 "Other current assets and liabilities").

Sales of goods

Revenue is recognized when the material risks and benefits attached to the ownership of the property concerned are transferred to the buyer.

(In thousands of euros)	2015	2014
Rendering of services	1,392,030	1,307,663
Sales of goods	22,619	22,754
Recurrent dividends	12	13
Other	757	551
REVENUE	**1,415,418**	**1,330,980**

4.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets.

Trade and other receivables may be written down for impairment. An impairment loss is recognized when it is probable that the receivable will not be recovered and when the amount of the loss can be measured reliably.

Impairment losses are estimated taking into account historical loss experience and the age of the receivables. They are recognized in operating income.

The Group derecognizes financial assets whenever the contractual rights to the assets expire or are relinquished by the Company or when the Company transfers or assigns its rights and substantially all of the associated risks and rewards.

(In thousands of euros)	12/31/2015	12/31/2014
Trade receivables and notes receivable (gross)	326,225	312,971
Allowance for bad debts	(29,638)	(29,510)
TRADE RECEIVABLES AND NOTES RECEIVABLE	**296,587**	**283,461**
Other receivables	61,754	44,403
TOTAL TRADE AND OTHER RECEIVABLES	**358,341**	**327,863**
collection expected in less than one year	358,341	327,863
collection expected in more than one year	-	-

Changes in trade and other receivables during the fiscal years presented are analyzed as follows:

(In thousands of euros)	2015	2014
AT JANUARY 1	**327,863**	**297,092**
Change in gross WC	*17,480*	*14,602*
Change in write-downs	*403*	*(1,620)*
Change in net WC	17,883	12,982
Change in consolidation scope	20,089	16,261
Translation differences	(5,506)	182
Change in receivable on disposal of assets	(72)	723
Other change	(1,916)	623
AT DECEMBER 31	**358,341**	**327,863**

Net movements in working capital requirements are mainly due to the increase in receivables related to France's tax credit for competitiveness and employment (CICE), which were not prefinanced, and the increase in business volume.

Credit risk

The management of credit risk is described in detail in note 8.1 "Financial risk management".

The principles used by the Group to manage its financial risks are detailed in section 2.1 "Risk factors" of this 2015 registration document.

4.3 DEPRECIATION, AMORTIZATION, PROVISIONS AND OTHER COSTS BY NATURE

(In thousands of euros)	**2015**	**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	(66,072)	(61,731)
Linen and mats	(155,379)	(140,550)
Other leased items	(16,402)	(16,718)
Portion of grants transferred to income	128	125
- included in "Other income and expense"	*(2,717)*	*0*
- amortization of customer relationships	*(45,584)*	*(41,107)*
TOTAL DEPRECIATION AND AMORTIZATION INCLUDING PORTION OF GRANTS TRANSFERRED TO INCOME	**(286,025)**	**(259,981)**
Additions to or reversal of provisions		
- included in "Operating income before other income and expense and amortization of customer relationships"	940	3,394
- included in "Other income and expense"	703	5,154
TOTAL ADDITIONS TO OR REVERSAL OF PROVISIONS	**1,644**	**8,547**
Operating lease expense	**(34,291)**	**(29,278)**

4.4 OTHER INCOME AND EXPENSE

Items of material amounts that are unusual, abnormal or infrequent are disclosed separately in the income statement under "Other income and expense", in order to better reflect Group performance.

(In thousands of euros)	**2015**	**2014**
Transaction costs	(2,347)	(4,289)
Put option over non controlling interests – liability adjustment	1,478	0
Restructuring costs	(2,285)	(620)
Uncapitalizable costs for change in IT systems	(1,760)	(18,231)
Net gains on site disposals	16	3,738
Expenses relating to site disposal (employee profit-sharing, professional fees)	(854)	(4,899)
Environmental rehabilitation costs	(200)	(398)
Expense associated with free shares granted to directors and key managers	(2,274)	0
IPO expenses & related non recurring compensation	(21,096)	(701)
Retirement plan amendment in Switzerland – negative past service costs	0	3,730
Other	(4,091)	(1,461)
OTHER INCOME AND EXPENSE	**(33,413)**	**(23,130)**

4.5 INVENTORIES

Inventories are measured at the lower of cost and net realizable value. Impairment losses are recognized whenever the probable realizable value is lower than production cost.

Inventories of raw materials, consumables, spare parts and goods for resale are recorded at acquisition cost and have high turnover.

Goods in progress and finished goods (linen, textiles and hygiene equipment) are measured at production cost, which includes:

- the acquisition cost of raw materials;
- direct production costs;
- overheads that can be reasonably linked to the production of the goods.

(In thousands of euros)	12/31/2015	12/31/2014
Raw materials, supplies	15,839	13,832
Work in progress	468	379
Intermediate and finished goods	10,132	12,268
Goods for resale	26,107	32,162
INVENTORIES	**52,547**	**58,641**
o/w inventories (at cost)	53,453	59,432
o/w impairment	(906)	(791)

Changes in net inventories during the fiscal years presented are analyzed as follows:

(In thousands of euros)	2015	2014
AT JANUARY 1	**58,641**	**44,424**
Change in gross inventory	*(5,881)*	*12,129*
Change in write-downs	*(99)*	*(140)*
Change in net inventory	(5,980)	11,989
Change in consolidation scope	1,102	2,383
Translation differences	(1,217)	9
Other change	0	(164)
AT DECEMBER 31	**52,547**	**58,641**

4.6 TRADE AND OTHER PAYABLES

(In thousands of euros)	12/31/2015	12/31/2014
Trade payables	116,324	121,094
Trade payables (fixed assets)	15,194	14,280
Other payables	3,541	4,344
TOTAL TRADE AND OTHER PAYABLES	**135,059**	**139,718**

Changes in trade and other payables during the fiscal years presented are analyzed as follows:

(In thousands of euros)	2015	2014
AT JANUARY 1	**139,718**	**118,288**
Change in WC	(14,198)	18,608
Change in consolidation scope	9,426	7,230
Translation differences	(1,146)	165
Change in trade payables (fixed assets)	1,259	4,622
Other change	(0)	(9,242)
AT DECEMBER 31	**135,059**	**139,718**

4.7 OTHER CURRENT ASSETS AND LIABILITIES

(In thousands of euros)	Note	12/31/2015	12/31/2014
Prepaid expenses		10,514	10,627
Other current asset derivatives	8.8	2,053	2,834
Other assets		213	0
TOTAL OTHER ASSETS		**12,780**	**13,461**
Deposits received		8,926	11,620
Payroll-related liabilities		97,419	103,643
Taxes payable		79,932	72,562
Other current liability derivatives	8.8	0	0
Unearned revenue		46,269	47,011
TOTAL OTHER LIABILITIES		**232,546**	**234,836**

Unearned revenue primarily consists of services invoiced that will be rendered in the following month.

Changes in other current assets during the fiscal years presented are analyzed as follows:

(In thousands of euros)	2015	2014
AT JANUARY 1	**13,461**	**3,468**
Change in gross WC	(602)	7,076
Change in consolidation scope	454	88
Translation differences	35	14
Other change	(568)	2,816
AT DECEMBER 31	**12,780**	**13,461**

Changes in other current liabilities during the fiscal years presented are analyzed as follows:

(In thousands of euros)	2015	2014
AT JANUARY 1	**234,836**	**222,697**
Change in gross WC	(7,159)	5,191
Change in consolidation scope	10,127	7,666
Translation differences	(2,251)	124
Other change	(3,007)	(842)
AT DECEMBER 31	**232,546**	**234,836**

Note 5 EMPLOYEE BENEFITS EXPENSE

5.1 AVERAGE NUMBER OF EMPLOYEES

(In number of people)	2015	2014
Engineers and executives	1,449	1,384
Supervisory personnel	1,475	1,370
Office and service employees	4,931	4,902
Other employees	13,633	11,501
TOTAL EMPLOYEES PER CATEGORY	**21,488**	**19,158**
France	12,589	12,156
Other countries	8,898	7,002
TOTAL EMPLOYEES	**21,488**	**19,158**

5.2 EMPLOYEE BENEFITS

Payments by the Group to defined contribution plans are recognized as expenses when incurred.

In the case of defined benefit plans, the cost of benefits is estimated using the projected unit credit method. Under this method, rights to benefits are allocated to service periods using the plan's vesting formula and applying a linear progression when vesting is not uniform over subsequent service periods. Future payments corresponding to benefits granted to employees are estimated on the basis of assumptions regarding salary increase rates, retirement age and mortality, after which their present value is calculated using the interest rate on long-term bonds issued by investment grade issuers.

Actuarial gains and losses relating to obligations arising as a result of defined benefit plans are recognized directly in equity.

(In thousands of euros)	2015	2014
Wages and salaries	(441,009)	(404,073)
Social security contributions	(147,493)	(140,876)
Mandatory/optional profit-sharing	(17,431)	(26,375)
Other employee benefits	454	437
TOTAL PAYROLL EXPENSES	**(605,479)**	**(570,887)**

5.3 EMPLOYEE BENEFIT LIABILITIES

Defined contribution plans

The Group pays contributions under a range of mandatory systems or on a voluntary basis under contractual agreements. In the case of the latter, the Group's obligation is limited to the payment of contributions.

Defined benefit plans

The Elis Group's commitments to defined benefit plans and other post-employment benefits are chiefly related to its French subsidiaries and consist of:

- supplementary retirement benefits paid to a category of senior executives. All members of the supplementary retirement plan have already retired and the plan is now closed;
- retirement benefits paid to employees when they retire in accordance with French regulations;
- long-service awards, for which the amount paid depends on seniority.

The Swiss subsidiaries of Elis have employee benefit liabilities in accordance with Swiss Law on Occupational Benefits.

Employee-related liabilities

The corresponding obligations are measured using the projected unit credit method.

The Group's obligations are partially funded by external funds. Unfunded amounts are covered by provisions recognized in the statement of financial position.

The following table shows changes in the liability recognized in the Elis Group's statement of financial position:

(In thousands of euros)	Obligation	Fair value of plan assets	Liability
As at December 31, 2013	**75,400**	**29,296**	**46,104**
Current service cost	3,771		3,771
Interest expense	1,905	618	1,287
Benefits paid	(339)	(339)	
Employee contributions	1,750	1,750	
Employer contributions	(2,576)	1,605	(4,181)
Past service cost	(3,743)		(3,743)
Plan amendments			
Plan curtailments or settlements			
Return on plan assets		418	(418)
Actuarial gains and losses	5,220		5,220
Changes in scope of consolidation	27		27
Reclassification to liabilities directly related to assets held for sale			
Translation adjustments	1,032	776	256
As at December 31, 2014	**82,447**	**34,124**	**48,323**
Current service cost	1,825		1,825
Interest expense	1,003	533	470
Benefits paid	(1,658)	(1,658)	
Employee contributions	2,256	2,256	
Employer contributions	(2,180)	(332)	(1,848)
Past service cost	(63)		(63)
Plan amendments			
Plan curtailments or settlements			
Return on plan assets		(358)	358
Actuarial gains and losses	4,013		4,013
Changes in scope of consolidation	10,045	7,301	2,744
Reclassification to liabilities directly related to assets held for sale			
Translation adjustments	8,670	6,233	2,437
AS AT DECEMBER 31, 2015	**106,358**	**48,099**	**58,259**

FUNDED STATUS OF EMPLOYEE BENEFIT OBLIGATION

(In thousands of euros)	12/31/2015	12/31/2014
Present value of unfunded obligations	36,483	36,452
Present value of fully or partially funded obligations	69,875	45,994
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**106,358**	**82,446**
Fair value of plan assets (2)	48,099	34,123
TOTAL VALUE OF DEFINED BENEFIT PLAN LIABILITY (1) - (2) - (3)	**58,259**	**48,323**

INFORMATION BY REGION

(In thousands of euros)	12/31/2015	12/31/2014
France	35,206	35,070
Switzerland	21,669	11,791
Other countries	1,384	1,462
EMPLOYEE BENEFIT LIABILITIES	**58,259**	**48,323**

FRANCE – DETAILS

Retirement obligations and provisions break down as follows:

(In thousands of euros)	12/31/2015	12/31/2014
Present value of unfunded obligations	35,206	35,070
Present value of fully or partially funded obligations		
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**35,206**	**35,070**
Fair value of plan assets (2)		
TOTAL VALUE OF DEFINED BENEFIT PLAN LIABILITY (1) - (2) - (3)	**35,206**	**35,070**

The actuarial assumptions used to measure the liability and obligation for France are as follows:

	12/31/2015	12/31/2014
Discount rate	2.0%	1.8%
Expected salary increase rate	inflation+0 to 6%	inflation+0 to 6%
Expected retirement benefit increase rate	1.1%	1.1%

A 1.00% increase or decrease in the discount rate and a 0.25% increase or decrease in the expected increase rate would have the following impact on the projected benefit obligation as at December 31, 2015:

	Sensitivity France
Discount rate: -1.0 pt impact	+10.6%
Discount rate: +1.0 pt impact	-9.3%
Expected salary/retirement benefit increase rate: -0.25 pt impact	-2.2%
Expected salary/retirement benefit increase rate: +0.25 pt impact	+2.2%

An indication of future cash flows is shown below:

	France
Expected contribution for next financial year	2,180
Weighted average duration of the obligation	10.6

SWITZERLAND – DETAILS

Retirement obligations and provisions break down as follows:

(In thousands of euros)	12/31/2015	12/31/2014
Present value of unfunded obligations		
Present value of fully or partially funded obligations	69,690	45,761
TOTAL VALUE OF DEFINED BENEFIT PLAN OBLIGATIONS (1)	**69,690**	**45,761**
Fair value of plan assets (2)	48,021	33,970
TOTAL VALUE OF DEFINED BENEFIT PLAN LIABILITY (1) - (2) - (3)	**21,669**	**11,791**

The actuarial assumptions used to measure the liability and obligation for Switzerland are as follows:

	Switzerland	
	12/31/2015	12/31/2014
Discount rate	0.75%	1.4%
Expected salary increase rate	1.25%	2.0% - 3.0%
Expected retirement benefit increase rate	1.0%	0.5%

A 0.5% increase or decrease in these rates would have the following impact on the projected benefit obligation as at December 31, 2015:

	Sensitivity Switzerland
Discount rate: -0.5pt impact	+11.8%
Discount rate: +0.5pt impact	-10.1%
Expected salary increase rate: -0.5pt impact	-0.4%
Expected retirement benefit increase rate: +0.5pt impact	+0.4%

An indication of future cash flows is shown below:

	Switzerland
Expected contribution for next financial year	2,013
Weighted average duration of the obligation	15.9

The breakdown of plan assets as at December 31, 2015 is shown below:

	Switzerland
Cash and cash equivalents	5,063
Share	13,726
Bonds	22,105
Properties & mortgages	6,986
Derivatives	141
TOTAL	**48,021**

5.4 SHARE-BASED PAYMENTS

Pursuant to IFRS 2, Elis estimated the plan's fair value based on the fair value of the equity instruments granted. That fair value was based on the share price at grant date, weighted by a reasonable estimate as to what extent the share allocation criteria had been fulfilled. The cost, recognized with an offsetting entry to equity, is spread over the vesting period following the Management Board decision and is mentioned in note 4.4 "Other income and expense".

Grants made during the fiscal year have the following characteristics:

Free performance share grants	Plan 1 2015	Plan 2 2015
Date of shareholders' meeting	10/08/2014	10/08/2014
Date of Supervisory Board meeting	04/03/2015	04/03/2015 12/14/2015
Date of decision of the chairman		
Date of decision of the Management Board	04/07/2015	12/21/2015
Number of rights originally granted	524,684	44,027
■ of which, members of the Executive Board	188,716	0
■ of which, corporate officers:		0
Xavier Martiré	104,108	-
Louis Guyot	13,253	-
Matthieu Lecharny	13,253	-
Number of grantees	152	29
■ of which, members of the Executive Board	8	-
■ of which, corporate officers	3[(a)]	-
Grant date	04/07/2015	12/21/2015
Vesting date[(1)]		
France	04/07/2017	12/21/2017
Rest of the world	04/07/2017	12/21/2017
End of share lock-up period[(2)]	04/07/2019	12/21/2019
Rights vested in 2015	0	0
Number of rights lapsed or forfeited as at 12/31/2015	23,592	0
Number of rights outstanding as at 12/31/2015	501,092	44,027
■ of which, members of the Executive Board	188,716	0
■ of which, corporate officers:		0
Xavier Martiré	104,108	-
Louis Guyot	13,253	-
Matthieu Lecharny	13,253	-
Number of working beneficiaries as at 12/31/2015	141	29
■ of which, members of the Executive Board	8	0
■ of which, corporate officers:	3[(b)]	0

(a) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(b) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(1) Shares vest at the end of a vesting period set at two years from the date of the award of the performance shares, and vesting is contingent on cumulative continued employment conditions and meeting performance conditions related to (i) the Group's consolidated revenue, (ii) EBIT as stated in the financial statements for fiscal year 2016, and (iii) the Group's stock market performance relative to changes in the SBF 120, with the understanding that:

the change in the Company's share price corresponds to the difference (as a percentage) between (i) the moving average of the share value over the twenty trading days preceding the last trading day of 2016 plus dividends paid between February 11, 2015 and December 31, 2016, and (ii) the IPO price (€13);

the change in the SBF 120 corresponds to the difference (as a percentage) between (i) the moving average of the index over the twenty trading days preceding the last trading day of 2016 and (ii) the value of the index as at February 10, 2015 (€3,701.09).

Only 20% of the granted shares will be delivered to beneficiaries if just one of those performance conditions is met, 50% if two of the conditions are met, and 100% if all three conditions are met. No share shall vest if none of the conditions is met.

(2) The plan rules stipulate a lock-up period of two years from the vesting date. At the end of the lock-up period, the shares will be available and may be freely transferred by the beneficiaries subject to statutory blackout periods and the provisions of the French Code of Conduct for Trading and Market Activities. Throughout their term of office, each member of the Management Board is required to hold a number of shares in registered form set by the Supervisory Board and corresponding to one-third of vested shares up to three times the amount of their annual fixed compensation for the chairman of the Management Board, and one-third of vested shares up to two times the amount of their compensation for the other members of the Management Board.

5.5 EXECUTIVE COMPENSATION (RELATED PARTY TRANSACTIONS)

As at December 31, 2015, executives comprise the seven members of the Executive Board, along with the President of the Management Board. Total compensation (paid or payable) of the main executives is as follows:

(In thousands of euros)	2015	2014
Short-term employee benefits	9,712	4,135
Post-employment benefits	62	29
Termination benefits	74	178
Share-based payments	977	

As at December 31, 2015, employee benefit liability accrued in respect of termination benefits amounted to €235 thousand (€295 thousand as at December 31, 2014).

Compensation allocated to members of the Supervisory Board and expensed as directors' fees amounted to €467 thousand (€242 thousand as at December 31, 2014).

Note 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

6.1 GOODWILL

(In thousands of euros)	12/31/2015	12/31/2014
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	93,668	78,452
Disposals	0	0
Translation adjustments	(25,722)	2,983
Other changes	(0)	(13)
CHANGES IN GROSS CARRYING AMOUNT	**67,945**	**81,421**
Impairment	(14,575)	0
Translation adjustments	(128)	(272)
CHANGES IN IMPAIRMENT	**(14,703)**	**(272)**
CARRYING AMOUNT AT END OF PERIOD	**1,589,340**	**1,536,098**
Gross value	1,657,028	1,589,083
Accumulated impairment	(67,687)	(52,985)

In accordance with IAS 36, the Elis Group allocates goodwill to its cash-generating units (CGUs) for the purposes of conducting impairment tests.

The carrying amount of goodwill is allocated to the cash-generating units as follows:

(In thousands of euros)	12/31/2015	12/31/2014
FRANCE CGU/SEGMENT	**1,388,685**	**1,381,759**
CGU Spain	4,455	1,612
CGU Belgium	9,313	18,513
CGU Luxembourg	1,275	1,275
CGU Germany	15,818	1,955
CGU Italy	1,669	1,669
CGU Switzerland	51,302	34,874
EUROPE SEGMENT	**83,831**	**59,897**
CGU Brazil	95,055	75,969
CGU Chile	7,551	0
LATIN AMERICA SEGMENT	**102,606**	**75,969**
CGU Kennedy Hygiene	14,218	18,473
MANUFACTURING ENTITIES SEGMENT	**14,218**	**18,473**
CARRYING AMOUNT OF GOODWILL	**1,589,340**	**1,536,098**

Recognition of impairment

The method and assumptions used for impairment tests are described in note 6.5.

Following the impairment tests performed as at December 31, 2015, the Group recognized impairment losses for the fiscal year as follows:

- €5.4 million on the Kennedy Hygiene CGU, reflecting the decline in estimated future cash flows;
- €9.2 million on the Belgian UGT, reflecting a decline in its profitability due to a highly competitive market. These impairment losses were recorded on the basis of a valuation by multiples of economic indicators.

6.2 INTANGIBLE ASSETS

Brands

Brands acquired in a business combination are recognized at fair value (based on discounted royalties) at the acquisition date. Costs incurred to create a new brand or to develop an existing one are recognized as expenses.

Brands with finite useful lives are amortized over their useful lives. Brands with indefinite useful lives are not amortized but are tested for impairment on an annual basis or whenever there is an indication of impairment.

The following criteria are used to determine whether a brand has a finite or indefinite life:

- overall market positioning of the brand, measured by sales volume, international reach and reputation;
- long-term profitability outlook;
- exposure to fluctuations in the economy;
- major developments in the industry liable to have an impact on the brand's future;
- age of the brand.

Intangible assets (other than brands)

Intangible assets (other than brands) are measured at acquisition cost less accumulated amortization and impairment. Intangible assets have finite useful lives. Amortization is recognized as an expense generally on a straight-line basis over the estimated useful lives of the assets:

- textile patterns: 3 years;
- software: 5 years;
- ERP: 15 years;
- acquired customer contracts and relationships: 4 to 11 years.

Amortization expense is recognized from the date the asset is first used.

(In thousands of euros)	Brands	Customer relationships	Other	Total
Gross value	**215,920**	**517,897**	**71,635**	**805,452**
Accumulated depreciation and impairment	**(6,864)**	**(326,356)**	**(43,974)**	**(377,194)**
NET CARRYING AMOUNT AT 12/31/2013	**209,056**	**191,540**	**27,661**	**428,257**
Investments	112	71	4,670	4,853
Changes in scope of consolidation	0	19,145	129	19,274
Retirements and disposals	0	0	0	0
Amortization	(220)	(41,265)	(5,820)	(47,306)
Translation adjustments	89	459	9	557
Impairment	0	0	0	0
Reclassification as assets held for sale	0	0	0	0
Other	78	0	(1,332)	(1,254)
Gross value	**215,966**	**539,082**	**78,476**	**833,524**
Accumulated depreciation and impairment	**(6,851)**	**(369,131)**	**(53,160)**	**(429,142)**
NET CARRYING AMOUNT AT 12/31/2014	**209,115**	**169,951**	**25,316**	**404,383**
Investments	136	0	6,345	6,481
Changes in scope of consolidation	55	10,236	84	10,374
Retirements and disposals	0	0	68	68
Amortization	(222)	(45,584)	(4,739)	(50,545)
Translation adjustments	78	(1,920)	(14)	(1,856)
Impairment	0	0	0	0
Reclassification as assets held for sale	0	0	0	0
Other	109	0	(237)	(128)
Gross value	**216,344**	**546,794**	**56,722**	**819,860**
Accumulated depreciation and impairments	**(7,073)**	**(414,111)**	**(29,898)**	**(451,082)**
NET CARRYING AMOUNT AT 12/31/2015	**209,271**	**132,683**	**26,824**	**368,778**

Other intangible assets consist primarily of software.

The Group's brand values, which are derived from a business combination when measuring their fair value for the purpose of allocating goodwill, are as follows:

(In thousands of euros)	12/31/2015	12/31/2014	Amortization
Elis brands in France	184,700	184,700	Not amortized
Elis brands in Europe	21,800	21,800	Not amortized
-Le Jacquard Français brand	*900*	*900*	*Impaired*
-Kennedy trademark	*1,505*	*1,427*	*Not amortized*
Brands of Manufacturing Entities	2,405	2,327	
Other	365	288	
TOTAL BRANDS	**209,271**	**209,115**	

Recognition of impairment

No brand impairment loss was recognized in the last two fiscal years. The Le Jacquard Français brand, worth €6,800 thousand gross, has an accumulated impairment loss of €5,900 thousand.

6.3 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are carried in the statement of financial position at their historical cost for the Group, less accumulated depreciation and impairment.

In accordance with IAS 16 "Property, plant and equipment" only items whose cost can be measured reliably and from which future economic benefits are expected to flow to the Group are recognized as assets.

Assets leased out under agreements that do not transfer substantially all the risks and rewards incident to ownership of the assets to the lessee (operating leases) are recognized as non- current assets. Assets under other leases (finance leases) are recognized as loans for the amount corresponding to the net investment in the lease.

Depreciation is calculated on a straight-line basis over the following useful lives:

- buildings: component method;
- structure, outside walls, roof: 50 years;
- internal walls, partitions, painting and floor coverings: 10 years;
- industrial equipment: 10, 15 or 30 years;
- vehicles: 4 to 8 years;
- office equipment and furniture: 5 or 10 years;
- IT equipment: 5 years;
- items related to rental and laundry service agreements (textiles, equipment and other leased items) are initially recognized as inventories and are capitalized when they are allocated to the Group's operating site responsible for their leasing. These items are depreciated over an 18-month to 5-year period from the date they are available for use.

Depreciation expense is recognized from the date the asset is first used. Land is not depreciated.

(In thousands of euros)	Land and buildings	Vehicles	Plant & equipment	Rental-cleaning items	Total
Gross value	**228,805**	**69,010**	**352,421**	**526,696**	**1,176,931**
Accumulated depreciation and impairment	**(73,644)**	**(43,704)**	**(148,700)**	**(279,742)**	**(545,791)**
NET CARRYING AMOUNT AS AT 12/31/2013	**155,161**	**25,307**	**203,720**	**246,953**	**631,140**
Investments	6,743	8,817	36,525	185,042	237,127
Changes in scope of consolidation	6,022	1,893	31,485	11,189	50,599
Retirements and disposals	(439)	(194)	(835)	(7)	(1,474)
Depreciation	(12,184)	(8,941)	(34,585)	(157,267)	(212,978)
Translation adjustments	745	53	682	163	1,643
Other movements	1,297	774	(1,720)	677	1,028
Gross value	**232,618**	**81,428**	**433,006**	**596,922**	**1,343,974**
Accumulated depreciation and impairment	**(75,274)**	**(53,709)**	**(197,734)**	**(310,172)**	**(636,888)**
NET CARRYING AMOUNT AS AT 12/31/2014	**157,344**	**27,719**	**235,273**	**286,750**	**707,086**
Investments	10,007	10,355	58,728	184,522	263,612
Changes in scope of consolidation	20,925	2,170	27,243	9,381	59,719
Retirements and disposals	(9,105)	(208)	(1,103)	(291)	(10,707)
Depreciation	(12,076)	(9,485)	(42,262)	(171,783)	(235,605)
Translation adjustments	2,247	(389)	(7,345)	(3,269)	(8,756)
Impairment	0	0	0	0	0
Reclassification as assets held for sale	0	0	0	0	0
Other movements	441	708	(2,056)	482	(425)
Gross value	**255,974**	**94,682**	**521,385**	**639,446**	**1,511,487**
Accumulated depreciation and impairment	**(86,190)**	**(63,811)**	**(252,908)**	**(333,655)**	**(736,564)**
NET CARRYING AMOUNT AS AT 12/31/2015	**169,784**	**30,870**	**268,477**	**305,792**	**774,923**

Finance leases

Assets financed by leases with purchase options or long-term leases, which in essence transfer to the lessee virtually all the risks and rewards incident to ownership of the asset, are recognized as non-current assets and depreciated in accordance with the accounting principles applicable to property, plant and equipment.

The cost of leased assets includes the initial direct costs attributable to negotiating and arranging the lease, including professional and legal fees. The financial commitments arising under leases are recognized as financial liabilities.

(In thousands of euros)	12/31/2015	12/31/2014
Owned property, plant and equipment	764,793	700,804
Leased property, plant and equipment	10,131	6,282
TOTAL PROPERTY, PLANT AND EQUIPMENT	**774,923**	**707,086**

6.4 OFF-BALANCE SHEET COMMITMENTS RELATING TO NON-CURRENT ASSETS AND LEASES

Outstanding future minimum operating lease commitments are as follows:

(In thousands of euros)	12/31/2015	12/31/2014
Future minimum lease payments under non-cancellable operating leases		
within one year	23,761	21,338
between 1 and 5 years	67,281	56,141
after 5 years	121,002	103,442
TOTAL	**212,044**	**180,921**

6.5 IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Impairment tests are systematically performed on goodwill and intangible assets with indefinite useful lives, at the reporting date or whenever there is an indication of impairment. Goodwill impairment losses may not subsequently be reversed.

Value in use is calculated by discounting to present value the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal. These calculations are corroborated, where appropriate, with valuation multiples of economic indicators (mainly EBITDA).

If the recoverable amount is less than the carrying amount, an impairment loss is recognized, corresponding to the difference between the two amounts.

To assess impairment, assets are combined in the smallest identifiable group of assets that generates separately identifiable cash flows (cash-generating unit or group of cash-generating units).

In accordance with IAS 36 “Impairment of Assets”, whenever the value of intangible assets and property, plant and equipment with definite useful lives is exposed to a risk of impairment due to events or changes in market conditions, they are reviewed to determine whether their carrying amount is less than their recoverable amount, defined as the higher of fair value (less costs to sell) and value in use.

Impairment losses of property, plant and equipment may subsequently be reversed (by up to the amount of the initial impairment) if the recoverable amount rises above the carrying amount.

Discounted cash flow method

1. Calculating future cash flows

Goodwill impairment tests are performed by determining the value in use of each cash-generating unit, using the following method for calculating recoverable amounts:

- estimation of projected future cash flows based on the five-year business plans set by the management of each cash-generating unit, validated by the Management Board and presented to the Supervisory Board. Future cash flows are estimated based on conservative growth assumptions;
- cash flows are calculated according to the discounted cash flow method (EBITDA +/- changes in working capital – income tax at standard rate – capital expenditure);
- the terminal value is calculated on a perpetual growth basis;
- discounted cash flow is calculated on the basis of the weighted average cost of capital (WACC), which in turn is based on inputs for the financial return and industry-specific risks of the market on which the Group operates.

2. Method for calculating WACC

Elis used the following inputs for calculating WACC:

- risk-free rate: the average risk-free interest rate over a two-to-five year observation period by country;
- credit spread: the average over a two-to-five year observation period;
- the levered beta of comparable companies: the observed beta on the WACC calculation date (insofar as the beta is the result of a linear regression over the last two years, it reflects the medium-term sensitivity of the value of the securities of a given company compared to the market);
- gearing ratio (net debt/equity) for comparable companies: ratio calculated on the basis of market capitalizations to net debt, observed on a quarterly basis over the last two years:
  - the average gearing ratio obtained for each comparable company is used to unlever the company's beta,
  - the unlevered beta is representative of industry beta and will be used to calculate WACC (extreme values are excluded from the average),
  - the gearing used to calculate WACC is derived from the average debt to equity ratio calculated on the basis of the quarterly ratios of comparable companies.

The WACC used for impairment testing on each CGU was as follows:

Country	France	Portugal	Spain	Belgium	Germany	UK	Switzerland	Italy	Brazil	Chile
Risk-free rate	2.2%	6.9%	4.2%	2.6%	1.6%	2.4%	0.8%	4.1%	11.6%	4.5%
Credit spread (weighted average of actual debt)	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Cost of debt (before tax)	**3.8%**	**8.5%**	**5.8%**	**4.2%**	**3.3%**	**4.0%**	**2.4%**	**5.7%**	**13.2%**	**6.1%**
Tax rate	34.4%	22.5%	25.0%	34.0%	29.8%	20.0%	22.2%	31.4%	34.0%	24.0%
Cost of debt, (net of tax)	**2.5%**	**6.6%**	**4.4%**	**2.8%**	**2.3%**	**3.2%**	**1.9%**	**3.9%**	**8.7%**	**4.6%**
Equity risk premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Levered beta	**0.86**	**0.88**	**0.87**	**0.86**	**0.87**	**0.88**	**0.88**	**0.86**	**0.86**	**0.87**
Cost of equity	**6.8%**	**11.5%**	**8.9%**	**7.2%**	**6.3%**	**7.1%**	**5.5%**	**8.7%**	**16.2%**	**9.1%**
Gearing	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
WACC 2015	**6.1%**	**10.7%**	**8.1%**	**6.4%**	**5.6%**	**6.4%**	**4.9%**	**7.8%**	**14.9%**	**8.3%**
WACC 2014	**6.4%**	**11.0%**	**8.4%**	**6.8%**	**5.9%**	**6.7%**	**5.2%**	**8.2%**	**14.6%**	
Pre-tax discount rate 2015 (approximation)	**9.2%**	**13.7%**	**10.8%**	**9.7%**	**7.9%**	**8.0%**	**6.2%**	**11.4%**	**22.5%**	**10.9%**
Pre-tax discount rate 2014 (approximation)	9.8%	14.2%	11.9%	10.3%	8.4%	8.3%	6.3%	11.9%	22.1%	

Fundamental assumptions for impairment tests

The business plans of each CGU were prepared on the basis of management's best estimate of the impact of the current economic downturn. Projected cash flows are therefore reasonable and reflect, where appropriate, the resilience of the CGU's business.

Sensitivity of tests related to goodwill

The most significant sensitivities of the impairment tests are as follows (difference between the carrying amount and the recoverable amount of the CGU):

France		**Perpetuity growth rate**		
(In millions of euros)		**1.5%**	**2.0%**	**2.5%**
WACC	5.6%	887	1,230	1,686
	6.1%	**580**	**843**	**1,181**
	6.6%	333	541	800

Belgium		**EBITDA Budget 2016**		
(In millions of euros)		**-10.0%**	**-**	**10.0%**
Multiple	6,5x	(5)	(2)	1
	7x	**(3)**	**0**	**3**
	7,5x	(1)	2	6
Kennedy				Perpetuity growth rate

Kennedy		**Perpetuity growth rate**		
(In millions of euros)		**1.5%**	**2.0%**	**2.5%**
WACC	5.9%	0	3	6
	6.4%	**(2)**	**0**	**3**
	6.9%	(4)	(2)	0

Brazil		**EBITDA Budget 2016**		
(In millions of euros)		**-10.0%**	**-**	**10.0%**
Multiple	6,5x	(25)	(10)	5
	7x	(14)	2	17
	7,5x	(4)	13	30

The sensitivity analysis presented above shows that the recoverable amount of the CGUs exceeds the carrying amount. In accordance with IAS 36, impairment tests are performed and resulting impairment losses are recognized on all the other CGUs.

Sensitivity of tests related to brands

The assumptions used for the purposes of impairment testing based on the discounted royalties of Elis' brands are as follows:

	Elis	Le Jacquard Français	Kennedy
Discount rate	7.1%	7.1%	7.4%
Growth rate of revenue generated by the brand over 5 years	2%	3%	3%
Perpetuity growth rate	2%	2%	2%
Royalty rate	2%	4%	2%

The sensitivity of the excess of the recoverable amount of the Elis brand over its carrying amount is as follows:

Discount rate *(In millions of euros)*	Perpetuity growth rate		
	1.5%	**2.0%**	**2.5%**
6.6%	132	162	201
7.1%	**102**	**127**	**157**
7.6%	77	97	122

Note 7 PROVISIONS AND CONTINGENT LIABILITIES

7.1 PROVISIONS

A provision is recognized whenever the Group has a present contractual, legal or constructive obligation as a result of a past event and when an outflow of resources required to settle the obligation can be reliably estimated.

The amount recognized represents the best estimate made by management with respect to risks and their likelihood of occurrence, based on information available at the date of reporting the consolidated financial statements.

Liabilities resulting from restructuring plans are recognized when there is an obligation, the related costs have been forecast in detail and it is highly probable that they will be implemented.

Provisions are also recognized for obligations arising from onerous contracts.

Provisions for environmental compliance

Provisions for environmental compliance are assessed based on experts' reports and the Group's experience. These provisions correspond to the expected costs of studies or work to be undertaken by the Group to comply with its environmental obligations. They relate to sites or categories of work which are to be dealt with in the foreseeable future.

Provisions for litigation

Provisions for litigation chiefly include provisions for employee-related risks.

Other provisions

Other provisions include provisions for tax risks, provisions for restructuring costs, provisions for onerous contracts and provisions for disputes arising in the ordinary course of the Group's operations.

(In thousands of euros)	Compliance	Litigation	Other	Total
As at December 31, 2013	**15,487**	**4,418**	**1,978**	**21,883**
Increases/Additions for the year	938	1,438	99	2,475
Changes in consolidation scope	2,139	8,380	6,035	16,555
Decreases/Reversals of provisions used	(1,528)	(3,517)	(2,281)	(7,326)
Reclassification/Translation adjustments	39	107	(657)	(511)
As at December 31, 2014	**17,074**	**10,825**	**5,176**	**33,075**
Increases/Additions for the year	570	2,007	534	3,111
Changes in consolidation scope			511	511
Decreases/Reversals of provisions used	(1,922)	(1,961)	(872)	(4,755)
Reclassification/Translation adjustments	(463)	(1,800)	(996)	(3,259)
AS AT DECEMBER 31, 2015	**15,259**	**9,072**	**4,353**	**28,684**
Current portion		**4,585**	**1,182**	**5,766**
Non-current portion	**15,259**	**4,487**	**3,171**	**22,918**
France	*11,699*	*3,634*	*1,002*	*16,335*
Europe	*1,945*	*382*	*176*	*2,502*
Latin America	*1,616*	*5,020*	*3,175*	*9,811*
Manufacturing Entities		*36*		*36*

The increase of provisions between December 31, 2013 and December 31, 2014 is mainly related to the fact that Atmosfera, a Brazilian company acquired in February 2014, joined the Group's consolidation scope.

7.2 CONTINGENT LIABILITIES

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

In Brazil

Proceedings related to alleged acts of administrative improbity

Atmosfera filed a preliminary response in December 2014 to a public action filed against several industrial laundry service providers, including Atmosfera, relating to alleged bribery regarding contracts in the State of Rio de Janeiro. The public prosecutor rejected arguments put forward by Atmosfera and ruled to continue the action.

As at December 31, 2015, Atmosfera was still awaiting additional information and therefore is unable to estimate the contingent liability incurred 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.

Proceedings related to degrading working conditions

- Proceedings initiated by the national prosecuting authority.
- After a hearing held on April 20, 2015, the public prosecutor and Atmosfera failed to reach an agreement on a settlement that would have required Atmosfera to adopt a series of measures. The public prosecutor is analyzing Atmosfera's defense and could initiate a civil action to compel Atmosfera to pay punitive damages. A provision was recognized in this respect.
- Proceedings initiated by Atmosfera before the Labor Court against Brazil's Ministry of Work and Employment.
- Atmosfera filed an appeal that challenged the decision of the Ministry of Labor which provided for the inclusion of Atmosfera on the blacklist of companies convicted of this type of practice.

  The decision on the substance of the case is to be rendered by the Labor Court with the next hearing expected to take place some time in 2016. The decision should be rendered in the weeks following the hearing, unless the judge accepts the production of evidence, including witness statements, in which case it may be several months before a decision is rendered.

In the interim, 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 submitted an 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.

In France

The Group was informed of an inquiry by the French competition authorities following a complaint relating to some of the Group's pricing practices, which was filed by a self-catering cottage, a customer of the Group, with the Pays de Loire regional Board for companies, competition, consumption, labor and employment (DIRECCTE). The Group cannot rule out the investigation being extended to practices other than pricing practices.

No provision was recognized as at December 31, 2015 since at this stage it is difficult to assess whether this risk will materialize and what might be the consequences, especially financial, for the Group.

Note 8 FINANCING AND FINANCIAL INSTRUMENTS

The guidelines applied by the Group for the management of its financial risks are explained in Section 2.1 "Risk factors" of this 2015 Registration Document.

8.1 FINANCIAL RISK MANAGEMENT

Credit and counterparty risk

Credit or counterparty risk is the risk that a party to a contract with the Group fails to meet its contractual obligations, leading to a financial loss for the Group.

The main financial assets that could expose the Group to credit or counterparty risk are as follows:

- trade receivables: the Group insures its customer's risk in France with a well-known insurance company. Trade receivables are managed in a decentralized manner by operational centers and by the key account management. Their amount and age are monitored in detail as an integral part of the monthly reporting system. Because of the large number of Group customers, there is no material concentration of credit risk (meaning no one counterparty or group of counterparties accounting for a material proportion of trade receivables). The maximum exposure to credit risk is limited to the carrying amount of trade receivables. The due dates of trade and other receivables are as follows:

	12/31/2015		
(In thousands of euros)	Gross value	Impairment	Net value
Not yet due or less than 120 days overdue	287,656	(1,212)	286,444
Between 120 and 360 days overdue	7,944	(3,182)	4,762
More than 360 days overdue	30,625	(25,244)	5,381
TRADE RECEIVABLES	**326,225**	**(29,638)**	**296,587**

	12/31/2014		
(In thousands of euros)	Gross value	Impairment	Net value
Not yet due or less than 120 days overdue	274,615	(1,196)	273,419
Between 120 and 360 days overdue	8,627	(3,665)	4,962
More than 360 days overdue	29,728	(24,648)	5,080
TRADE RECEIVABLES	**312,971**	**(29,510)**	**283,461**

- financial investments: the Group's policy is to invest cash in money market funds with short-term maturities in order to achieve yields close to EONIA, in compliance with diversification and counterparty rules. As at December 31, 2015, short-term investments totaled €34.5 million and consisted mainly of money-market mutual funds managed by one of the largest players in the global asset management industry. In the Group's view, therefore, those investments do not expose it to any material counterparty risk. As part of its policy for managing interest rate and exchange rate risks, the Group arranges hedging contracts with top-ranking financial institutions and believes that counterparty risk in this respect can be regarded as insignificant.

Liquidity risk

The Group must always have financial resources available, not just to finance the day-to-day running of its business, but also to maintain its investment capacity.

The Group manages liquidity risk by paying constant attention to the duration of its financing arrangements, the permanence of its available credit facilities and the diversification of its resources (bank financing or bonds/commercial paper). The Group also manages its available cash prudently and has set up cash management agreements in the main countries in which it operates in order to optimize and facilitate cash flow to M.A.J., the Group's central treasury entity.

The Group's adjusted net debt (adjusted for capitalized debt issuance costs to be amortized using the effective interest rate method, and for the loan from the employee profit-sharing fund) as at December 31, 2015 amounted to €1,440.6 million.

Loan agreements relating to this debt include the legal and financial undertakings usually involved in such transactions, and specify accelerated maturities if those undertakings are not complied with. The financial undertakings notably include an obligation for the Group to maintain certain financial ratios. Based on these consolidated financial statements, the Group was in compliance with its main commitment as at December 31, 2015:

- Leverage ratio = 3.1 (must be below 4).

As at December 31, 2015, the repayment dates for consolidated debt and related interest are presented hereafter.

The future contractual cash flows are based on the receivables shown in the statement of financial position at the end of the fiscal year, and do not take into account any possible subsequent management decision that could significantly alter the Group's debt structure or hedging policy. The figures for interest payable reflect the cumulative interest payable until the due date or planned repayment date of the related loan. They were estimated on the basis of forward rates calculated from the yield curves at the reporting date.

	Carrying value	Cash flow 2016		Cash flow 2017		Cash flow 2018-2019-2020		Cash flow 2021 and beyond		Estimate of future cash flows as of 12/31/2015	
(In thousand of euros)	Amortized cost	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest	Principle	Interest
Notes 3%	804,133		23,867		24,067		71,867	800,000	35,800	800,000	155,600
New Senior Credit Facilities Agreement EURIBOR +2.125%	502,457	50,000	15,740		15,450	450,000	33,551			500,000	64,741
Commercial paper	169,500	169,500								169,500	0
Unamortized loan costs	(27,862)										
Loan from employee profit-sharing fund	33,864	7,470	300	6,652	539	18,746	3,177			32,867	4,015
Financial leases	8,646	1,319	167	1,282	457	1,243	1,039	4,801	3,478	8,646	5,141
Other	11,668	5,660	245	1,589	174	3,932	304	587	33	11,768	756
Overdrafts	897	897								897	0
TOTAL INTEREST-BEARING LOANS AND BORROWINGS	**1,503,304**	**234,845**	**40,318**	**9,523**	**40,686**	**473,920**	**109,939**	**805,388**	**39,311**	**1,523,677**	**230,253**

Market risks

The Elis Group is exposed to market risk, particularly concerning the cost of its debt, and to a lesser extent as a result of foreign currency transactions. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize any potentially adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Interest rate risk

Interest rate risk mainly includes the risk of future fluctuations in flows relating to floating- rate debt, which is partly linked to Euribor. As at December 31, 2015, the Group had €485.7 million of floating-rate debt outstanding and €1,017.6 million of fixed-rate debt outstanding.

To manage this risk effectively, the Group has taken out certain derivatives contracts (swaps), under which it has undertaken to swap, at specific times, the difference between the fixed rate agreed to in the swap contract and the floating rate applying to the relevant debt, based on a given notional amount. The Group's financing terms are monitored regularly, including in monthly financial performance monitoring meetings. As at December 31, 2015, the Group was a party to interest rate hedging contracts covering a total nominal amount of €450.9 million of debt. These contracts effectively convert some of the Group's floating-rate debt into fixed-rate debt. However, no guarantee can be given regarding the Group's ability to manage its exposure to interest rate fluctuations appropriately in the future or to continue doing so at a reasonable cost.

Net exposure to interest rate risk as at December 31, 2015, before and after hedging, was as follows:

			Floating		
(In thousand of euros)	12/31/2015	Fixed	hedged	unhedged	Maturities
Notes 3%	804,133	804,133			2022
New Senior Credit Facilities Agreement EURIBOR +2.125%	502,457		452,212	50,246	2020
Commercial paper	169,500	169,500			
Unamortized loan costs	(27,862)	(9,315)	(16,693)	(1,855)	
Loan from employee profit-sharing fund	33,864	33,864			
Finance leases	8,646	8,646			
Other	11,668	10,759	909		
Overdrafts	897			897	
BORROWINGS	**1,503,304**	**1,017,587**	**436,428**	**49,288**	

In accordance with IFRS 7, a sensitivity analysis of the change in interest is presented hereafter. It reflects the impact of interest rate movements on interest expense, net income and equity.

The interest rate sensitivity analysis is based on the following assumptions:

- changes in the interest rate curve have no impact on fixed-rate financial instruments when they are measured at amortized cost;
- changes in the interest rate curve impact floating-rate financial instruments if they are not designated as hedged items. Interest rate movements have an impact on gross finance costs, and are therefore included when calculating the sensitivity of net income and equity to interest rate risk;
- changes in the interest rate curve impact the fair values of derivative financial instruments eligible for cash flow hedge accounting. Changes in the fair value of such instruments have an impact on the hedging reserve in equity, and are therefore included when calculating the sensitivity of equity to interest rate risk;
- changes in the interest rate curve impact derivative financial instruments (interest rate swaps, caps, etc.) that are not eligible for hedge accounting insofar as the changes affect their fair value. These movements in fair value are recognized in the income statement. This impact is therefore included when calculating the sensitivity of net income and equity to interest rate risk.

The following table shows the effect on Elis Group's results of a 100 basis point increase or decrease in interest rates based on the above-mentioned assumptions and on the basis of an immediate impact across the entire curve occurring on the first day of the financial year and remaining constant thereafter:

	+100 bp		-100 bp	
(Type)	Hedging reserves	Net financial expense	Hedging reserves	Net financial expense
Financial instruments designated as hedging instruments	17,138		(18,032)	
Non-derivative variable-rate financial instruments (not hedged)		(162)		(3,991)
Total derivatives not eligible for hedge accounting				
TOTAL IMPACT (PRE-TAX)	**17,138**	**(162)**	**(18,032)**	**(3,991)**
Sensitivity of equity to interest rate changes	***+100 bp***	***+1.1%***	***-100 bp***	***-1.1%***
Sensitivity of consolidated net income to interest rate changes	***+100 bp***	***-0.2%***	***-100 bp***	***+0.2%***

The Group does not have any significant interest-bearing assets.

Currency risk

The majority of the Group's operations are located in eurozone countries. For the year ended December 31, 2015, countries outside the eurozone – mainly Brazil, Chile, Switzerland and the UK, where the Group operates through its Kennedy Hygiene Products subsidiary – accounted for 13.8% of consolidated revenue (Brazil – 6.2%, Chile – 0.3%, Switzerland – 6.7%, and the UK – 0.5%).

When the Group prepares its consolidated financial statements, it must translate the accounts of its non-eurozone subsidiaries into euros at the applicable exchange rates. As a result, the Group is exposed to fluctuations in exchange rates, which have a direct accounting impact on the Group's consolidated financial statements. This creates a risk relating to the conversion into euros of non-eurozone subsidiaries' statements of financial position and income statements.

The Group's external financing is generally denominated in euros.

As at December 31, 2015, the Group's sensitivity to fluctuations in exchange rates arose mainly from:

- fluctuations of the Brazilian real against the euro – a 10% rise or fall of the Brazilian real against the euro relative to the exchange rates seen for the fiscal year ended December 31, 2015 would cause equity to vary by €15.1 million and consolidated net income by €0.3 million;
- fluctuations of the Chilean peso against the euro – a 10% rise or fall of the Chilean peso against the euro relative to the exchange rates seen for the fiscal year ended December 31, 2015 would cause equity to vary by €1.5 million and consolidated net income by €0.0 million;
- fluctuations of the pound sterling against the euro – a 10% rise or fall of the pound sterling against the euro relative to the exchange rates seen for the fiscal year ended December 31, 2015 would cause equity to vary by €2.8 million and consolidated net income by €0.5 million; and
- fluctuations of the Swiss franc against the euro – a 10% rise or fall of the Swiss franc against the euro relative to the exchange rates seen for the fiscal year ended December 31, 2015 would cause equity to vary by €12.4 million and consolidated net income by €0.4 million.

The Group is also exposed to operational exchange rate risk through its purchases of goods for resale, which are partly denominated in US dollars and to a lesser extent in pounds sterling. In 2015, purchases of goods for resale denominated in foreign currencies totaled $46.8 million and £3.9 million. However, the Group seeks to reduce the impact of exchange rate movements on its income by using currency hedging in relation with the procurement of goods for resale. As at December 31, 2015, the Group had made forward purchases with a 2016 maturity amounting to $50.0 million ($40.2 million one year ago).

Equity risk

As at December 31, 2015, the Group's exposure to equity risk mainly involves the 148,147 Elis treasury shares held for the requirements of the liquidity agreement implemented on April 13, 2015. These shares were valued at €2,259 thousand based on the December 31, 2015 closing price (€15.25). As an illustration of the risk, a 10% drop in the Elis share price compared with the December 31, 2015 closing price would have an impact of approximately €226 thousand on the Group's equity. Accordingly, the Group did not consider it necessary to introduce an equity risk management policy.

Commodities risk

While the Group does not purchase raw materials directly, it is indirectly exposed to raw material volatility through its purchases of linens and workwear, the manufacturing price of which is partially linked to the price of cotton or polyester, and through its consumption of oil products (mainly gas and fuel).

8.2 NET FINANCIAL EXPENSE

(In thousands of euros)	2015	2014
Interest expense on borrowings and employee profit-sharing fund	(95,678)	(150,508)
GROSS FINANCE COSTS	**(95,678)**	**(150,508)**
Gains (losses) on traded derivatives	(6,317)	(1,129)
Other financial income	389	369
NET FINANCE COSTS	**(101,606)**	**(151,268)**
Foreign exchange gains	268	259
Foreign exchange losses	(471)	(283)
Interest expense on provisions and retirement benefits	(824)	(1,266)
Other	(68,299)	(992)
TOTAL OTHER FINANCIAL INCOME AND EXPENSES	**(69,326)**	**(2,283)**
NET FINANCIAL EXPENSE	**(170,932)**	**(153,551)**

The main changes were mainly due to:

- the refinancing that followed the initial public offering. Gross 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 interest rate hedging swap agreements. The nominal amount was reduced from €650 million to €450 million (including €8.4 million 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 item "Other" in the table above.

8.3 GROSS DEBT

Borrowings are initially recognized at fair value, net of related transaction costs. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the repayment value is recognized in income over the term of borrowings using the effective interest rate method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer payment of the liability by at least 12 months after the reporting date, in which case they are classified as non-current liabilities.

The Group derecognizes a financial liability when the liability is extinguished. If a liability is exchanged with a creditor under materially different terms and conditions, a new liability is recognized.

As at December 31, 2015, consolidated debt mainly comprised the following:

2022 Bonds

On April 28, 2015, Novalis (a company acquired by Elis during the fiscal year) 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 and Novalis entered into a New Senior Credit Facilities Agreement on September 2, 2014 with a pool of international banks including BNP Paribas, Crédit Agricole CIB, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley and Société Générale. The Agreement was subsequently amended on December 8, 2014, February 12, 2015 and July 6, 2015, with Elis and M.A.J. acting as borrowers on each of those dates.

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

- a 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
- a secured credit facility (allowing multiple drawdowns, mainly in the form of a revolving facility or swingline loan) with a principal amount of €400 million and the same maturity as the Senior Term Loan (five years).

Commercial paper

In September 2015, the Group launched a commercial paper program with a maximum amount of €400 million, governed by Articles D. 213-9 II, paragraph 1 and 213-11 of the French Monetary and Financial Code and Article 1 of the amended Decree of February 13, 1992 and subsequent regulations. The program supplements bank-related financing and gives the Elis Group access to short-term funding on favorable terms.

As at December 31, 2015, the Group had an undrawn credit line of approximately €350 million.

Maturity of financial liabilities

(In thousand of euros)	12/31/2015	2016	2017	2018-2020	2021 and beyond
Notes 3%	804,133	4,133			800,000
New Senior Credit Facilities Agreement EURIBOR +2.125%	502,457	52,457		450,000	
Commercial paper	169,500	169,500			
Unamortized loan costs	(27,862)	(5,642)	(5,611)	(14,390)	(2,218)
Loan from employee profit-sharing fund	33,864	7,700	5,432	16,034	4,699
Finance leases	8,646	1,319	1,282	1,243	4,801
Other	11,668	5,554	1,573	3,954	587
Overdrafts	897	897			
BORROWINGS	**1,503,304**	**235,918**	**2,676**	**456,841**	**807,869**

8.4 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes cash, on-demand bank deposits, other very short-term investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are recognized in the statement of financial position as part of borrowings under current liabilities.

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

(In thousands of euros)	12/31/2015	12/31/2014
Demand deposits	21,891	24,760
Term deposits and marketable securities	34,703	34,495
CASH AND CASH EQUIVALENTS	**56,594**	**59,255**
Cash classified as assets held for sale	0	0
Bank overdrafts	(897)	(732)
CASH AND CASH EQUIVALENTS, NET	**55,697**	**58,523**

In Brazil, where exchange control restrictions may exist, cash and cash equivalents amounted to €3,965 thousand as at December 31, 2015 (€4,320 thousand as at December 31, 2014).

In France, cash allocated to the Elis liquidity agreement implemented on April 10, 2015 amounted to €812 thousand as at December 31, 2015.

8.5 NET DEBT

(In thousands of euros)	12/31/2015	12/31/2014
Legendre Holding 27 (PIK Loan)	0	192,854
Other bond debt	800,000	830,000
BOND DEBT	**800,000**	**1,022,854**
Structured facilities	500,000	1,012,903
Commercial paper	169,500	0
Finance lease liabilities	8,646	5,752
Other loans and overdrafts	12,561	9,348
Loan from employee profit-sharing fund	33,864	31,692
LOANS	**724,571**	**1,059,694**
ACCRUED INTEREST	**6,596**	**27,517**
UNAMORTIZED LOAN COSTS	**(27,862)**	**(38,090)**
BORROWINGS	**1,503,305**	**2,071,976**
Of which maturing in less than one year	235,919	124,684
Of which maturing in more than one year	1,267,386	1,947,291
CASH AND CASH EQUIVALENTS (ASSETS)	**56,594**	**59,255**
NET DEBT	**1,446,710**	**2,012,721**
Loans and borrowings by currency		
EUR	1,497,824	2,066,891
GBP		
CHF	4,151	3,055
CZK		
BRL	1,330	2,030
CLP	4,302	0
Reconciliation to adjusted net debt		
Net debt	**1,446,710**	**2,012,721**
Unamortized loan costs	27,862	38,090
Loan from employee profit-sharing fund	(33,864)	(31,692)
Adjusted net debt	**1,440,708**	**2,019,119**

8.6 FINANCIAL ASSETS AND LIABILITIES

Initial recognition of financial assets and liabilities

Financial instruments are initially recognized in the statement of financial position at the fair value of consideration paid (for assets) or received (for liabilities). Fair value is determined on the basis of the price agreed upon for the transaction or market prices for comparable transactions. In the absence of a market price, fair value is calculated on the basis of the discounted cash flows from the transaction, or by using a model. Discounting is unnecessary if its impact is not material. Similarly, short-term receivables and liabilities arising in the normal operating cycle are not discounted.

Incremental costs that are directly attributable to transactions (costs, commissions, professional fees, taxes, etc.) are added to the amount initially recognized for assets and deducted from liabilities.

Fair value and carrying amount of financial assets and liabilities

The key measurement methods used are as follows:

- items recognized at fair value through profit or loss are measured based on market prices for listed instruments (level 1 of fair value – quoted prices in active markets);
- non-current derivative instruments are measured using a valuation technique based on interbank market rates (e.g., Euribor) (level 2 of fair value – derived from observable market data);
- loans and borrowings are recognized at amortized cost, calculated using the effective interest rate (EIR) method. The fair values shown for fixed-rate debt include the effects of interest rate movements, while those for total debt include changes in Group credit risk;
- given their very short maturities, the fair value of trade payables and receivables is deemed to be the same as their carrying amount.

	12/31/2015		Breakdown by category of financial instrument				
(In thousands of euros)	**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)	146	146		146			
Other non-current assets	6,270	6,270			6,270		0
Trade and other receivables	358,341	358,341			358,341		
Other current assets	12,780	12,780			10,727		2,053
Cash and cash equivalents	56,594	56,594	56,594				
FINANCIAL ASSETS	**434,130**	**434,130**	**56,594**	**146**	**375,337**	**0**	**2,053**
Loans and borrowings	1,267,386	1,275,587				1,267,386	
Other non-current liabilities	39,639	39,639			20,379		19,260
Trade and other payables	135,059	135,059			135,059		
Other liabilities	232,546	232,546			232,546		0
Bank overdrafts and portions of loans due in less than one year	235,919	241,561				235,919	
FINANCIAL LIABILITIES	**1,910,549**	**1,924,392**	**0**	**0**	**387,984**	**1,503,305**	**19,260**

(In thousands of euros)	12/31/2014 Carrying amount	Fair value	Breakdown by category of financial instrument 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)	168	168		168			
Other non-current assets	6,890	6,890			6,890		0
Trade and other receivables	327,863	327,863			327,863		
Other current assets	13,461	13,461			10,627		2,834
Cash and cash equivalents	59,255	59,255	59,255				
FINANCIAL ASSETS	**407,637**	**407,637**	**59,255**	**168**	**345,380**	**0**	**2,834**
Loans and borrowings	1,947,291	1,992,484				1,947,291	
Other non-current liabilities	34,373	34,373			8,950		25,423
Trade and other payables	139,718	139,718			139,718		
Other liabilities	234,836	234,836			234,836		0
Bank overdrafts and portions of loans due in less than one year	124,684	136,301				124,684	
FINANCIAL LIABILITIES	**2,480,902**	**2,537,712**	**0**	**0**	**383,504**	**2,071,976**	**25,423**

The table below shows the level at which each fair value is ranked in the fair value hierarchy:

(In thousands of euros)	12/31/2015 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Current asset derivatives (currency forward USD/EUR)	2,053		2,053	
ASSETS MEASURED AT FAIR VALUE	**2,053**	**0**	**2,053**	**0**
Non-current derivatives – liabilities (interest rate swap)	19,260		19,260	
LIABILITIES MEASURED AT FAIR VALUE	**19,260**	**0**	**19,260**	**0**
Notes 3%	780,800	780,800		
LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED	**780,800**	**780,800**	**0**	**0**

(In thousands of euros)	12/31/2014 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Current asset derivatives (currency forward USD/EUR)	2,834		2,834	
ASSETS MEASURED AT FAIR VALUE	**2,834**	**0**	**2,834**	**0**
Non-current derivatives – liabilities (interest rate swap)	25,423		25,423	
LIABILITIES MEASURED AT FAIR VALUE	**25,423**	**0**	**25,423**	**0**
Senior secured bonds 6%	469,845	469,845		
LIABILITIES FOR WHICH FAIR VALUE IS DISCLOSED	**469,845**	**469,845**	**0**	**0**

8.7 OTHER NON-CURRENT ASSETS AND LIABILITIES

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not listed on an active market. They are included in current assets, apart from those with maturity dates greater than 12 months after the reporting date, which are classified as non-current assets.

Put options over non-controlling interests are recognized as liabilities. Subsequent changes in the value of the put option strike price are recognized in the income statement under "Other income and expense," in accordance with IAS 39, paragraph AG8.

(In thousands of euros)	Note	12/31/2015	12/31/2014
Non-current asset derivatives	8.8	0	0
Loans and receivables		6,270	6,890
OTHER NON-CURRENT ASSETS		**6,270**	**6,890**
Non-current liability derivatives	8.8	19,260	25,423
Deferred consideration payable on acquisitions		19,602	5,982
Liability for put options over a non-controlling interest		125	1,830
Other non-current liabilities		777	2,968
OTHER NON-CURRENT LIABILITIES		**39,639**	**34,373**

8.8 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGES

Whether used for hedging purposes or not, derivative financial instruments are initially measured at fair value at inception and are subsequently remeasured at their fair value.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as:

- hedges of a particular risk associated with a recognized liability or a highly probable forecast transaction (cash flow hedge);
- hedges of the fair value of recognized assets or liabilities (fair value hedge);
- derivative instruments that do not meet hedge accounting criteria.

The impact of changes in fair value of derivative instruments in a fair value hedging relationship and derivative instruments not eligible for hedge accounting during the year is recorded in the income statement. However, the effective portion of changes in the fair value of derivative instruments in a cash flow hedging relationship is recognized in equity, with the ineffective portion being recognized in the income statement.

At the inception of the transaction, the Group documents the relationship between the hedging instruments and the hedged items, as well as its risk management objectives and hedging policy. At the inception of the hedge and on an ongoing basis, the Group also documents the effectiveness of derivatives in offsetting changes in fair value or cash flows of hedged items.

The fair value of a derivative hedging instrument is classified as a non-current asset or liability when the residual term of the hedged item is greater than 12 months, and as a current asset or liability when the residual term of the hedged item is less than 12 months. Derivative instruments held for trading are classified as current assets or liabilities.

Derivatives used in cash flow hedges

The effective portion of changes in the fair value of qualifying derivative instruments that are designated as cash flow hedges is recognized directly in equity. The gain or loss related to the ineffective portion is immediately recognized in the income statement. The cumulative gain or loss reported in equity is reclassified to the income statement when the hedged item affects net income.

When the transaction settlement results in the recognition of a non-financial asset (for example, a non-current asset or inventory), the hedge gain or loss, deferred as equity, is capitalized at the entry value of the hedged item on the reporting date (method known as basis adjustment).

When a hedging instrument expires or is sold, or when a hedge no longer meets hedge accounting criteria, any cumulative gain or loss in equity at that time remains in equity, and is reclassified to the income statement when the forecast transaction is recognized in income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognized in equity is immediately reclassified to the income statement.

Derivatives that do not qualify for hedge accounting

Changes in fair value during the year are recognized immediately in the income statement.

Interest rate derivatives

Interest rate derivatives are classified as other non-current assets and liabilities (see note 8.7 “Other non-current assets and liabilities”).

The Group uses interest rate swaps to convert part of its floating-rate debt into fixed-rate debt.

Interest rate derivatives are measured on the basis of market data at the reporting date (interest rate curve from which the zero coupon curve is deducted). Their fair value – level 2 – is calculated using the discounted cash flow model.

The table below details the impact of interest rate derivatives on the consolidated financial statements of Elis:

(In thousands of euros)	Principal	Fair values as at 12/31/2015	Changes in fair value during the reporting period	Impact on net financial expense[(a)]	Impact on equity
Interest rate swaps maturing in 2020 1.143%[(b)]	450,000	(19,203)	(2,225)	(6,283)	4,058
Other interest rate swap	909	(57)			
TOTAL NON-CURRENT DERIVATIVES – LIABILITIES		**(19,260)**			
TOTAL INTEREST-RATE DERIVATIVES ELIGIBLE FOR HEDGE ACCOUNTING		**(19,260)**	**(2,225)**	**(6,283)**	**4,058**

(a) Ineffective portion/impact of restructuring derivative instruments eligible for hedge accounting and change in fair value of other derivatives.
(b) Principal amount reduced to €450 million during the period, against a cash payment.

Currency derivatives

Forward currency purchases are classified as other current assets and liabilities (see note 4.7 "Other current assets and liabilities").

(In thousands of euros)	Nominal (in foreign currencies)	Fair values as at 12/31/2015	Changes in fair value during the reporting period	Impact on net financial expense	Impact on equity
Currency forward USD/EUR	50,000	2,053	(781)	(34)	(747)
TOTAL CURRENT DERIVATIVES – ASSET		**2,053**			
Currency forward USD/EUR					
TOTAL CURRENT DERIVATIVES – LIABILITIES		**0**			
TOTAL CURRENCY DERIVATIVES		**2,053**	**(781)**	**(34)**	**(747)**

(In thousands of euros)	Nominal (in foreign currencies)	Fair values as at 12/31/2014	Changes in fair value during the reporting period	Impact on net financial expense	Impact on equity
Currency forward USD/EUR	40,200	2,834	3,959	(19)	3,978
TOTAL CURRENT DERIVATIVES – ASSET		**2,834**			
Currency forward USD/EUR					
TOTAL CURRENT DERIVATIVES – LIABILITIES		**0**			
TOTAL CURRENCY DERIVATIVES		**2,834**	**3,959**	**(19)**	**3,978**

8.9 OFF-BALANCE SHEET COMMITMENTS RELATING TO GROUP FINANCING AND OTHER COMMITMENTS

(In thousands of euros)	12/31/2015	12/31/2014
Commitments given		
Assignment and pledge of receivables as collateral[(a)]		542,529
Pledges, mortgages and sureties		208
Pledges, endorsements and guarantees given	24,229	9,014
Other commitments given		
Commitments received		
Pledges, mortages and sureties		
Pledges, endorsements and guarantees received	9,694	12,745
Other commitments received		

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

Note 9 INCOME TAX EXPENSE

Current income tax

Income tax assets or liabilities due for the year or for previous years are measured at the amount expected to be collected or paid to the tax authorities. The tax rates and rules applied to calculate these amounts are the tax rates and rules enacted or substantively enacted at the end of the reporting period. Current tax on items directly recognized outside income or loss is recognized outside income or loss.

Deferred tax

Deferred taxes are recognized using the variable balance sheet liability method for all timing differences between the tax basis of assets and liabilities shown in the consolidated statement of financial position and their tax base as at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- when the deferred tax liability is the result of the initial recognition of goodwill or initial recognition of an asset or liability in a transaction other than a business combination and which, at the time of occurrence, neither affects the accounting income nor the taxable income or loss; and
- for taxable temporary differences related to investments in subsidiaries or associates, when the date on which the temporary difference will be reversed can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, tax loss carryforwards and unused tax credits, to the extent that it is probable that taxable income will be available against which the deductible temporary differences, tax loss carryforwards and unused tax credits can be utilized:

- except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither the accounting income nor taxable income or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are measured at the end of each reporting period and are recognized insofar as it is probable that future taxable income will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the year in which the asset is realized or the liability settled, based on the tax rates (and tax rules) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax on items directly recognized outside income or loss is recognized outside income or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and the deferred taxes relate to the same taxable entity and the same tax authority.

(In thousands of euros)	2015	2014
Consolidated net income (loss)	(57,138)	(21,888)
Equity-accounted companies	0	0
Current taxes	16,255	24,107
Deferred taxes	(16,691)	(11,089)
Pre-tax incom	(57,573)	(8,870)
Theoretical tax rate	34.43%	34.43%
THEORETICAL TAX EXPENSE	**(19,822)**	**(3,054)**
ACTUAL TAX EXPENSE	**(435)**	**13,018**
Effect of tax not not based on net income[a]	10,199	9,730
DIFFERENCE	**(9,188)**	**(6,342)**
Breakdown of difference		
Tax rate differences and transactions taxed at reduced rates	2,275	1,363
Permanent differences (incluning nondeductible interests)	(15,101)	(12,630)
Unrecognized tax loss carriyforwards	(1,082)	(4,086)
Utilization of previously unrecognized tax losses	426	96
Goodwill impairment	(5,018)	0
Other (deductible CVAE, nontaxable CICE…)	9,312	8,916

(a) CVAE in France, IRAP in Italy.

The following table shows the sources of deferred tax assets and liabilities:

(In thousands of euros)	12/31/2014 net	Changes in consolidation scope	Reclassification as current	Income	Recognized directly in equity	12/31/2015 net
Intangible assets	(117,094)	(2,454)	0	6,381	(97)	(113,264)
Property, plant and equipment	(106,712)	(766)	0	(6,540)	(421)	(114,439)
Other assets	742	89	0	248	0	1,079
Derivative instruments – assets	(976)	0	0	0	269	(707)
Provisions	9,536	0	0	(757)	(1,081)	7,698
Retirement benefit liabilities	12,101	7	0	167	1,123	13,398
Interest-bearing loans and borrowings	(13,114)	717	0	3,411		(8,986)
Derivative instruments – liabilities	8,957	14	0	(936)	(1,409)	6,626
Other current liabilities	4,916	45	0	(2,788)		2,173
Other	(39)	0	0	68		29
Unused tax losses and credits/ Consolidated recognized tax losses	16,354	96	0	17,438	2,492	36,380
NET DEFERRED TAX ASSETS (LIABILITIES)	**(185,328)**	**(2,252)**	**0**	**16,692**	**876**	**(170,012)**
Deferred tax assets	**12,450**					**12,118**
Deferred tax liabilities	**(197,777)**					**(182,131)**

Deferred tax assets are recognized for tax loss carryforwards when it is probable that they can be utilized against future taxable profit.

As at December 31, 2015, the Group had tax losses of €37.2 million (base) for which no deferred tax assets had been recognized. The majority of these tax losses, which are almost all related to foreign subsidiaries, have no expiration date.

Note 10 STOCKHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 SHARE CAPITAL AND RESERVES

Changes in share capital

Number of shares as at December 31, 2014	**49,761,041**
Number of shares as at December 31, 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	148,147
Shares reserved for issue under options and sales agreements	-

On February 10, 2015, prior to the initial public offering, the following capital transactions were carried out:

- share capital increase amounting to €19,398 thousand resulting from the exercise of warrants by Quasarelis SAS and Eurazeo (€14,700 thousand and €4,698 thousand respectively). As at December 31, 2015 there were no exercisable warrants outstanding;
- share capital increase amounting to €16,319 thousand through the issue of 1,631,863 new shares as consideration for the contribution granted to Elis in connection with the merger by absorbtion of Quasarelis SAS under the terms of a draft merger agreement dated December 22, 2014. The merger premium amounted to €4,864 thousand. The capital increase was followed by a capital reduction in an amount of €16,354 thousand by cancellation of €1,635,406 Elis treasury shares as a consequence of the merger. The difference between the carrying amount of the Elis shares in Quasarelis SAS's accounting records and their par value, *i.e.* the sum of €3,463 thousand, was deducted from the merger premium;
- share capital increase subscribed in cash in an amount of €84,627 thousand through the issue of 8,462,715 new shares with a par value of €10 each, issued at the subscription price of €13 per share, *i.e.*, additional paid-in capital of €3 per share representing total additional paid-in capital of €25,388 thousand. The share capital increase was fully subscribed by Legendre Holding 27, which paid up the amount of its subscription by offsetting the receivable held on the Company through the shareholder loan that was therefore fully capitalized.

As part of the Company's initial public offering, share capital was increased by €538,462 thousand through the issue of 53,846,153 new shares with a par value of €10 each, issued at a subscription price of €13 per share, *i.e.* additional paid-in capital of €3 per share, representing total additional paid-in capital of €161,538 thousand (before recognition of issue costs net of income tax benefit amounting to €10,002 thousand).

On April 13, 2015, the Group also implemented a liquidity agreement consistent with the Code of Conduct issued by the French Financial Market Professional Association (*Association française des marchés financiers* – AMAFI) on March 8, 2011 and approved by the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on March 21, 2011. Resources allocated to the implementation of the liquidity agreement and credited to the liquidity account amounted to €3,000 thousand. As at December 31, 2015, treasury shares accounted for 148,147 shares valued at €2,150 thousand based on the historic share price, deducted from equity.

10.2 DIVIDENDS AND DISTRIBUTIONS PAID AND PROPOSED

The general meeting of June 24, 2015 approved the payment of a dividend in the amount of €0.35 per share. The total amount paid to shareholders therefore was €39,881 thousand.

A dividend of €0.35 per share or approximately €39.9 million will be proposed to the next annual general meeting.

10.3 EARNINGS PER SHARE

As disclosed in note 10.1 "Share capital and reserves". As a result, the calculation of earnings per share (basic and diluted) for the relevant period is based on the new number of shares. Earnings per share for the prior periods have been adjusted retrospectively.

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing net income or loss attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

(In thousands of euros)	2015	2014
NET INCOME OR LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT	**(57,613)**	**(22,731)**
Weighted average number of shares	106,461,658	49,451,609

Diluted earnings per share

Diluted earnings per share (DEPS) is calculated by dividing net income or loss for the period attributable to owners of the parent (adjusted for dividends, interest recognized during the period and any other change in income or expense resulting from the conversion of potentially dilutive ordinary shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares.

The calculation of diluted earnings per share does not assume the conversion, exercise or issue of potential ordinary shares that would have an accretive impact on earnings per share (*i.e.*, that does not increase the loss per share).

Note 11 RELATED PARTY DISCLOSURES

The main transactions undertaken during the 2015 fiscal year were with 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)		

Under the agreement between Elis, Eurazeo and the banks responsible for the investment with respect to the Company's initial public offering, Elis and Eurazeo paid amounts of €11.9 million and €2.6 million respectively.

Subsidiaries and consolidated companies

The consolidated financial statements include the financial statements of Elis as well as the following subsidiaries:

Company name	Registered office	Principal activity	% interest 2015	% interest 2014
Elis	Puteaux	Parent company	100	100
FRANCE				
M.A.J.	Pantin	Textile & hygiene services	100	100
Les Lavandières	Avrillé	Textile & hygiene services	100	100
Régionale de location et services textiles	Marcq-en-Baroeul	Textile & hygiene services	100	100
Pierrette – T.B.A.	Malzeville	Textile & hygiene services	100	100
Le Jacquard Français	Gerardmer	Manufacturing entity	100	100
Elis Services	Puteaux	Other activity	100	100
Thimeau	Meaux	Textile & hygiene services	100	100
Grenelle Service	Gennevilliers	Textile & hygiene services	100	100
Maison de Blanc Berrogain	Anglet	Textile & hygiene services	100	100
Société des Oreillers et Couvertures	Puteaux	Other activity	100	100
Pro Services Environnement	Rochetoirin	Textile & hygiene services	100	100
Blanchisserie Poulard	Nanterre	Textile & hygiene services	-	Merger
Poulard 1836	Nanterre	Dormant	Merger	100
AD3	Dardilly	Textile & hygiene services	100	100
Novalis	Puteaux	Other activity	Merger	100
S.C.I. Château de Janville	Puteaux	Other activity	100	100
Lovetra	St Ouen-l'Aumône	Textile & hygiene services	100	100
G.I.E. Eurocall Partners	Villeurbanne	Other activity	100	100
Blanchisserie Moderne	Montlouis-sur-Loire	Textile & hygiene services	96	96
S.C.I. La Forge	Bondoufle	Other activity	100	100
Société de Participations Commerciales et Industrielles	St-Ouen-l'Aumône	Other activity	100	100
S.C.I. 2 Sapins	Grenoble	Other activity	100	100
SHF Holding	Puteaux	Other activity	100	100
SHF	Puteaux	Textile & hygiene services	100	100
Pole Services	Puteaux	Textile & hygiene services	-	Merger
Sud-Ouest Hygiène Services	Puteaux	Textile & hygiene services	Merger	100
Collectivités Service	Puteaux	Textile & hygiene services	-	Merger
Districlean Service	Puteaux	Textile & hygiene services	Merger	100
France Tapis Hygiène Service	Marcq-en-Baroeul	Textile & hygiene services	100	100
Blanchisserie Professionnelle d'Aquitaine	Mios	Textile & hygiene services	96	-
Aquitaine Services Developpement	Mios	Other activity	100	-
Hygiène Contrôle Île-de-France	Serris	Textile & hygiene services	100	-
Quasarelis	Puteaux	Other activity	Merger	-

Company name	Registered office	Principal activity	% interest 2015	% interest 2014
GERMANY				
Cleantex Potsdam Textilpflege GmbH	Potsdam	Textile & hygiene services	100	100
Elis Holding GmbH	Rehburg-Loccum	Other activity	100	100
Elis Textil-Service GmbH	Mörlenbach	Textile & hygiene services	100	100
RWV Textilservice Beteiligungs GmbH	Rehburg-Loccum	Other activity	100	100
Schäfer Wäsche-Vollservice GmbH	Ibbenbüren	Textile & hygiene services	100	100
Rolf und Horst Schäfer GmbH & Co. KG	Ibbenbüren	Other activity	100	100
Wolfsperger Textilservice GmbH & Co. KG	Freiburg im Breisgau	Textile & hygiene services	100	100
Wolfsperger Verwaltungs GmbH	Freiburg im Breisgau	Other activity	100	100
Kress Textilpflege GmbH	München-Trudering	Textile & hygiene services	100	-
Zischka Textilpflege GmbH	Ochtendung	Textile & hygiene services	100	-
ANDORRA				
Auxiliar Hotelera Arly	Andorre	Textile & hygiene services	100	100
Arly les Valls (en liquidation)	Andorre	Dormant	100	100
BELGIUM				
Hades	Anderlecht	Textile & hygiene services	100	100
BRAZIL				
Atmo Holding SA	Jundiai	Other activity	-	Merger
Atmosfera Gestao e Higienização de Têxteis Ltda	Jundiai	Textile & hygiene services	100	100
Elis Brasil, Serviços e Higienização de Têxteis Ltda	Jundiai	Textile & hygiene services	-	Merger
SC Lavanderia Ltda	Sete Lagoas	Textile & hygiene services	Merger	100
L'Acqua Lavanderias Ltda	Ponta Grossa	Textile & hygiene services	100	100
AJS Industria e Comercio de Confeccoes Ltda	Eusébio	Other activity	100	-
Teclav Tecnologia e Lavagem Industrial Ltda	Eusébio	Textile & hygiene services	100	-
Lavanderia Verde Ltda	Caieiras	Other activity	100	-
Martins e Lococo Lavanderia Ltda	Caieiras	Textile & hygiene services	100	-
Reis & Nóbrega Lavanderia Ltda	Fortaleza	Textile & hygiene services	100	-
MPW Lavanderia, Comércio e Serviços Ltda	Piracicaba	Textile & hygiene services	100	-
Lavanderia Espírito Santo Norte Ltda	Serra	Textile & hygiene services	100	-
Megalav Lavanderia Hospitalar Ltda	Serra	Textile & hygiene services	100	-
CHILE				
Elis Chile SA	Santiago	Other activity	100	-
Albia SA	Recoleta	Textile & hygiene services	100	-
Servicios Hospitalarios SA	Recoleta	Textile & hygiene services	100	-
SPAIN				
Azelab Productos	Parets del Vallès (Barcelona)	Textile & hygiene services	100	100
Elis Manomatic	Parets del Vallès (Barcelona)	Textile & hygiene services	100	100
Explotadora de Lavanderias	Consell (Mallorca)	Textile & hygiene services	100	100
Lavanderia Hotelera Del Mediterraneo	La Nucia (Alicante)	Textile & hygiene services	100	-
Lavalia Balears Servicios y Renting Textil	La Nucia (Alicante)	Textile & hygiene services	100	-
Lavalia Sur Servicios y Renting Textil	La Nucia (Alicante)	Dormant	100	-
Lavalia c. e. e.	La Nucia (Alicante)	Dormant	100	-

Company name	Registered office	Principal activity	% interest 2015	% interest 2014
ITALY				
Elis Italia S.p.A.	San Giuliano Milanese	Textile & hygiene services	100	100
LUXEMBOURG				
Elis Luxembourg	Bascharage	Textile & hygiene services	100	100
PORTUGAL				
Gafides	Samora Correira	Other activity	100	100
Sociedade Portuguesa de Aluguer e Serviço de Texteis	Samora Correira	Textile & hygiene services	100	100
SPAST II	Samora Correira	Textile & hygiene services	100	100
CZECH REPUBLIC				
SNDI S.R.O.	Slavkov ù Brna	Textile & hygiene services	100	100
UNITED KINGDOM				
Kennedy Hygiene Products Ltd	Uckfield	Manufacturing entity	100	100
Kennedy Exports Ltd	Uckfield	Other activity	100	100
SWITZERLAND				
Blanchâtel SA	La Chaux-de-Fonds	Textile & hygiene services	100	100
Blanchival SA	Sion	Textile & hygiene services	100	100
Blanchisserie des Epinettes SA	Plan-les-Ouates	Textile & hygiene services	100	100
Blanchisserie des Epinettes, Acacias SA	Nyon	Other activity	100	100
Großwäscherei Domeisen AG	Endingen	Textile & hygiene services	100	75
Hedena SA	Nyon	Other activity	100	100
InoTex Bern AG	Berne	Textile & hygiene services	84	84
Wäscheria Textil Service Bad Ragaz AG	Bad Ragaz	Textile & hygiene services	84	-
Wäscheria Textil Service AG	Ilanz	Textile & hygiene services	84	-
WashTex Holding AG	Berne	Other activity	84	-
Laventex SA	Givisiez	Textile & hygiene services	100	100
Lavopital SA	Plan-les-Ouates	Dormant	100	100
Lavotel SA	Nyon	Textile & hygiene services	100	100
Lavotel Textilleasing GmbH	Rüdtligen-Alchenflüh	Textile & hygiene services	100	100
Picsou Management AG	Muri Bei Bern	Other activity	51	51
Prohotel Wäscherei AG	Kloten	Textile & hygiene services	100	-
SiRo Holding AG	Muri Bei Bern	Other activity	51	51
SNDI (Suisse) SA	Brügg	Textile & hygiene services	100	100
Wäscherei Kunz AG	Hochdorf	Textile & hygiene services	100	100
Wäscherei Papritz AG	Rüdtligen-Alchenflüh	Textile & hygiene services	100	100

Note 12 EVENTS AFTER THE REPORTING PERIOD

No events have occurred since the consolidated financial statements were prepared as at December 31, 2015 that are likely to have a material impact on the financial position of the Elis Group at the reporting date.

6.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31,2015

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Elis SA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in note 1.4 "Changes in accounting policies and restatement of prior-year financial information" to the consolidated financial statements regarding the change in accounting method related to the application of IFRIC 21.

II JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Impairment tests for intangible assets with indefinite useful lives

We assessed the methods used by the Company to measure goodwill and intangible assets with indefinite useful lives, as described in note 1.3 "Critical accounting estimates and judgments – The recoverable amount of goodwill and intangible assets with indefinite useful lives" to the consolidated financial statements. Our work consisted in assessing the data and assumptions on which these estimates and the methods used to determine recoverable amounts are based, and reviewing the calculations made by the Company. We ensured that these estimates were reasonable and verified that note 1.3, note 6.1 "Goodwill", note 6.2 "Intangible assets – Brands" and note 6.5 "Impairment losses on non-current assets" provide appropriate disclosure.

Pension obligations

Note 1.3 "Critical accounting estimates and judgments – Employee benefit liabilities" to the consolidated financial statements sets out the valuation methods used for pension and other employee benefit obligations. Our work consisted in examining the data and assumptions used, reviewing the calculations made and verifying that note 5.3 "Employee benefit liabilities" provides appropriate disclosure.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

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

Neuilly-sur-Seine and Courbevoie, March 10, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bruno Tesnière	Isabelle Massa

6.3 ELIS PARENT COMPANY FINANCIAL STATEMENTS

6.3.1 STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

Assets

(In thousands of euros)	Gross	Accum. depr./ amort. & impairm. losses	Net 12/31/2015	Net 12/31/2014
Subscribed capital uncalled				
Intangible assets				
Start-up costs				
Development costs				
Concessions, patents and other rights				
Business goodwill	1,365,291		1,365,291	
Other intangible assets				1,927
Advances and prepayments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Fittings, machinery and equipment				
Other property, plant and equipment	20	20		
Assets in progress				
Advances and prepayments				
Financial assets				
Equity-accounted companies				
Other equity investments	1,121,177	1,217	1,119,960	1,205,375
Loans and advances to equity investees	89,627		89,627	
Other investments	111		111	
Loans				
Other financial assets	2,962		2,962	
TOTAL NON-CURRENT ASSETS	**2,579,188**	**1,237**	**2,577,951**	**1,207,302**
Inventories and work in progress				
Raw materials and supplies				
Goods in progress				
Services in progress				
Finished and semi-finished goods				
Goods purchased for resale				
Advances and prepayments on orders				
Receivables				
Trade receivables	595		595	333
Other receivables	179,044		179,044	33,840
Subscribed capital called but not paid				
Other current assets				
Marketable securities				
(Of which treasury shares):				
Cash and cash equivalents	0		0	8
Accruals				
Prepaid expenses	309		309	2,178
TOTAL CURRENT ASSETS	**179,948**		**179,948**	**36,359**
Deferred debt issuance costs				
Bond discounts				
Unrealized foreign currency translation losses				
TOTAL ASSETS	**2,759,136**	**1,237**	**2,757,899**	**1,243,661**

Equity and liabilities

(In thousands of euros)	2015	2014
Issued capital (o/w paid-up: 1,140,062)	1,140,062	497,610
Additional paid-in capital	320,776	175,853
Remeasurement adjustments (o/w for equity-accounted companies:)		
Legal reserve	724	724
Regulatory or contractual reserves		
Regulated reserves (including translation reserve:)		
Other reserves (o/w purchases of original works of art:)		6,500
Retained earnings	(52,437)	(42,825)
Net income (loss) for the period	**(54,840)**	**(9,632)**
Investment grants		
Regulated provisions		11,289
TOTAL EQUITY	**1,354,285**	**639,518**
Proceeds from issuance of profit-sharing loans		
Conditional advances		
TOTAL QUASI-EQUITY		
Provisions for risks	0	0
Provisions for expenses	24	114
TOTAL PROVISIONS	**25**	**114**
Financial liabilities		
Convertible bonds		
Other bonds	804,133	586,571
Bank loans	393,601	
Sundry loans & other borrowings (o/w profit-sharing:)	169,500	
Advances and deposits on orders in progress		
Operating liabilities		
Trade payables	1,239	2,849
Tax and employee-related liabilities	1,468	1,303
Sundry liabilities		
Amounts due to suppliers of non-current assets		
Other liabilities	33,648	13,305
Accruals		
Deferred income		
TOTAL LIABILITIES	**1,403,589**	**604,029**
Unrealized foreign currency translation gains		
TOTAL EQUITY AND LIABILITIES	**2,757,899**	**1,243,661**

6.3.2 INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	2015			
(In thousands of euros)	France	Exports	Total	2014
Sale of goods purchased for resale				
Sales of goods				
Sales of services	1,115		1,115	1,500
Revenue	**1,115**		**1,115**	**1,500**
Production inventoried				
Production capitalized				
Operating grants				
Reinvoiced expenses, reversals of prov. & accum. depr./amort. & impairm.			3,433	637
Other income				
Recurring operating income			**4,548**	**2,137**
Purchases of goods for resale (including customs duties)				
Change in inventories – goods purchased for resale				
Purchases of raw materials and supplies			4	3
Change in inventories – raw materials and supplies				
Other purchases and external expenses			2,958	1,810
Taxes and duties			83	342
Salaries and wages			4,382	1,573
Social security contributions			957	558
Depreciation, amortization, impairment and provisions:				
Non-current assets: depreciation and amortization expense				
Non-current assets: impairment losses				
Current assets: impairment losses				
Additions to provisions			0	4
Other expenses			473	243
Recurring operating expenses			**8,857**	**4,533**
OPERATING INCOME (LOSS)			**(4,309)**	**(2,396)**
Joint operations				
Net income transferred in or net loss transferred out				
Net loss transferred in or net income transferred out				
Financial income			**3,410**	**247**
Financial earnings from equity investments				
Income from other securities and long-term loans and receivables				
Other interest income			3,361	247
Reinvoiced expenses and reversals of provisions			47	
Foreign currency translation adjustments – positive amounts			1	0
Net gain on disposals of marketable securities				
Financial expenses			**81,023**	**52,092**
Amortization and provisions on financial assets				
Interest expense			81,020	52,091
Foreign currency translation adjustments – negative amounts			2	0

(In thousands of euros)	2015 France	Exports	Total	2014
Net (loss) on disposals of marketable securities				
NET FINANCIAL EXPENSE			**(77,613)**	**(51,845)**
NET RECURRING INCOME (LOSS) BEFORE TAX			**(81,922)**	**(54,240)**
Non-recurring income			**11,731**	**12**
Non-recurring income from management transactions			132	
Non-recurring income from capital transactions			310	1
Reinvoiced expenses and reversals of provisions			11,289	11
Non-recurring expenses			**9,348**	**1,130**
Non-recurring expenses on management transactions			8,992	1,130
Non-recurring expenses on capital transactions			348	
Non-recurring depreciation, amortization and provisions			8	
NET NON-RECURRING INCOME (LOSS)			**2,383**	**(1,118)**
Employee profit-sharing				
Income tax expense			(24,698)	(45,726)
Total income			**19,689**	**2,396**
Total expenses			**74,529**	**12,028**
NET INCOME (LOSS)			**(54,840)**	**(9,632)**

6.3.3 NOTES TO ELIS PARENT COMPANY FINANCIAL STATEMENTS

Note 1 COMPANY'S BUSINESS AND SIGNIFICANT EVENTS OF THE YEAR

1.1 COMPANY'S BUSINESS

Business activity of holding companies.

1.2 SIGNIFICANT EVENTS OF THE YEAR

Elis parent company financial statements cover the 12-month period from January 1, 2015 to December 31, 2015 and show a net loss of -€54,840 thousand.

Elis finalized its initial public offering on the regulated market of Euronext Paris on February 11, 2015.

On February 10, 2015, prior to its initial public offering, Elis absorbed Quasarelis SAS in a merger transaction effective retroactively to January 1, 2015, under the terms and conditions of a draft merger agreement dated December 22, 2014.

As part of the initial public offering, Elis raised €700 million by way of a new share capital increase.

Incurred costs have been determined to be:

- costs attributable to the issue of new shares in an amount of €15,254 thousand including €11,897 thousand paid to financial intermediaries and recognized directly as a deduction from equity of €10,002 thousand net of related income tax benefit;
- costs of initial public offering (IPO) recorded as "Non-recurring expenses", with non-recurring consideration of €3,048 thousand paid in connection with the IPO, for a total amount of €9,992 thousand as described in note 6.6 to Elis parent company financial statements.

Net proceeds from the new share issue were used as follows:

- €92 million to redeem the PIK Proceeds Loan corresponding to (i) 40% of the nominal amount of the Private PIK Notes (plus capitalized interest), plus (ii) accrued interest on the amount redeemed, and (iii) the amount of penalties payable in respect of that redemption, applying the interest rate applicable to the Private PIK Notes; An additional capital increase was carried out by capitalizing a receivable in order to redeem the residual balance of the PIK Proceeds Loan;
- €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 finance the repayment of part of the Senior Credit Facilities Agreement by Novalis and M.A.J., the remaining amount being repaid with the credit facilities granted under the new Senior Term and Revolving Facilities Agreement.

On April 28, 2015, the Elis Group finalized the refinancing of its debt by issuing €800 million in 2022 Bonds through its subsidiary Novalis, wholly owned by Elis until its merger. The 2022 Bonds, listed for trading on the Irish Stock Exchange (Global Exchange Market), will pay a coupon of 3.000%. This issue was allocated to:

- the redemption by Elis of the remaining 60% of the principal amount in respect of the Senior Subordinated Notes in an amount of €262 million plus interest accrued on the redeemed amount and early redemption compensation;
- the financing of the redemption of the Senior Secured Notes, initially issued by Novalis, in an amount of €477 million corresponding to the nominal value plus (i) interest accrued on the redeemed amount and (ii) the amount of early redemption penalties calculated by applying the interest rate applicable to the amount of Senior Secured Notes redeemed.

Lastly, given that Elis merged with its subsidiary Novalis on July 9, 2015 through a transfer of all assets and liabilities, and that this transaction had no retroactive impact, it is difficult to compare the two financial years presented in the income statement.

On April 13, 2015, the Company also implemented a liquidity agreement consistent with the Code of Conduct issued by the French Financial Market Professional Association (*Association française des marchés financiers* – AMAFI) on March 8, 2011 and approved by the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on March 21, 2011. Resources allocated to the implementation of the liquidity agreement and credited to the liquidity account amounted to €3,000 thousand.

Lastly, in September 2015, the Group launched a commercial paper program with a maximum amount of €400 million, governed by Articles D. 213-9 II, paragraph 1 and 213-11 of the French Monetary and Financial Code and Article 1 of the amended Decree of February 13, 1992 and subsequent regulations. The program supplements bank-related financing and gives Elis access to short-term funding on favorable terms.

Note 2 EVENTS AFTER THE REPORTING PERIOD

No events have occurred since the financial statements were prepared as at December 31, 2015 that are likely to have a material impact on the financial position of the Company at the reporting date.

Note 3 SIGNIFICANT ACCOUNTING POLICIES

Generally accepted accounting principles have been applied, including the principle of prudence, in accordance with the following basic assumptions: going concern, consistency of accounting methods from one financial year to the next, independence of financial years (accrual basis), in accordance with the general rules governing the preparation and presentation of annual financial statements defined by the French General Chart of Accounts.

The basic method used to measure the items recognized in the financial statements is the historical cost method.

Changes in measurement method

There were no notable changes in measurement method during the year.

Changes in presentation method

There were no notable changes in presentation method during the year.

The main accounting policies applied are as follows:

3.1 NON-CURRENT ASSETS

Property, plant and equipment and intangible assets

Business goodwill of €1,365,291 thousand corresponds to the merger loss generated during the transfer of Novalis's assets and liabilities to Elis on July 9, 2015. This merger loss has been fully allocated off the balance sheet to equity investments. The merger loss is tested for impairment on an annual basis. As it is not possible to determine the current value of the merger loss taken individually, it is grouped together with equity investments for the purposes of the impairment test. An impairment loss is recognized whenever the cumulated present value of the merger loss and equity securities is less than their carrying amount as at the reporting date.

Financial assets

Equity investments and other securities

Their gross amount has been the acquisition cost, including any ancillary costs, since the first application of Opinion no. 2007-C issued on June 15, 2007 by the Urgent Issues Committee of the French National Accounting Board (CNC). Prior to this Opinion, transfer taxes, fees and commissions, and cost of deeds were recognized in expenses for the year. An accelerated amortization over five years is then applied to these costs.

When the value in use is less than the gross amount, an impairment loss is recognized for the difference. The value in use is estimated based on the share of the net assets held by the Company at the end of the last known financial year, with the significant items of property, plant and equipment and intangible assets being remeasured.

Liquidity agreement

The transactions related to the Company's liquidity agreement signed with an investment services provider (see the section on significant events of the year) are recognized in accordance with the CNC Urgent Issues Committee Opinion no. 98-D and with Bulletin no. 137 issued in March 2005 by the French Institute of Statutory Auditors (CNCC):

- treasury shares are recognized in "Other financial assets – treasury shares". An impairment loss is recorded if the average share price in the last month of the financial year is less than the purchase price. The first-in-first-out (FIFO) method is used to determine gains and losses on disposals;
- cash paid to the intermediary and not yet used is recognized in the financial statements under "Other financial assets – other long-term receivables".

3.2 RECEIVABLES AND LIABILITIES

Receivables are recorded at their face value.

An impairment loss is recognized when the recoverable amount is less than the carrying amount.

3.3 MARKETABLE SECURITIES

Marketable securities are stated in the statement of financial position at their purchase price. If their expected trading value at the end of the financial year is less than their purchase price, an impairment loss is recognized for the difference.

3.4 TRANSLATION OF TRANSACTIONS IN FOREIGN CURRENCIES

Income and expenses denominated in foreign currencies are recorded at their transaction-date equivalent amount.

Where applicable liabilities, receivables, cash and cash equivalents denominated in foreign currencies are converted and accounted for on the statement of financial position based on the latest known quoted price on the reporting date.

Resulting differences are recognized on the statement of financial position under "Foreign currency translation adjustments".

The amount of unrealized foreign currency translation losses not offset by foreign exchange risk hedge is recorded under "Provisions for risks".

3.5 REGULATED PROVISIONS

Regulated provisions are reported under "Equity" on the statement of financial position and are detailed in note 5.5 "Provisions". They are fiscal items corresponding to the provision for accelerated depreciation and amortization calculated according to the French tax regulations, in particular the accelerated amortization of transaction costs related to purchases of securities.

The additions to or reversals of accumulated accelerated depreciation and amortization are recognized in net non-recurring income.

3.6 EMPLOYEE BENEFIT LIABILITIES

Provisions for employee retirement benefits are calculated and recognized in accordance with Method 2 of Recommendation no. 2013-02 issued on November 7, 2013 by the French Accounting Standards Authority (ANC). Changes in retirement benefit obligations resulting from changes in actuarial assumptions or retirement plans occurring during the year are recognized directly in net non-recurring income: the provisions recorded as at the reporting date are thus equal to the actuarial obligation determined in accordance with Revised IAS 19.

Additional provisions are recorded for long-service award obligations, calculated in accordance with the Company's internal procedures on the basis of statistical and discounting assumptions. Changes in these provisions during the year are immediately and collectively recognized in income.

Note 4 NOTES TO THE STATEMENT OF FINANCIAL POSITION – ASSETS

4.1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

ACQUISITIONS AND DISPOSALS FOR THE YEAR

(In thousands of euros)	12/31/2014	Acquisitions	Reclassifications and corrections +/-	Disposals	12/31/2015
Set-up and development costs					
Other intangible assets	1,927	1,365,291	1,927		1,365,291
TOTAL INTANGIBLE ASSETS	**1,927**	**1,365,291**	**1,927**	**0**	**1,365,291**
Land					
Buildings on own land					
Buildings on leased land					
Building fixtures and fittings					
General installations and fittings					
Technical installations, machinery and equipment					
Transportation equipment	20				20
Office and computer equipment, and furniture					
Recyclable and other packaging					
TOTAL PROPERTY, PLANT AND EQUIPMENT	**20**	**0**	**0**	**0**	**20**
Property, plant and equipment in progress					
TOTAL AMOUNTS DUE TO SUPPLIERS OF PP&E	**0**	**0**	**0**	**0**	**0**
Prepayments					
TOTAL	**1,947**	**1,365,291**	**1,927**	**0**	**1,365,311**

As at December 31, 2014, other intangible assets corresponded to capital increase costs incurred prior to the Company's initial public offering.

NOTES TO NON-CURRENT ASSETS

The Company's business goodwill is as follows:

(In thousands of euros)	Tax basis	Gross amount	Accumulated impairment losses	Net amount – 12/31/2015
Merger loss following the transfer of Novalis's on July 9, 2015, fully allocated to equity investments		1,365,291		1,365,291
TOTAL				

ACCUMULATED DEPRECIATION/AMORTIZATION

(In thousands of euros)	12/31/2014	Additions	Decreases or reversals	12/31/2015
Set-up and development costs				
Other intangible assets				
TOTAL DEPRECIATION/AMORTIZATION – INTANGIBLE ASSETS	**0**	**0**	**0**	**0**
Land				
Buildings				
General installations and fittings				
Technical installations, machinery and equipment				
Transportation equipment	20			20
Office and computer equipment, and furniture				
Recyclable and other packaging				
TOTAL DEPRECIATION/AMORTIZATION – PP&E	**20**		**0**	**20**
TOTAL	**20**		**0**	**20**

4.2 FINANCIAL ASSETS

Movements for the year:

(In thousands of euros)	Gross amount – 12/31/2014	Acquisitions and reclassifications/ contributions	Disposals and reclassifications	Gross amount – 12/31/2015	Accumulated impairment losses	Net amount – 12/31/2015
Equity-accounted companies						
Other equity investments	1,205,375	1,210,804	1,205,375	1,210,804	1,217	1,209,587
Other investments		111		111		111
Loans and other financial assets		14,480	11,518	2,962		2,962
TOTAL	**1,205,375**	**1,225,395**	**1,216,893**	**1,213,877**	**1,217**	**1,212,660**

Following the transfer of Novalis's assets and liabilities during the year, its shares were canceled and replaced by shares of the M.A.J. and S.P.C.I. contributed as part of the transaction.

As at December 31, 2015, treasury shares amounted to 148,147 shares, *i.e.* €2,150 thousand.

4.3 ACCUMULATED IMPAIRMENT LOSSES OF NON-CURRENT ASSETS

(In thousands of euros)	12/31/2014	Additions/ contributions	Reversals	12/31/2015
Accumulated impairment losses – intangible assets				
Accumulated impairment losses – PP&E				
Accumulated impairment losses – equity-accounted companies				
Accumulated impairment losses – equity investments		1,264	47	1,217
Accumulated impairment losses – other financial assets				
TOTAL	**0**	**1,264**	**47**	**1,217**

4.4 LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS

(In thousands of euros)	Share capital	Equity, excluding share capital and retained earnings	Percent of ownership *(in %)*	Carrying amount of shares held		Loans and advances granted by the Company	Deposits and endorse-ments given by the Company	2015 Revenue	2015 Net in-come (loss)	Dividends received by the Company in 2015
				Gross	Net					
A. Detailed information about equity investments whose carrying amount exceeds 1% of the Company's share capital										
1. Subsidiaries – ownership of more than 50%										
M.A.J. – Pantin (93) – 775 733 835	142,515	351,312	100.00	1,091,055	1,091,055	236,470	216,000	564,297	31,800	0
SOCIÉTÉ DE PARTICIPATIONS COMMERCIALES ET INDUSTRIELLES – Saint-Ouen l'Aumône (95) – 409 900 149	28,684	2,609	100.00	28,682	28,682			0	(98)	0
2. Equity investment – ownership of between 10% and 50%										
B. General information about other investments										
1. Subsidiaries (not included in Section A above)										
a. French subsidiaries (total)										
b. Foreign subsidiaries (total)										
2. Investments (not included in Section A above)										
a. In French companies (total)										
b. In foreign companies (total)				1,441	223					
TOTAL EQUITY INVESTMENTS TO STATEMENT OF FINANCIAL POSITION				**1,121,178**	**1,119,960**					

4.5 TRANSACTIONS WITH AFFILIATES AND INVESTEES

(In thousands of euros)	2015	2014
Equity investments	1,121,177	1,205,375
Loans and advances to equity investees (intra-group loan)	89,627	
Trade receivables	595	333
Other receivables (current tax consolidation account)		
Other receivables (current financial account)	148,717	18,298
Sundry loans and other borrowings (current financial account)		
Trade payables	103	9
Other liabilities (due from clients)	787	
Other liabilities (current tax consolidation account)	32,861	13,305
Income from equity investments		
Other financial income	3,354	247
Financial expenses	17,919	21,269

Following the transfer of Novalis's assets and liabilities (TAL) during the year, the existing intra-group loan and the current financial account agreement between Novalis and M.A.J. were transferred to the Company.

4.6 TRANSACTIONS WITH RELATED PARTIES

The major 2015 transactions with related parties not concluded on arm's length terms are as follows:

Name of related party	Description of transaction	Amount (receivable or income)	Amount (liability or expense)
M.A.J.	Loan agreement		
	Principal amount	87,753	
	Interest	1,874	
Novalis	Current account agreement		
	Interest paid by Novalis (up to the TAL on 7/9/2015)	854	
M.A.J.	Current account agreement		
	Advance granted to M.A.J.	148,717	
	Interest paid by M.A.J.	1,171	
Elis Services	Service agreement		
	Services provided by Elis Services to Elis		622
	Services provided by Elis to Elis Services	1,115	
	Entity with significant influence over the Group		
Legendre Holding 27	Interest		2,482
Legendre Holding 27	PIK Proceeds Loan penalties		8,678

Under the agreement between Elis, Eurazeo and the banks responsible for the investment with respect to the Company's initial public offering, Elis and Eurazeo paid amounts of €11.9 million and €2.6 million respectively.

4.7 SUMMARY OF MATURITIES OF RECEIVABLES

Receivables held by the Company amounted to €272,537 thousand gross as at December 31, 2015, broken down as follows:

(In thousands of euros)	Gross amount	Due within one year	Due beyond one year
TOTAL NON-CURRENT ASSETS	**92,589**	**4,836**	**87,753**
Loans and advances to equity investees	89,627	1,874	87,753
Loans			
Other financial assets	2,962	2,962	
TOTAL CURRENT ASSETS	**179,948**	**179,948**	**0**
Trade	595	595	
Impaired trade			
Employees			
Social security			
Taxes and duties	30,327	30,327	
Group and associates	148,717	148,717	
Sundry receivables	0	0	
Prepaid expenses	309	309	
TOTAL	**272,537**	**184,784**	**87,753**
Loans granted during the year	89,627		
Repayments received during the year			
Loans and advances granted to partners (individuals)			

4.8 TRADE RECEIVABLES

(In thousands of euros)	Gross amount	Accumulated impairment losses	Net – 12/31/2015	Net – 12/31/2014
Trade receivables	595		595	333
Other receivables	179,044		179,044	33,840
Subscribed capital called but not paid				
TOTAL	**179,639**	**0**	**179,639**	**34,173**

4.9 ACCUMULATED IMPAIRMENT LOSSES OF RECEIVABLES

None.

4.10 RECEIVABLES REPRESENTED BY COMMERCIAL PAPER

None.

4.11 ACCRUED INCOME

The amounts of accrued income included in the following statement of financial position items were as follows:

(In thousands of euros)	12/31/2015	12/31/2014
Interest accrued on loans and receivables due from equity investees	1,874	
Accrued trade receivables		33
Prepaid taxes and duties	132	
TOTAL	**2,006**	**33**

4.12 ACCRUALS

Prepaid expenses

Prepaid expenses totaled €309 thousand.

(In thousands of euros)	12/31/2015	12/31/2014
Recurring operating expenses	96	2,178
Financial expenses	213	
Non-recurring expenses	0	
TOTAL	**309**	**2,178**

Note 5 NOTES TO THE STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

5.1 EQUITY

Share capital was divided into 114,006,167 fully paid-up common shares with a par value of €10 each.

On February 10, 2015, prior to the initial public offering, the following capital transactions were carried out:

- share capital increase amounting to €19,398 thousand resulting from the exercise of warrants by Quasarelis SAS and Eurazeo (€14,700 thousand and €4,698 thousand respectively). As at December 31, 2015 there were no exercisable warrants outstanding;
- share capital increase amounting to €16,319 thousand through the issue of 1,631,863 new shares as consideration for the contribution granted to Elis in connection with the merger by absorption of Quasarelis SAS under the terms of a draft merger agreement dated December 22, 2014. The merger premium amounted to €4,864 thousand. The capital increase was followed by a capital reduction in an amount of €16,354 thousand by cancellation of €1,635,406 Elis treasury shares as a consequence of the merger. The difference between the carrying amount of the Elis shares in Quasarelis SAS's accounting records and their par value, *i.e.* the sum of €3,463 thousand, was deducted from the merger premium;
- share capital increase subscribed in cash in an amount of €84,627 thousand through the issue of 8,462,715 new shares with a par value of €10 each, issued at the subscription price of €13 per share, *i.e.*, additional paid-in capital of €3 per share representing total additional paid-in capital of €25,388 thousand. The share capital increase was fully subscribed by Legendre Holding 27, which paid up the amount of its subscription by offsetting the receivable held on the Company through the shareholder loan that was therefore fully capitalized.

As part of the Company's initial public offering, share capital was increased by €538,462 thousand through the issue of 53,846,153 new shares with a par value of €10 each, issued at a subscription price of €13 per share, *i.e.* additional paid-in capital of €3 per share, representing total additional paid-in capital of €161,538 thousand (before recognition of issue costs net of income tax benefit amounting to €10,002 thousand).

Changes in equity for the year:

(Figures expressed in thousands of euros)

12/31/2014	**639,518**
Dividends	(39,881)
Net income (loss) for the year	(54,840)
Capital increase	749,783
Capital reduction	(107,332)
Share premium – issues	176,925
Share premium – mergers	1,401
Change in investment grants	
Change in regulated provisions (accelerated depr./amort., etc.)	(11,289)
12/31/2015	**1,354,285**

5.2 DESCRIPTION OF BONUS SHARE PLANS

Grants made during the fiscal year have the following characteristics:

Free performance share grants	**Plan 1 2015**	**Plan 2 2015**
Date of shareholders' meeting	10/08/2014	10/08/2014
Date of the Supervisory Board meeting	04/03/2015	04/03/2015 12/14/2015
Date of decision of the chairman		
Date of decision of the Management Board	04/07/2015	12/21/2015
Number of rights originally granted	524,684	44,027
■ of which, members of the Executive Board	188,716	0
■ of which, corporate officers:		0
Xavier Martiré	104,108	-
Louis Guyot	13,253	-
Matthieu Lecharny	13,253	-
Number of grantees	152	29
■ of which, members of the Executive Board	8	-
■ of which, corporate officers	3[a]	-
Grant date	04/07/2015	12/21/2015
Vesting date[1]		
France	04/07/2017	12/21/2017
Rest of the world	04/07/2017	12/21/2017
End of share lock-up period[2]	04/07/2019	12/21/2019
Rights vested in 2015	0	0
Number of rights lapsed or forfeited as at 12/31/2015	23,592	0

Free performance share grants	Plan 1 2015	Plan 2 2015
Number of rights outstanding as at 12/31/2015	501,092	44,027
■ of which, members of the Executive Board	188,716	0
■ of which, corporate officers:		0
Xavier Martiré	104,108	-
Louis Guyot	13,253	-
Matthieu Lecharny	13,253	-
Number of working beneficiaries as at 12/31/2015	141	29
■ of which, members of the Executive Board	8	0
■ of which, corporate officers:	3[b]	0

(a) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(b) Xavier Martiré, Louis Guyot and Matthieu Lecharny.

(1) Shares vest at the end of a vesting period set at two years from the date of the award of the performance shares, and vesting is contingent on cumulative continued employment conditions and meeting performance conditions related to (i) the Group's consolidated revenue, (ii) EBIT as stated in the financial statements for fiscal year 2016, and (iii) the Group's stock market performance relative to changes in the SBF 120, with the understanding that:

- *the change in the Company's share price corresponds to the difference (as a percentage) between (i) the moving average of the share value over the 20 trading days preceding the last trading day of 2016 plus dividends paid between February 11, 2015 and December 31, 2016, and (ii) the IPO price (€13);*
- *the change in the SBF 120 corresponds to the difference (as a percentage) between (i) the moving average of the index over the twenty trading days preceding the last trading day of 2016 and (ii) the value of the index as at February 10, 2015 (€3,701.09).*

Only 20% of the granted shares will be delivered to beneficiaries if just one of those performance conditions is met, 50% if two of the conditions are met, and 100% if all three conditions are met. No share shall vest if none of the conditions is met.

(2) The plan rules stipulate a lock-up period of two years from the vesting date. At the end of the lock-up period, the shares will be available and may be freely transferred by the beneficiaries subject to statutory blackout periods and the provisions of the French Code of Conduct for Trading and Market Activities. Throughout their term of office, each member of the Management Board is required to hold a number of shares in registered form set by the Supervisory Board and corresponding to one-third of vested shares up to three times the amount of their annual fixed compensation for the chairman of the Management Board, and one-third of vested shares up to two times the amount of their compensation for the other members of the Management Board.

5.3 PARENT COMPANY

The Company prepares the consolidated financial statements. As at December 31, 2015, it is no longer included in any other group using the full consolidation method.

5.4 REGULATED PROVISIONS

(Figures expressed in thousands of euros)	12/31/2014	Additions	Reversals	12/31/2015
Accelerated depreciation and amortization	11,289		11,289	
TOTAL	**11,289**	**0**	**11,289**	**0**

Following the cancellation of Novalis shares as part of the transfer of its assets and liabilities to Elis, the accumulated accelerated amortization related to said shares was recognized in net non-recurring income.

5.5 PROVISIONS

Breakdown by type:

PROVISIONS FOR RISKS

(In thousands of euros)	12/31/2014	Additions	Reversals	12/31/2015
Provision for legal proceedings				
Provision for warranty claims				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provision for unrealized foreign currency translation losses				
Provisions for post-employment benefits	114	8	98	24
TOTAL	**114**	**8**	**98**	**24**

5.6 SUMMARY OF MATURITIES OF LIABILITIES

	Gross amount 12/31/2015	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds				
Other bonds	804,133	4,133		800,000
Bank loans:				
■ Initially within one year	580	580		
■ Initially beyond one year	393,021	51,021	342,000	
Sundry loans and other borrowings	169,500	169,500		
Trade payables	1,239	1,239		
Employees	845	845		
Social security and similar	597	597		
Government and other public authorities:				
Income tax expense				
Value added tax				
Guaranteed bonds				
Other taxes	25	25		
Amounts due to suppliers of non-current assets				
Group and associates	32,861	32,861		
Other liabilities	787	787		
Securities borrowed or received as collateral				
Deferred income				
TOTAL	**1,403,588**	**261,588**	**342,000**	**800,000**
Loans taken during the year	2,473,200			
Loans repaid over the year	1,684,554			

As at December 31, 2015, liability mainly included:

- the 2022 Bonds issued by Novalis (a company acquired by Elis during the financial year) 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 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);
- the New Senior Credit Facilities Agreement signed by Elis and Novalis on September 2, 2014 with a pool of international banks including BNP Paribas, Crédit Agricole CIB, Deutsche Bank, Goldman Sachs, HSBC, Morgan Stanley and Société Générale. The Agreement was subsequently amended on December 8, 2014, February 12, 2015 and July 6, 2015, with Elis and M.A.J. acting as borrowers on each of those dates. The New Senior Credit Facilities Agreement includes two credit facilities with a total principal amount of €850 million, breaking down as follows: (i) a 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 (ii) a secured credit facility (allowing multiple drawdowns, mainly in the form of a revolving facility or swingline loan) with a principal amount of €400 million and the same maturity as the Senior Term Loan (five years). As at December 31, 2015, the principal amount borrowed by Elis under the Senior Term Loan was €342 million, interest rate hedged via a swap of the same nominal amount subscribed for with BNP Paribas;
- commercial paper: in September 2015, the Group launched a commercial paper program with a maximum amount of €400 million, governed by Articles D. 213-9 II, paragraph 1 and 213-11 of the French Monetary and Financial Code and Article 1 of the amended Decree of February 13, 1992 and subsequent regulations. The program supplements bank-related financing and gives Elis access to short-term funding on favorable terms.

5.7 TRADE PAYABLES

(In thousands of euros)	12/31/2015	12/31/2014
Group suppliers	102	9
Suppliers	77	1,845
Suppliers of non-current assets		
Accruals – Group		
Accruals	705	775
Accruals – Comm BQ commissions courues de banque	355	220
CARRYING AMOUNT	**1,239**	**2,849**

5.8 ACCRUED EXPENSES

The amounts of accrued expenses included in the following statement of financial position items were as follows:

(In thousands of euros)	2015	2014
Operating liabilities		
Trade payables	1,060	996
Tax and employee-related liabilities	1,116	1,112
Financial liabilities		
Interest accrued on sundry loans and other borrowings	5,734	13,717
TOTAL	**7,910**	**15,825**

5.9 ACCRUALS

Deferred income

None.

Note 6 NOTES TO THE INCOME STATEMENT

6.1 BREAKDOWN OF REVENUE

2015 revenue by business segment and region breaks down as follows:

	2015			2014
(In thousands of euros)	France	EEC + Rest of the world	Total	Total
Sale of goods purchased for resale				
Sales of goods				
Sales of services	1,115		1,115	1,500
REVENUE	**1,115**		**1,115**	**1,500**
PERCENTAGE	**100%**	**0%**	**100%**	

6.2 REINVOICED EXPENSES

(In thousands of euros)	12/31/2015	12/31/2014
Employee expenses	3,066	466
Other expenses	269	159
TOTAL	**3,335**	**625**

6.3 AVERAGE NUMBER OF EMPLOYEES

The average number of employees during 2015 breaks down as follows:

	2015 Fiscal Year	
	Number of employees	Secondees
Managers	3	
Other staff		
TOTAL	**3**	**0**

6.4 COMPENSATION OF MANAGEMENT BODIES

- Members of the Supervisory Board: total amount of 2014 directors' fees paid in 2015: €202 thousand.
- Management Board: €4,248 thousand.

6.5 NET FINANCIAL EXPENSE

Net financial expense for the year amounted to -€77,613 thousand, broken down as follows:

	2015	2014
FINANCIAL INCOME	**3,410**	**247**
Financial earnings from equity investments		
Income from other securities and non-current assets loans		
Other interest income	3,361	247
Reinvoiced expenses and reversals of provisions	47	
Foreign currency translation adjustments – positive amounts	1	0
Net gain on disposals of marketable securities		
FINANCIAL EXPENSES	**81,023**	**52,092**
Amortization and provisions on financial assets		
Interest expense	81,020	52,091
Foreign currency translation adjustments – negative amounts	2	0
Net (loss) on disposals of marketable securities		
NET FINANCIAL EXPENSE	**(77,613)**	**(51,845)**

2015 financial expenses include early loan redemption penalties in the amount of €52,151 thousand.

6.6 NET NON-RECURRING INCOME (LOSS)

2015 net non-recurring income of €2,383 thousand breaks down as follows:

	2015	2014
NON-RECURRING INCOME	**11,731**	**12**
Non-recurring income from management transactions	132	
Non-recurring income from capital transactions	310	1
Reinvoiced expenses and reversals of provisions	11,289	11
NON-RECURRING EXPENSES	**9,348**	**1,130**
Non-recurring expenses on management transactions	8,992	1,130
Non-recurring expenses on capital transactions	348	
Non-recurring depreciation, amortization and provisions	8	
NET NON-RECURRING INCOME (LOSS)	**2,383**	**(1,118)**

- Non-recurring income corresponds to the reversal of accumulated accelerated amortization related to the cancellation of the Novalis shares following the transfer of all of its assets and liabilities to Elis.
- Non-recurring expenses on management transactions comprise transaction costs related to the initial public offering and non-recurring consideration paid following the transaction.

6.7 INCOME TAX

On March 1, 2008, the Company elected to determine French income taxes on a consolidated basis in accordance with Article 223 A *et seq.* of the French Tax Code, together with its subsidiaries and sub-subsidiaries included in the following list as at December 31, 2015:

- M.A.J.;
- Les Lavandières;
- Régionale de location et services textiles;
- Pierrette – T.B.A.;
- Le Jacquard Français;
- Elis Services;
- Thimeau;
- Grenelle Service;
- Maison de Blanc Berrogain;
- Blanchisserie Moderne;
- Lovetra;
- S.P.C.I.;
- Société des Oreillers et Couvertures "SOC";
- France Tapis Hygiène Service;
- Pro Services Environnement.

A new agreement was signed on October 30, 2009 effective July 1, 2009.

As the head company of the consolidated group, Elis consolidates the taxable income of all the members of the group and pays the corresponding tax to the French Treasury. It receives from its subsidiaries the amount of tax that they would have borne in the absence of tax consolidation. As at December 31, 2015, Elis recorded in its financial statements a tax benefit amount of €30,145 thousand corresponding to the difference between the amounts received from the subsidiaries and those actually paid.

Elis applies the tax payable method and therefore does not recognize the amounts that it would have to pay to subsidiaries with tax losses in future years where they have taxable income. Tax loss carryforwards for certain members of the tax consolidation group and Elis's related deferred tax liabilities are detailed below:

(In thousands of euros)	Unused loss carryforwards (basis)	Tax rate	Deferred tax liabilities
S.P.C.I.	1,446	33.33	482
SOC	446	33.33	149
LOVETRA	710	33.33	237
LE JACQUARD FRANÇAIS	2,452	33,33	817
MAISON DE BLANC BERROGAIN	127	33.33	42
TOTAL	**5,181**		**1,727**

DEFERRED TAX

Basis	As at 01/01 *(€ thousand)*	Change in net income (loss) for the year *(€ thousand)*	As at 12/31 *(€ thousand)*
Accelerated amounts for tax relief			
Regulated provisions			
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	114	(90)	24
Equity investment			
Corporate social solidarity contribution			
Provision for impairment losses on trade receivables			
Other provisions for risks			
TAX LOSS CARRYFORWARDS	**11,899**	**55,499**	**67,398**
TOTAL	**12,013**	**55,409**	**67,642**

Income tax expense	As at 01/01 (€ thousand)	Change in net income (loss) for the year (€ thousand)	As at 12/31 (€ thousand)
Accelerated amounts for tax relief			
Regulated provisions			
Differences between accounting and tax bases of certain income and expense items			
Provision for retirement benefits	39	(31)	8
Equity investment			
Corporate social solidarity contribution			
Provision for impairment losses on trade receivables			
Other provisions for risks			
TAX LOSS CARRYFORWARDS	**4,097**	**19,108**	**23,205**
TOTAL	**4,136**	**19,077**	**23,213**

USE OF THE COMPETITIVENESS AND EMPLOYMENT TAX CREDIT (CICE)

As the tax consolidation group recorded a loss, the CICE for 2014 compensation in the amount of €1.5 thousand will only be received after future taxable income offsets accumulated losses, or otherwise after three years.

Note 7 MISCELLANEOUS INFORMATION

7.1 FINANCIAL COMMITMENTS

COMMITMENTS GIVEN

(In thousands of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Related to cash and cash equivalents				
Related to financing	216,000			216,000
Endorsements, sureties and guarantees on behalf of subsidiaries				
Related to rentals				
Related to services rendered				
	216,000	**0**	**0**	**216,000**

Endorsements, sureties and guarantees on behalf of subsidiaries mainly concern commitments made to banks to cover the subsidiaries' commitments thereto. The commitments given by Elis concern the commitments subscribed by M.A.J. for the Senior Term and Revolving Facilities Agreement.

Endorsements, sureties and guarantees on behalf of third parties mainly concern commitments given to clients, covered by bank guarantees.

COMMITMENTS RECEIVED

(In thousands of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Related to operations/property/international expansion				
Related to financing				
Guaranteed receivables	87,753			87,753
	87,753	**0**	**0**	**87,753**

A joint and several guarantee granted by M.A.J. within the limit provided for by applicable local regulations and a joint and several guarantee granted by the subsidiaries SCPI, Atmosféra, Lavotel and Spast for the commitments given for the Senior Term and Revolving Facilities Agreement within the limit provided for by applicable local regulations.

FINANCIAL INSTRUMENTS

Elis has contracted interest rate swaps to exchange the interest rates on its variable rate debt for a fixed rate over the term of the loan.

As at December 31, 2015, all of Elis's long-term debt has fixed interest rates after interest risk management. The swaps maturing on October 4, 2017 and subscribed with BNP Paribas have a negative mark-to-market value of -€15,185 thousand as at December 31, 2015.

7.2 EMPLOYEE BENEFIT LIABILITIES

Personal training account

As at December 31, 2015, the individual rights to training (DIF) earned by employees totaled 284 hours.

6.4 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Elis SA;
- the justification of our assessments;
- the specific verifications and information required by French law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of Elis SA as at December 31, 2014, and of the results of its operations for the year then ended in accordance with French accounting rules and principles.

II JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

As stated in note 3.1 to the financial statements, "Significant accounting policies – non-current assets", the business goodwill and equity investments were measured for their recoverable amount. We examined the relevance of the methods used by the Company based on information available as at the date hereof and verified that the assumptions used and the resulting measurements were reasonable.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board and in the documents sent to the shareholders on the financial position and the financial statements.

As regards the information provided in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code on compensation and benefits paid to corporate officers and commitments made in their favor, we verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. On the basis of this audit, we certify that the information is true and fair.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, March 10, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bruno Tesnière	Isabelle Massa

Combined general meeting of May 27, 2016

Elis shareholders are invited to the combined (ordinary and extraordinary) general meeting to be held on May 27, 2016 at 3:00 p.m. at Maison des Travaux Publics, Paris, France. All Elis shareholders, regardless of the number of shares they hold, may attend and vote at the general meeting. Elis informs its shareholders of meetings by public notices published in the French Bulletin of Mandatory Legal Announcements (Bulletin des annonces légales obligatoires – BALO), in a daily newspaper authorized to publish legal announcements and on its website (www.corporate-elis.com). Documents related to the general meeting will be available on the Company's website within therequired deadline.

7

7.1 AGENDA

7.1.1 MEETING AS AN ORDINARY GENERAL MEETING

- The Management Board's management report on the financial statements for the financial year ended December 31, 2015 and the Supervisory Board's report on the Management Board's management report and the financial statements for said financial year;
- The Management Board's report on the draft resolutions within the authority of the ordinary general meeting;
- The Supervisory Board's report on the financial year ended December 31, 2015 and the draft resolutions;
- the chairman of the Supervisory Board's report pursuant to Article L. 225-68 of the French Commercial Code;
- Statutory Auditors' reports on the consolidated financial statements for the year ended December 31, 2015;
- Statutory Auditors' special report on the chairman of the Supervisory Board's report prepared in accordance with Article L. 225-68 of the French Commercial Code;
- Statutory Auditors' special report on regulated agreements and commitments with related parties referred to in Articles L. 225-86 *et seq.* of the French Commercial Code;
- Approval of the financial statements for the year ended December 31, 2015 ***(1st resolution)***;
- Approval of the consolidated financial statements for the financial year ended December 31, 2015 ***(2nd resolution)***;
- Appropriation of net loss for the year ended December 31, 2015 ***(3rd resolution)***;
- Special dividend in an amount to be deducted from additional paid-in capital ***(4th resolution)***;
- Approval of regulated agreements and commitments with related parties referred to in Articles L. 225-86 *et seq.* of the French Commercial Code ***(5th resolution)***;
- Reappointment of Marc Frappier as member of the Supervisory Board member ***(6th resolution)***;
- Reappointment of Michel Datchary as Supervisory Board member ***(7th resolution)***;
- Ratification of the co-optation of Maxime de Bentzmann as a new member of the Supervisory Board ***(8th resolution)***;
- Opinion on the compensation components due or paid for the 2015 financial year to Xavier Martiré, chairman of the Management Board ***(9th resolution)***;
- Opinion on the compensation components due or paid for the 2015 financial year to members of the Management Board ***(10th resolution)***;
- Authorization to be granted to the Management Board to trade in the Company's shares ***(11th resolution)***.

7.1.2 MEETING AS AN EXTRAORDINARY GENERAL MEETING

- The Management Board's report on the draft resolutions within the authority of the extraordinary general meeting;
- Statutory Auditors' reports on the financial delegations to be granted to the Management Board under the terms of the 13th, 14th, 15th, 16th, 17th, 18th, 19th, 21st and 22nd resolutions for the purposes of increasing or reducing share capital and granting bonus shares;
- Delegation of authority to be granted to the Management Board to increase the Company's share capital through the capitalization of reserves, premiums, profits or any other amounts that may be capitalized ***(12th resolution)***;
- Delegation of authority to be granted to the Management Board to issue shares or securities giving access immediately or in the future to the Company's share capital, with preferential subscription rights ***(13th resolution)***;
- Delegation of authority to be granted to the Management Board to issue shares or securities, giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights, through a public offering or as part of a public exchange offer, with a priority subscription option for shareholders ***(14th resolution)***;
- Delegation of authority to be granted to the Management Board to issue shares and/or securities giving access, immediately or in the future, to the Company's share capital without preferential subscription rights, as part of an offering covered by section II of Article L. 411-2 of the French Monetary and Financial Code ***(15th resolution)***;
- Authorization to be granted to the Management Board to set the issue price at an amount not to exceed 10% of the share capital in the event of an issue of shares and/or securities giving access,

immediately or in the future, to the Company's share capital, without preferential subscription rights ***(16th resolution)***;

- Authorization to be granted to the Management Board to increase the number of shares or other securities to be issued in the event of a capital increase with or without preferential subscription rights ***(17th resolution)***;
- Authorization to be granted to the Management Board to increase the Company's share capital by issuing shares and/or securities giving access to the share capital as consideration for the asset contribution granted to the Company (except in the event of a public exchange offer) ***(18th resolution)***;
- Delegation of authority to the Management Board to increase the Company's share capital without preferential subscription rights reserved for employees who are members of a company or Group savings plan ***(19th resolution)***;
- Total limits of the amount of the issues carried out pursuant to the 13th to 19th resolutions ***(20th resolution)***;
- Authorization granted to the Management Board to reduce the Company's share capital ***(21st resolution)***;
- Authorization to be granted to the Management Board to award bonus Company shares to employees and/or corporate officers of the Company or a Group company as defined by law ***(22nd resolution)***;
- Authority to carry out legal formalities ***(23rd resolution)***.

7.2 MANAGEMENT BOARD'S REPORT ON THE DRAFT RESOLUTIONS

To the Shareholders,

We have convened this combined general meeting for May 27, 2016 to submit for your approval the following 23 resolutions, the draft of which was approved by your Management Board at its meeting of March 9, 2016.

The first 11 resolutions fall within the authority of the general meeting voting as an ordinary general meeting, and resolutions 12 to 23 fall within the authority of the general meeting voting as an extraordinary general meeting.

The detailed information pertaining to the Company and consolidated financial statements for the financial year ended December 31, 2015 and the Group's performance during that financial year are included in the 2015 registration document registered by the French Financial Markets Authority, available to you in accordance with laws and regulations, in particular on the Company's website www.corporate-elis.com.

In addition, in accordance with regulatory provisions relating to capital increases, the Management Board reported to you on the Group's performance since the beginning of the 2016 financial year in the 2015 registration document.

Shareholders are furthermore invited to refer to the cross-reference tables on pages 316, 317 and 318 of the 2015 registration document that identify the parts of that registration document that correspond to information that must be included in the annual financial report and management report.

7.2.1 RESOLUTIONS WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING

1st and 2nd resolutions

Approval of the Company and consolidated financial statements for the year ended December 31, 2015

In light of the reports of your Statutory Auditors, you are asked to approve the parent company financial statements for the year ended December 31, 2015, showing a loss of €54,840,382.93 and the consolidated financial statements for the year ended December 31, 2015, showing a loss attributable to equity holders of the parent company of €57,613 thousand. These results are detailed in the management report and the financial statements. Pursuant to Article 39-4 of the French Tax Code *(Code général des impôts)*, you are also asked to note that the amount of non-deductible expenses for 2015 was €19,471.

3rd resolution

Appropriation of net loss for the financial year ended December 31, 2015

As the year ended December 31, 2015 showed a net loss of €54,840,382.93, you will be asked to allocate this loss to the accumulated deficit account.

This net loss was mainly due to early loan repayment compensation paid as part of the refinancing that took place during the financial year.

In accordance with the provisions of the Company's articles of incorporation, this proposed appropriation of net loss was submitted for the prior approval of the Supervisory Board.

As a reminder, no dividend was paid in respect of the financial years ended December 31, 2012, 2013 and 2014.

4th resolution

Special cash dividend in an amount to be drawn from additional paid-in capital

In the absence of distributable profit for the reasons stated above, the purpose of the 4th resolution is to ask you to approve a special cash dividend in an amount to be deducted from additional paid-in capital. In this context, and in accordance with the provisions of Article L. 232-11 of the French Commercial Code, the general meeting is asked to decide to proceed with a special dividend in the amount of €39,902,158.45, *i.e.* a unit dividend of €0.35 per share, based on capital composed of 114,006,167 shares at the date of this general meeting. This payment would be fully deducted from additional paid-in capital.

This right to a special dividend would have an ex-dividend date of June 6, 2016 and would be paid on June 8, 2016. It is specified that should the Company hold any of its own shares when these rights are paid, the amounts corresponding to the unpaid rights for the total of those shares would be allocated to accumulated deficit.

To facilitate the dividend payment, you are asked to grant full authority to the Management Board, which may further delegate such powers to the chairman of the Management Board, to decide on the terms and conditions of this dividend payment.

Shareholders are hereby advised that this proposed payment of an amount to be deducted from additional paid-in capital was authorized in advance by the Supervisory Board.

5th resolution

Approval of regulated agreements and commitments with related parties referred to in Articles L. 225-86 *et seq.* of the French Commercial Code

Pursuant to this resolution, we ask that you give your opinion on the regulated agreements and commitments with related parties that were made or were in the process of being made during the financial year ended December 31, 2015, as presented in the Statutory Auditors' special report and not approved by the general meeting.

In this respect, we hereby specify that a guarantee agreement was entered into on February 10, 2015 between the Company, Eurazeo and the banks responsible for selling Company shares as part of the Company's initial public offering. This agreement stipulates in particular that bank fees and costs relating to the transaction will be covered, subject to certain limitations, by Elis and Eurazeo. Under this agreement, the Company and Eurazeo have also made certain statements and agreed to a payment commitment with regard to the banks, each in respect of what concerns them. This agreement is described in more detail in the Statutory Auditors' special report on regulated agreements and commitments with related parties that appears in chapter 4 "Corporate governance" of the 2015 registration document, section 4.2 "Statutory Auditors' special report".

You are therefore asked to approve this sole guarantee agreement, which was entered into under the authorization of the Supervisory Board on January 26, 2015, and to note the continuation of the agreements and commitments pursuant to Articles L. 225-79-1, L. 225-86 and L. 225-90-1 of the French Commercial Code, entered into during previous financial years and duly authorized and approved by the general meeting of shareholders.

6th to 8th resolutions

Membership of the Supervisory Board (reappointment of members of the Supervisory Board and ratification of the co-optation of a new member of the Supervisory Board)

You are asked under the 6th and 7th resolutions, and on the recommendation of the Appointments and Compensation Committee, to reappoint Marc Frappier and Michel Datchary to the Management Board for a four-year term, whose terms of office are due for renewal at the end of this general meeting.

You are also asked, under the terms of the 8th resolution, to ratify the co-optation of Maxime de Bentzmann, as new member of the Supervisory Board, co-opted by the Supervisory Board on March 9, 2016 on the recommendation of the Appointments and Compensation Committee to replace Eric Schaefer, who resigned. Maxime de Bentzmann will exercise his duties for the remainder of his predecessor's term of office, *i.e.* until the conclusion of the annual general meeting that will be convened to approve the financial statements for the financial year ending December 31, 2017.

Maxime de Bentzmann is Deputy Director of the investment team at Eurazeo Capital, which he joined in 2011. In particular, he has participated in making or monitoring investments in Edenred, Elis, Asmodee and Desigual. He was formerly a member of the mergers and acquisitions team at Rothschild & Cie. Maxime de Bentzmann is a graduate of ESSEC and the University of Mannheim.

Members of the Supervisory Board are generally appointed for a four-year term, the Board estimating that such a term reflects the degree of commitment expected from each person intending to contribute to the Board's work.

As part of a process of better governance and to comply with the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies, a staggered renewal of the terms of office of Supervisory Board members was provided for in the Company's articles of incorporation at the time of its initial public offering, on the recommendation of the Appointments and Compensation Committee and in order to avoid all terms of office being due for renewal at the same time. The terms of office were therefore set so that only a part of the Supervisory Board members would be due for reappointment each year. Furthermore, a shorter term of office for one or more members may be proposed to ensure that there is not an excessive number of renewals in the same year.

At its meeting of March 9, 2016, the Supervisory Board once again reviewed the independence of its members and considered that Michel Datchary, Florence Noblot, Philippe Delleur, Thierry Morin and Agnès Pannier-Runacher continued to fulfill the independence criteria referred to in Article 1 of the Supervisory Board's rules of procedure.

The Supervisory Board also reviewed the availability of its members in accordance with the recommendations of the AFEP-MEDEF Code. This review revealed that no member served on an excessive number of Boards of listed companies external to the Group, thus allowing each member of the Company's Supervisory Board to devote the time and attention necessary to perform their duties. The Board also appreciated their respective contributions to its work and to the work of its committees, both in terms of skills and personal commitment, and considered that maintaining each of them in their roles was in the Company's interest. In particular, the Board decided that if Marc Frappier and Michel Datchary were reappointed to the Supervisory Board by the shareholders, they would continue to perform their respective duties on the Appointments and Compensation Committee.

If the shareholders' meeting rules in favor of all these resolutions, at the end of the meeting the membership of the Supervisory Board would therefore be as follows (the dates in brackets indicate the year that their term of office would expire):

- Philippe Audouin (2017);
- Florence Noblot (2017);
- Agnès Pannier-Runacher (2018);
- Maxime de Bentzmann (2018);
- Thierry Morin (2019);
- Virginie Morgon (2019);
- Philippe Delleur (2019);
- Marc Frappier (2020);
- Michel Datchary (2020).

The biographies of Supervisory Board members are included in chapter 4 "Corporate governance", section 4.1.2 "Information about Supervisory Board members" of the 2015 registration document. Information about Supervisory Board candidates whose reappointment or ratification is being submitted to the vote of the shareholders will be provided within the required deadline to the shareholders in accordance with applicable laws and regulations.

It should be noted that at the conclusion of your general meeting and if these resolutions are adopted, your Supervisory Board will still be composed of at least one-third independent members in accordance with the principles of the AFEP-MEDEF Code (Article 9.2). In particular it would include three women, *i.e.* more than 20% of its members, in accordance with the law.

9th and 10th resolutions

Advisory opinion on the compensation components due or paid to Xavier Martiré, chairman of the Management Board, Louis Guyot and Matthieu Lecharny, members of the Management Board, for the financial year ended December 31, 2015

Say on Pay is a rule whereby a company's shareholders are consulted on its compensation policy and the components of the compensation of its executives. This rule, which appears in Article 24.3 of the AFEP-MEDEF Code to which the Company refers in application of Article L. 225-68 of the French Commercial Code, provides for the possibility for shareholders of listed French companies to vote in an advisory capacity and express an opinion on the compensation of the Company's executives. In accordance with this recommendation, the 9th and 10th resolutions are submitted to you for a favorable opinion on the compensation components due or paid to each of the three Management Board members, Xavier Martiré, Louis Guyot and Matthieu Lecharny for the financial year just ended.

Your opinion covers all of the compensation components of each executive, as described hereafter, it being specified that details of all compensation components of each executive are included in chapter 4 "Corporate governance", section 4.5 "Compensation and benefits of the members of the Management Board and Supervisory Board" of the 2015 registration document, as well as in the notice of meeting that will be sent to shareholders prior to the general meeting.

DETAILS OF THE COMPENSATION OF XAVIER MARTIRÉ, CHAIRMAN OF THE MANAGEMENT BOARD, FOR THE FINANCIAL YEAR 2015: (APPROVAL RATE OF THE COMPENSATION COMPONENTS IN 2014: 92.4522%)

Compensation components due or paid for the financial year ended December 31, 2015	Amounts or carrying amounts submitted for vote *(In euros)*	Description and comments
Fixed compensation	550,000	Annual amount Xavier Martiré's gross fixed compensation in his capacity as chairman of the Management Board was approved by the Management Board at its meetings of October 10, 2014 and January 26, 2015 on the recommendation of the Appointments and Compensation Committee. The Board decided to review Xavier Martiré's compensation components, subject to the Company's initial public offering, and consequently adjust his compensation from the date of the initial public offering, said adjustment being applicable as from January 1, 2015.
Annual variable compensation	421,000 (76.5% of the target variable compensation component)	Specific variable compensation criteria were established by the Supervisory Board based on the recommendation of the Appointments and Compensation Committee at the beginning of the reference period to which they apply. The target amount of variable compensation is 100% of the amount of fixed compensation, capped at 170% in the event of outperformance. Variable compensation criteria (financial year 2015): Quantitative objectives (target of 70% of the variable component up to a maximum of 140% in the event of outperformance) ■ Revenue compared to budget; ■ EBIT compared to budget; ■ Operating cash flow compared to budget. Qualitative objectives based on management and strategic criteria (30%).
Deferred variable compensation	0	Xavier Martiré has no deferred variable compensation.
Multi-year variable compensation	0	Xavier Martiré has no deferred multi-year variable compensation.
Special compensation	1,700,000	Following the opinion of the Appointments and Compensation Committee, at its meetings of January 26, 2015 and February 13, 2015 the Supervisory Board decided to award a special bonus to Xavier Martiré on the basis of the Company's successful initial public offering in 2015 and the Group's successful debt refinancing that same year.
Stock options, performance shares or any other long-term compensation component	552,813	No stock options were granted to Xavier Martiré in 2015 At its meeting of April 7, 2015, the Supervisory Board authorized the grant of 104,108 performance shares to Xavier Martiré, on the recommendation of the Appointments and Compensation Committee. This grant falls under the authorization granted by the Company's general shareholders' meeting of October 8, 2014 in its 21st resolution and accounted for 0.091% of the share capital as at December 31, 2015. The vesting of the granted performance shares is subject to performance conditions. The value of the performance shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2015, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It takes account of data and assumptions prevailing at the grant date.
Directors' fees	0	Xavier Martiré does not receive directors' fees.
Benefits in kind	3,896	Xavier Martiré is entitled to a company car (annual amount).

Compensation components due or paid for the financial year ended December 31, 2015	Amounts or carrying amounts submitted for vote *(In euros)*	Description and comments
Termination benefits	0	Severance pay that may be due to Xavier Martiré in the event of forced departure was approved by the general meeting of June 24, 2015 under the terms of the 9th resolution. The terms and conditions of this Severance pay, which was approved by the Supervisory Board on October 10, 2014 on the recommendation of the Appointments and Compensation Committee, sets the compensation at 18 months of gross fixed and variable compensation calculated based on the average compensation paid to Xavier Martiré during the last two full financial years preceding his departure, in accordance with the recommendations of the AFEP-MEDEF Code. The payment would be due only in the event of forced departure, except in the case of negligence or in the event that Xavier Martiré is able to exercise his retirement rights in the short term. The severance payment is contingent on meeting two performance conditions: (i) a revenue target, and (ii) EBIT, both targets being measured over the 12 consecutive months preceding the date of the last half-year-end prior to his departure. If neither of the aforementioned targets is achieved, no benefit is payable, whereas if one target is achieved, two-thirds of the benefit is payable (*i.e.* 12 months of average gross fixed and variable compensation) and if both targets are achieved, the severance payment is payable in full.
Non-compete benefits	0	Xavier Martiré is subject to a one-year non-compete agreement. As consideration for this agreement, Xavier Martiré will receive a non-compete payment equal to 50% of the gross fixed and variable compensation for the last full financial year prior to his departure. In accordance with the recommendations of the AFEP-MEDEF Code, the Supervisory Board must approve the activation of the non-compete clause contained in that agreement upon Xavier Martiré's departure. If the severance payment and non-compete payment were both to become payable, the amount that could be received by Xavier Martiré in respect thereof would be capped at two years of gross fixed and variable compensation.
Supplementary retirement plan	0	Xavier Martiré does not have a supplementary retirement plan.
Directors and officers liability insurance		Applicable.

DETAILS OF THE COMPENSATION OF OTHER MANAGEMENT BOARD MEMBERS IN RESPECT OF THE FINANCIAL YEAR 2015 (APPROVAL RATE OF THE COMPENSATION COMPONENTS OF OTHER MANAGEMENT BOARD MEMBERS IN 2014: 92.7083%)

Louis Guyot, member of the Management Board

Compensation components due or paid for the financial year ended December 31, 2015	Amounts or carrying amounts submitted for vote *(In euros)*	Description and comments
Fixed compensation	250,000	Annual amount The gross fixed compensation of Louis Guyot in respect of his duties was approved by the Management Board at its meetings of October 10, 2014 and January 26, 2015 on the recommendation of the Appointments and Compensation Committee. The Board decided to review Louis Guyot's compensation components, subject to the Company's initial public offering, and consequently adjust his compensation from the date of the initial public offering, said adjustment being applicable as from January 1, 2015.

Compensation components due or paid for the financial year ended December 31, 2015	Amounts or carrying amounts submitted for vote *(In euros)*	Description and comments
Annual variable compensation	76,500 (76.5% of the target variable compensation component)	Specific variable compensation criteria were established by the Supervisory Board based on the recommendation of the Appointments and Compensation Committee at the beginning of the reference period to which they apply. The target amount of variable compensation is 40% of the amount of fixed compensation, capped at 68% in the event of outperformance. Variable compensation criteria (financial year 2015): Quantitative objectives (target of 70% of the variable component up to a maximum of 140% in the event of outperformance) Revenue compared to budget; EBIT compared to budget; Operating cash flow compared to budget. Qualitative objectives based on management and strategic criteria (30%)
Deferred variable compensation	0	Louis Guyot has no deferred variable compensation.
Multi-year variable compensation	0	Louis Guyot has no deferred multi-year compensation.
Special compensation	500,000	Following the opinion of the Appointments and Compensation Committee, the Supervisory Board, at its meetings on January 26, 2015 and February 13, 2015, decided to award a special bonus to Louis Guyot on the basis of the Company's successful initial public offering in 2015 and the Group's successful debt refinancing that same year.
Stock options, performance shares or any other long-term compensation component	70,379	No stock options were granted to Louis Guyot in 2015. At its meeting of April 7, 2015, the Supervisory Board authorized the grant of 13,253 performance shares to Louis Guyot, on the recommendation of the Appointments and Compensation Committee. This grant falls under the authorization granted by the Company's general shareholders' meeting of October 8, 2014 in its 21st resolution and represented 0.011% of the share capital at December 31, 2015. The vesting of the granted performance shares is subject to performance conditions. The value of the performance shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2015, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It takes account of data and assumptions prevailing at the grant date.
Directors' fees	0	Louis Guyot does not receive directors' fees.
Benefits in kind	2,705	Louis Guyot is entitled to a company car (annual amount).
Termination benefits	0	Severance pay that may be due to Louis Guyot in the event of forced departure was approved by the general meeting of June 24, 2015 under the terms of the 10th resolution. The terms and conditions of this severance pay, which was approved by the Supervisory Board on October 10, 2014 on the recommendation of the Appointments and Compensation Committee, sets the compensation at 18 months of gross fixed and variable compensation calculated based on the average compensation paid to Louis Guyot during the last two full financial years preceding his departure, in accordance with the recommendations of the AFEP-MEDEF Code. The payment would be due only in the event of forced departure, except in the case of negligence or in the event that Louis Guyot is able to exercise his retirement rights in the short term. The severance payment is contingent on meeting two performance conditions: (i) a revenue target, and (ii) EBIT, both targets being measured over the 12 consecutive months preceding the date of the last half-year-end prior to his departure. If neither of those targets is achieved, no benefit is payable, whereas if one target is achieved, two-thirds of the benefit is payable (*i.e.* 12 months of average gross fixed and variable compensation) and if both targets are achieved, the severance payment is payable in full.

Compensation components due or paid for the financial year ended December 31, 2015	Amounts or carrying amounts submitted for vote *(In euros)*	Description and comments
Non-compete benefits	0	Louis Guyot is subject to a six-month non-compete agreement. As consideration for this agreement, Louis Guyot will receive a non-compete payment equal to 50% of the gross fixed and variable compensation for the last financial year ended. If the severance payment and non-compete payment were both to become payable, the amount that could be received by Louis Guyot in respect thereof would be capped at two years of gross fixed and variable compensation. In accordance with the recommendations of the AFEP-MEDEF Code, the Supervisory Board must approve the activation of the non-compete clause contained in that agreement upon Louis Guyot's departure.
Supplementary retirement plan	0	Louis Guyot does not have a supplementary retirement plan.
Directors and officers liability insurance		Applicable.

DETAILS OF THE COMPENSATION OF MATTHIEU LECHARNY, MEMBER OF THE MANAGEMENT BOARD, FOR THE FINANCIAL YEAR 2015

Compensation components due or paid for the financial year ended December 31, 2015	Amounts or carrying amounts submitted for vote *(In euros)*	Description and comments
Fixed compensation	250,000	The gross fixed compensation of Matthieu Lecharny in respect of his duties was approved by the Management Board at its meetings of October 10, 2014 and January 26, 2015 on the recommendation of the Appointments and Compensation Committee. The Board decided to review Matthieu Lecharny's compensation components, subject to the Company's initial public offering, and consequently adjust his compensation from the date of the initial public offering, said adjustment being applicable as from January 1, 2015.
Annual variable compensation	79,500 (79.5% of the target variable compensation component)	Specific variable compensation criteria were established by the Supervisory Board based on the recommendation of the Appointments and Compensation Committee at the beginning of the reference period to which they apply. The target amount of variable compensation is 40% of the amount of fixed compensation, capped at 68% in the event of outperformance. Variable compensation criteria (financial year 2015): Quantitative objectives (target of 70% of the variable component up to a maximum of 140% in the event of outperformance) ■ Revenue compared to budget; ■ EBIT compared to budget; ■ Operating cash flow compared to budget. Qualitative criteria based on management and strategic criteria (30%).
Deferred variable compensation	0	Matthieu Lecharny has no deferred variable compensation.
Multi-year variable compensation	0	Matthieu Lecharny has no deferred multi-year compensation.
Special compensation	270,000	Following the opinion of the Appointments and Compensation Committee, the Supervisory Board, at its meetings on January 26, 2015 and February 13, 2015, decided to award a special bonus to Matthieu Lecharny on the basis of the Company's successful initial public offering in 2015 and the Group's successful debt refinancing that same year.

Compensation components due or paid for the financial year ended December 31, 2015	Amounts or carrying amounts submitted for vote *(In euros)*	Description and comments
Stock options, performance shares or any other long-term compensation component	70,379	No stock options were granted to Matthieu Lecharny in 2015. At its meeting of April 7, 2015, the Supervisory Board authorized the grant of 13,253 performance shares to Matthieu Lecharny, on the recommendation of the Appointments and Compensation Committee. This grant falls under the authorization granted by the Company's general shareholders' meeting of October 8, 2014 in its 21st resolution and represented 0.011% of the share capital as at December 31, 2015. The vesting of the granted performance shares is subject to performance conditions. The value of the performance shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2015, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It takes account of data and assumptions prevailing at the grant date.
Directors' fees	0	Matthieu Lecharny does not receive directors' fees.
Benefits in kind	3,986	Matthieu Lecharny is entitled to a company car (annual amount).
Termination benefits	0	Severance pay that may be due to Matthieu Lecharny in the event of forced departure was approved by the general meeting of June 24, 2015 under the terms of the 11th resolution. The terms and conditions of this Severance pay, which was approved by the Supervisory Board at its meeting of October 10, 2014 on the recommendation of the Appointments and Compensation Committee, sets the compensation at 18 months of gross fixed and variable compensation calculated based on the average compensation paid to Matthieu Lecharny during the last two full financial years preceding his departure, in accordance with the recommendations of the AFEP-MEDEF Code. The payment would be due only in the event of forced departure, except in the case of negligence or in the event that Matthieu Lecharny is able to exercise his retirement rights in the short term. The severance payment is contingent on meeting two performance conditions: (i) a revenue target, and (ii) EBIT, both targets being measured over the 12 consecutive months preceding the date of the last half-year-end prior to his departure. If neither of those targets is achieved, no benefit is payable, whereas if one target is achieved, two-thirds of the benefit is payable (*i.e.* 12 months of average gross fixed and variable compensation) and if both targets are achieved, the severance payment is payable in full.
Non-compete benefits	0	Matthieu Lecharny is subject to a six-month non-compete agreement. As consideration for this agreement, Matthieu Lecharny will receive a non-compete payment equal to 50% of the gross fixed and variable compensation for the last full financial year prior to his departure. If the severance payment and non-compete payment were both to become payable, the amount that could be received by Matthieu Lecharny in respect thereof would be capped at two years of gross fixed and variable compensation. In accordance with the recommendations of the AFEP-MEDEF Code, the Supervisory Board must approve the activation of the non-compete clause contained in that agreement upon Matthieu Lecharny's departure.
Supplementary retirement plan	N/A	Matthieu Lecharny does not have a supplementary retirement plan.
Directors and officers liability insurance		Applicable.

11th resolution

Authorization granted to the Management Board to trade in the Company's shares

Under the 14th resolution, the general meeting of June 24, 2015 authorized the Company to trade in its own shares for a period of 18 months, in accordance with Article L. 225-209 of the French Commercial Code and the directly applicable provisions of EC regulation 2273/2003 of December 22, 2003. A liquidity agreement was set up through this authorization and resulted in the following movements during financial 2015:

- 844,401 shares purchased for a total price of €13,706,130.94, *i.e.* an average price of €16.23 per share;
- 696,254 shares sold for a total price of €11,518,264.41, *i.e.* an average price of €16.54 per share.

As at December 31, 2015, the Company directly held 148,147 shares, representing 0.129% of the Company's share capital at that date.

As the prevailing authorization granted to the Management Board is due to expire in December 2016, the Management Board proposes to terminate it and replace it with a new authorization for a period of 18 months as from the date of this shareholders' meeting.

As a reminder, this proposed resolution regarding the buyback of shares was submitted for the prior approval of the Supervisory Board in accordance with the provisions of the Company's articles of incorporation.

This new delegation of authority would allow the Company to trade in its own shares (including through the use of derivative financial instruments), primarily for the following purposes:

- to increase share liquidity in connection with a liquidity agreement consistent with the Code of Conduct issued by the French Financial Market Professional Association (AMAFI), using an investment services provider as intermediary;
- to honor the obligations related to the issuance of all securities granting the right in any way whatsoever to the grant of Company shares, and to grant shares when exercising rights attached to securities granting the right in any way whatsoever to the grant of Company shares;
- to honor obligations related to stock option plans, the grant of bonus shares to employees and corporate officers, the grant or transfer of shares to employees as part of the Company's expansion-related profit sharing plan, employee share ownership or company savings plans, and any other forms of share grants to employees and corporate officers of the Company or Group;
- to lock up shares with a view to granting them as payment or consideration or otherwise in connection with acquisitions made by the Company or Group, in accordance with market practices and applicable regulations, on the understanding that the number of shares purchased with a view to being granted subsequently as part of a merger, demerger or contribution may not exceed 5% of the Company's share capital;
- to cancel the shares purchased by the Company.

In respect of the implementation of this last purpose, the general meeting of October 8, 2014, under the terms of its 24th resolution, authorized your Management Board to reduce the share capital by canceling shares held by the Company. Under the terms of the 21st resolution of this general meeting voting as an extraordinary meeting, you will be asked to renew this authorization to the Management Board to reduce the capital by canceling treasury shares.

The conditions related to this new authorization to buy back the Company's shares would be as follows:

- maximum purchase price: €30;
- maximum holding: 10% of the share capital (or 11,400,616 shares as at December 31, 2015);
- maximum purchase amount: €350 million.

These shares may be purchased at any time, excluding periods of tender offers for the Company's share capital, on one or more occasions and by all available means, either on or off a stock exchange over the counter, including the purchase of blocks of shares, or through derivative financial instruments, and, if applicable, by all third parties acting on behalf of the Company, in accordance with the provisions of the last paragraph of Article L. 225-206 of the French Commercial Code, to the extent permitted by the laws and regulations in effect while the share buyback program is valid.

7.2.2 RESOLUTIONS WITHIN THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING

12th to 17th resolutions

Financial delegations to be granted to the Management Board with or without preferential subscription rights

The combined general meeting of shareholders of October 8, 2014 authorized the Management Board to increase the Company's share capital based on a variety of terms and conditions, within the limits of the authorizations granted, with or without preferential subscription rights.

The Management Board used these delegations in connection with the reorganization that preceded the Company's initial public offering, and for the requirements of that initial public offering. Details of the uses of these delegations by the Management Board appear in chapter 8 "Information about the Company and its capital", section 8.3.5 "Unissued authorized capital" of the 2015 registration document.

As these financial authorizations expire in 2016, the general meeting is asked to renew them in order to maintain the Management Board's current flexibility in issuing securities based on market conditions and the Company's development. This would allow the Board to take advantage of opportunities to issue various securities when the time is right.

In accordance with the Company's articles of incorporation, the issue by the Management Board of any shares and/or securities giving rights to the Company's share capital directly or indirectly is subject to the prior approval of the Supervisory Board.

Pursuant to these delegations and authorizations, the Management Board could thus decide to issue Company shares or securities giving access to the Company's share capital immediately and/or in the future, specifically Company securities giving access to other capital securities, whether existing or to be issued, and/or granting allocation rights to debt securities.

It is hereby specified that pursuant to legal provisions as amended by the order of July 31, 2014 regarding company rights, only the Management Board is authorized to issue securities that will not result in a change in share capital immediately or in the future. Consequently, issues by the Company of debt securities giving access to existing Company shares and/or rights to other Company debt securities are excluded from the scope of the resolutions submitted for your approval.

The Management Board would not be authorized to decide to issue preferred shares or securities giving access to preferred shares under these delegations and authorizations.

Notwithstanding the Management Board's policy to favor capital increases with shareholders' preferential subscription rights, this may only be excluded under certain circumstances and it may be more appropriate and in the interests of shareholders to provide for the possibility of capital increases without preferential subscription rights.

The resolutions on which you are asked to vote therefore provide for the possibility for the Management Board to issue shares or securities:

- either, with preferential subscription rights, under the 13th resolution (issue of shares or securities with shareholders' preferential subscription rights) and 17th resolution (additional issue of shares or securities in application of the 13th resolution); or
- without preferential subscription rights, under the 14th resolution (issue of shares or securities as part of one or more public offerings), 15th (issue of shares or securities as part of one or more private placements), and 17th (additional issue of shares or securities in application of the 14th and 15th) resolutions.

Note that the issue of securities giving access to capital would require shareholders to waive their preferential subscription rights to the ordinary new shares to which such securities would give right.

Please also note that the Management Board would not be authorized to use said delegations from the time a tender offer for Elis securities is lodged by a third party until the end of the offer period.

Delegation of authority to the Management Board to increase the Company's share capital through the capitalization of reserves, premiums, profits or any other amounts that may be capitalized (12th resolution)

Under the terms of the **12th resolution**, we will ask you to renew the delegation of authority to the Management Board, on terms identical to those granted by the general meeting of October 8, 2014, to increase the Company's share capital by **capitalizing additional paid-in capital, transfer or merger premiums, reserves, profits or other**, for a period of 26 months. The maximum par value of the capital increases that may be carried out by the Management Board pursuant to this delegation would be equal to the amount set by the general meeting of October 8, 2014, namely €130 million, to which may be added, as necessary, the par value of additional shares to be issued to maintain the existing rights of holders of securities entitled to these Company shares in accordance with prevailing laws. Note that this limit would be independent.

Delegation of authority to the Management Board to issue shares or securities, with preferential subscription rights giving access, immediately or in the future, to the Company's share capital (13th resolution)

Under the terms of the **13th resolution**, you are asked to vote to renew the authorization granted to the Management Board for a new period of 26 months **to increase the Company's share capital by the issue, with preferential subscription rights, of capital securities and/or any securities giving access to the Company's shares and/or securities giving access to debt securities, immediately and/or in the future.**

You are asked to vote on the maximum par value of the capital increases that may be carried out pursuant to this delegation being set at an amount equal to that approved by the general meeting of October 8, 2014, namely €500 million (approximately 43.85% of share capital as at March 9, 2016), to which may be added, as necessary, the par value of additional shares to be issued to maintain the existing rights of bearers of securities entitled to these Company shares in accordance with prevailing laws. The par value of the shares and securities issued under this delegation would be deducted from the overall cap of €500 million stipulated in the 20th resolution below, subject to its approval by the general meeting, or from the amount of the cap that may be stipulated in any other resolution having the same purpose and that may replace it during the period of validity of the 13th resolution.

You are asked to vote on the maximum par value of the debt securities giving access to the capital, or similar securities, being set at an amount equal to that approved by the general meeting of October 8, 2014, namely €1 billion, and which would be deducted from the overall cap stipulated under the terms of the 20th resolution below, subject to the approval thereof, or from the amount of the cap that may be stipulated in any other resolution having the same purpose and that may replace it while the 13th resolution is still valid.

Shareholders would have preferential subscription rights, proportional to their share amount, to the shares and securities that would be issued under this delegation, such rights being ex-dividend and tradable during the entire subscription period.

The Management Board would also have the power to establish for the benefit of shareholders a right to subscribe for additional shares or, as applicable, to securities to be issued by the Company, aimed at allowing shareholders to subscribe for a number of securities in excess of the fixed number to which they are entitled to subscribe, in the event that subscriptions for the fixed number of shares do not cover the full amount of the capital increase.

Delegation of authority to the Management Board to issue shares or securities, without preferential subscription rights giving access, immediately or in the future, to the Company's share capital (14th, 15th and 16th resolutions)

The purpose of the **14th and 15th resolutions** is to allow the Management Board to **issue, by means of a public offering, ordinary shares or securities, without preferential subscription rights, giving access immediately or in the future to a portion of the Company's capital.** The preferential subscription rights attached to the shares and securities issued pursuant to these delegations would be canceled and the Management Board could grant shareholders a priority right to subscribe; this subscription priority would not give rise to the creation of transferable rights but could be exercised both on a revocable and irrevocable basis.

As indicated above, the cancellation of shareholders' preferential subscription rights typically gives the Board more flexibility to act on suitable market opportunities. In particular, the cancellation of preferential subscription rights allows for transactions to be performed as part of a private placement, *i.e.* as part of an offer intended exclusively for persons who provide portfolio management investment services to third parties, qualified investors, or a small group of investors, provided that these investors are acting on their own account. This type of investment, which involves a more simple procedure than that of a public offering, would allow the Company to be more reactive to market opportunities and raise funds quickly, if necessary.

For this purpose, and in accordance with the recommendation issued by the French Financial Markets Authority on July 6, 2009, two separate resolutions are submitted for your approval in order that you may cast two separate votes: one on transactions related to public offerings (14th resolution) and one on transactions related to private placements (15th resolution).

The maximum par value of transactions related to public offerings that may be decided by the Management Board with cancellation of shareholders' preferential subscription rights pursuant to the 14th resolution would be capped at €114 million (*i.e.* approximately 10% of the share capital as at March 9, 2016), it being specified that this amount will be increased by the par value of ordinary Company shares that may be issued in connection with adjustments made to preserve the rights of holders of securities giving access to capital, in accordance with laws and regulations and, as the case may be, applicable contractual provisions.

The Management Board would be authorized to carry out capital transactions by private placement in accordance with the 15th resolution in an amount not to exceed 5% of the share capital amount (as it stood on the date of the transaction).

The par value of the transactions that would be carried out under the 14th and 15th resolutions would be deducted from the overall cap of €500 million stipulated in the 20th resolution of this general meeting, subject to the approval thereof, or from the amount of the cap that may be stipulated in any other resolution having the same purpose and that may replace it during the period of validity of the 14th and 15th resolutions.

The maximum par value of debt security issues giving access to the capital that may be carried out under the 14th and 15th resolutions would be capped at €1 billion and would also be deducted from the overall cap stipulated in the 20th resolution of this general meeting, subject to the approval thereof, or from the amount of the cap that may be stipulated in any other resolution having the same purpose and that may replace it while the 15th resolution is still valid.

The issue price for the securities would be set in accordance with laws and regulations prevailing at the time of the issue (*i.e.* at the date of the general meeting, an issue price at least equal to the weighted average of the share price over the last three trading days preceding the date on which the issue price was set, less any discount up to a maximum of 5%). However, under the 16th resolution presented below, and subject to the adoption thereof, the Management Board may set the issue price of the shares and securities issued under the 14th and 15th resolutions at an amount not to exceed 10% of the Company's share capital per 12-month period, according to the procedures stipulated in this 16th resolution.

Each of these two delegations of authority to increase the Company's share capital without shareholders' preferential subscription rights would be granted for a period of 26 months from the general meeting. The authorization granted to the Management Board to set the issue price for the capital increases resulting from the 14th and 15th resolutions would be granted for the same period as those delegations of authority, namely 26 months.

Authorization granted to the Management Board to increase the number of shares or other securities to be issued in the event of a capital increase with or without preferential subscription rights (17th resolution)

In addition to the 13th, 14th and 15th resolutions presented above, you are asked by the 17th resolution to grant the Management Board the authority to increase the number of shares or securities to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, within the deadlines and limits stipulated by the regulations applicable on the day of the issue (*i.e.* at the date of the general meeting, within 30 days of the close of the initial issue subscription and up to a limit of 15% of the initial issue) and at the same price as that chosen for the initial issue.

This delegation of authority would make it possible to increase, in the event of excess demand for subscriptions for capital increases with or without preferential subscription rights, the number of securities to be issued under the conditions and within the limits set forth by law, namely within the limit of 15% of the initial issue, and in any event not to exceed the cap applicable to this initial issue resulting from the 13th, 14th and 15th resolutions above, or any other resolutions having the same purpose and that may replace those resolutions while the delegation concerned is still valid.

The par value of any increase in the Company's capital carried out by virtue of this delegation would be deducted from the overall cap stipulated in the 20th resolution below, subject to the approval thereof, or from the amount of the cap that may be stipulated in any other resolution having the same purpose and that may replace the 20th resolution below while the 17th resolution is still valid.

This authorization to the Management Board to decide to issue additional shares or securities in the event of a capital increase with or without preferential subscription rights, in application of the 13th, 14th and 15th resolutions, would be granted for a period identical to the period of these delegations of authority, namely 26 months.

Note that all new delegations granted under the 12th to 17th resolutions comply with usual practices in this regard in terms of amount, cap and period and, subject to their approval, will terminate the delegations with the same purpose previously granted by the general meeting of October 8, 2014. The Statutory Auditors's reports required by laws or regulations relating to these delegations of authority have been made available to shareholders within the legal deadlines.

In accordance with laws and regulations, in the event that the Management Board uses one or more delegations provided for under the terms of the 12th to 17th resolutions, your Management Board will report to you, at the next ordinary general meeting following the use of said delegation(s), on the final terms and conditions of the transaction and the impact on the position of holders of capital securities or other securities giving access to capital in the event of cancellation of preferential subscription rights.

Lastly, you are asked to grant the Management Board the appropriate authority to implement these delegations, with the authority to further delegate such powers in accordance with the law.

If all of these proposals meet with your approval, we ask that you approve the resolutions relating thereto.

18th resolution

Authorization granted to the Management Board to increase the share capital by issuing shares and/or securities giving access to the share capital as consideration for the asset contribution granted to the Company (except in the event of a public exchange offer)

By your vote on the **18th resolution**, we will ask you to renew the authorization granted to the Supervisory Board at the general meeting of October 8, 2014 **to issue shares and/or any securities giving access to the Company's share capital, as consideration for the asset contribution** whenever the legal provisions stipulated in Article L. 225-148 of the French Commercial Code and related to capital increases as consideration for securities contributed as part of a public exchange offer are not applicable. This option would be available for a period of 26 months and limited to 10% of the share capital as it stood on the issue date, it being specified that the amount would be deducted from the overall cap of €500 million pursuant to the 20th resolution below, subject to the approval thereof, or from the amount of the cap that may be stipulated by any other resolution having the same purpose and that would replace it while the 18th resolution is still valid.

We remind you that in the event that this authority is implemented, an Auditor would be asked to verify the consistency and value of the contributions and, where applicable, the terms and conditions of the consideration for the contribution, *i.e.* the number of new shares that would be issued by the Company in consideration for the contribution it is receiving.

19th resolution

Delegation of authority to the Management Board to carry out one or more capital increases reserved for employees

The financial authorizations granted to the Management Board carry the correlative obligation to present to the general meeting a draft resolution for a possible capital increase reserved for employees belonging to a company savings plan in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code.

We therefore propose under the terms of the **19th resolution** to terminate the current authorization granted under the 8th resolution of the general meeting of February 10, 2015 on the basis that it was not used, and, in view of the report prepared by your Statutory Auditors, grant a new delegation of authority to the Management Board for a period of 26 months **to carry out one or more capital increases by issuing shares and/or securities giving access to the Company's capital without shareholders' preferential subscription rights for the benefit of employees participating in a company or Group savings plan.** The delegation would involve a maximum par value equal to that contained in the delegation granted to the Management Board on February 10, 2015, namely €20 million, accounting for approximately 2% of share capital as at March 9, 2016, after the implementation of a company savings plan in accordance with the provisions of Articles L. 3332-1 *et seq.* of the French Labor Code.

We ask that you decide that the share subscription price should be between 80% and 100% of the average share price during the 20 trading days preceding the opening date for the subscription period as set by the Management Board. Exceptionally, the share subscription price may be between 70% and 100% of this average if the lock-in period stipulated by the plan is greater than or equal to ten years. We ask that you grant the Management Board the authority to set the final price of the capital increase decided in this manner. Note that the vote on this resolution would require shareholders to expressly waive their preferential subscription rights to the new shares to be issued so that the subscription for those new shares can be reserved for employees participating in the Company's saving plan. To this end, we will ask you to delegate to your Management Board the task of finalizing the list of beneficiaries.

You are also asked to expressly authorize the Management Board to reduce or cancel the aforementioned discount, within statutory or regulatory limits, if it considers such action to be advisable, in order to take account in particular of locally applicable legal, accounting, tax and employee-related procedures.

20th resolution

Total limits of the amount of the issues carried out pursuant to the 13th to 18th resolutions

Under the terms of this 20th resolution, in addition to the individual caps specified in each of the 13th to 18th resolutions, issues that may be decided in accordance with said resolutions would be capped based on the total limits described below:

- the total maximum par value of the share issues that may be made directly or on presentation of securities that may or may not be debt securities, may not exceed €500 million, it being specified that this limit would not apply (i) to capital increases carried out by capitalizing reserves, premiums or any other amounts that may be capitalized (12th resolution), (ii) to capital increases resulting from the subscription for shares by employees or corporate officers of the Company or companies affiliated with it (19th resolution), or (iii) to capital increases resulting from the grant of bonus Company shares to corporate officers and employees (22nd resolution) below;
- the total maximum par value of the issue of debt securities that may be decided would be €1 billion.

If this proposal meets with your approval, we ask that you approve the resolution relating thereto.

21st resolution

Authorization granted to the Management Board to cancel some or all of the Company's shares held by the Company under the authorization to buy back shares

The purpose of this resolution is to renew the delegation granted to the Management Board by the general meeting of October 8, 2014 to reduce the share capital by canceling any quantity of treasury shares held by the Company as a result of the implementation of the share buyback authorization submitted for your approval under the terms of the 11th resolution of this general meeting. As prescribed by law, shares may only be canceled up to a limit of 10% of the total number of shares comprising share capital per 24-month period.

This delegation would be granted for a period of 26 months as from this general meeting, and the adoption of this resolution would terminate with immediate effect the delegation with the same purpose that was previously granted to the Management Board by the shareholders' general meeting of October 8, 2014.

22nd resolution

Authorization granted to the Management Board to grant bonus Company shares to employees and/or corporate officers of the Company or a Group company

Under the terms of the 22nd resolution, you are asked to renew the authorization granted to the Management Board to grant Company shares, whether existing or to be issued, free of charge to eligible employees or corporate officers of the Company or companies affiliated with it under the conditions referred to in Article L. 225-197-2 of the French Commercial Code, or certain categories thereof. The purpose of this authorization is to involve corporate officers and employees more closely in the Group's economic performance and to retain the Group's talent.

The delegation previously granted to the Management Board by the general meeting of October 8, 2014 was used in 2015, the Management Board having decided at its meetings of April 7, 2015 and December 21, 2015 to introduce a performance-based share grant plan. Details of allocations made in 2015 are included in note 5.4 to the 2015 consolidated financial statements (see chapter 6 "Financial statements for the year ended December 31, 2015") in the 2015 registration document. The Management Board also reports to you the grants made during the 2015 financial year under the terms of its special report prepared in accordance with the provision of Article L. 225-197-4 of the French Commercial Code.

The total number of shares that may be granted free of charge under this authorization may not exceed 2.5% of the Company's share capital as noted on the day of the Management Board's grant decision, it being specified that the number of shares that may be granted to executive corporate officers would be limited to 0.55% of share capital and would be deducted from this cap of 2.5%.

Affected shares would be shares to be issued in relation to a capital increase or existing shares previously bought by the Company under the share buyback programs authorized by the general meeting.

The Management Board would condition the vesting of shares on performance criteria, it being specified that the shares granted to the Company's executive corporate officers would be subject to one or more performance conditions determined by the Supervisory Board at the time of the grant decision and assessed over several years. This means that the grant to each beneficiary could be zero, partial or total, based on the degree to which the targets, defined by the share grant plan(s), are achieved. It should also be noted that the Supervisory Board will furthermore set the number of shares that each executive corporate officer will be required to hold in registered form until they step down from their duties.

In this regard, please note that the Supervisory Board decided that since these were performance shares granted in 2015 to members of the Management Board, those members will be required to hold a number of shares in pure registered form until such time as they step down from their duties, that number being as follows:

- for the chairman of the Management Board, one-third of vested shares up to three times the amount of his annual fixed compensation for the duration of his term of office;
- for other members of the Management Board, one-third of vested shares up to two times the amount of their respective annual fixed compensation for the duration of their terms of office.

More generally, the potential implementation of this authorization by the Management Board would be subject to the prior approval of the Supervisory Board, in accordance with the Company's articles of incorporation.

In the event this authorization is implemented, the share grant would become final at the end of a minimum two-year vesting period, and beneficiaries would have to lock up said shares for a period set by the Management Board. Please note that in this respect, and to the extent that the vesting period for all or some of one or more share grants would be at least two years, the Management Board would be authorized not to impose any lock-up period for the shares concerned. Corporate officers would be subject to a compulsory retention period of at least two years.

This authorization would be granted for a period of 38 months from the date of the general meeting.

If this proposal meets with your approval, we ask that you approve the resolution relating thereto.

23rd resolution

Authorization to carry out legal formalities

Lastly, we ask you to grant the powers to carry out any formalities prescribed by law following this general meeting.

We believe that the resolutions that will be submitted for your vote are consistent with your Company's interests and conducive to the development of your Group's operations.

We therefore ask that you vote in favor of these resolutions, and thank you for the trust you have always shown us.

The Management Board

7.3 DRAFT RESOLUTIONS

7.3.1 RESOLUTIONS WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING

First resolution

Approval of the parent company financial statements for the year ended December 31, 2015

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's management report, the Supervisory Board's observations regarding the Management Board's report and the Company financial statements, and the Statutory Auditors' report on the parent company financial statements for the year ended December 31, 2015, approves the Company financial statements for the year ended December 31, 2015 as presented and comprising the statement of financial position, income statement and notes, and approves the transactions recorded in these financial statements and summarized in these reports and showing a loss of €54,840,382.93.

Pursuant to the provisions of Article 223 *quater* of the French Tax Code, the general meeting notes that the expenses and charges referred to in Article 39-4 of said Code incurred by the Company during the financial year just ended amounted to the sum of €19,471.

Second resolution

Approval of the consolidated financial statements for the year ended December 31, 2015

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's management report, the Supervisory Board's observations regarding the Management Board's report and the consolidated financial statements, and the Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2015, approves the consolidated financial statements for the year ended December 31, 2015 as presented and comprising the consolidated statement of financial position, the consolidated income statement and notes, and approves the transactions recorded in these financial statements and summarized in these reports, which show a net loss attributable to owners of the Company of €57,613 thousand.

Third resolution

Appropriation of net loss for the financial year ended December 31, 2015

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's observations regarding the Management Board's report, decides to allocate the net loss for the financial year ended December 31, 2015, which amounts to €54,840,382.93, to accumulated deficit, taking the balance of that line item from €52,436,825.89 to €107,277,208.82.

As a reminder, no dividend was paid in respect of the financial years ended December 31, 2014, 2013 and 2012.

Fourth resolution

Special dividend in an amount to be drawn from reserves

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's management report and the Statutory Auditors' report on the parent company financial statements for the year ended December 31, 2015, decides to proceed with a special cash dividend to be deducted from additional paid-in capital for a total amount of €39,902,158.45, *i.e.* a unit dividend of €0.35 per share, based on capital composed of 114,006,167 shares as at March 9, 2016.

The right to a special dividend will have an ex-dividend date of June 6, 2016 and the payment date is set at June 8, 2016. It is specified that should the Company hold any of its own shares when these rights are paid, the amounts corresponding to the unpaid rights for the total of those shares would be allocated to accumulated deficit.

The general meeting grants as needed full authority to the Management Board to determine the terms and conditions of this dividend payment, implement the special dividend, deduct the amount from additional paid-in capital, and, more generally, do whatever is necessary and take all appropriate measures to ensure the successful completion of the transactions that are the subject of this resolution.

Pursuant to the provisions of paragraph 1 of Article 112 of the French Tax Code, the amounts distributed to shareholders as reimbursement of contributions or additional paid-in capital are not considered taxable distributed income, provided that all profits and reserves other than the statutory reserve have already been distributed. Under these provisions, the amount distributed is reimbursement of contribution in full.

Fifth resolution

Approval of regulated agreements and commitments with related parties referred to in Articles L. 225-86 *et seq.* of the French Commercial Code

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Statutory Auditors' special report on the agreements and commitments referred to in Articles L. 225-86 *et seq.* of the French Commercial Code, approves in all its provisions the terms of said report as well as the regulated agreements and commitments with related parties mentioned therein and entered into during the financial year ended December 31, 2015, and duly notes the regulated agreements and commitments with related parties entered into during prior financial years that were previously authorized and approved by the general meeting.

Sixth resolution

Reappointment of Marc Frappier as Supervisory Board member

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's observations, noting that the term of office of Marc Frappier as member of the Supervisory Board is due for renewal today, decides to renew his term of office as a member of the Supervisory Board for a four-year term, *i.e.* until the conclusion of the general meeting convened to approve the financial statements for the year ended December 31, 2019 and that will be held in 2020.

Seventh resolution

Reappointment of Michel Datchary as Supervisory Board member

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's observations, noting that the term of office of Michel Datchary as member of the Supervisory Board is due for renewal today, decides to renew his term of office as a member of the Supervisory Board for a four-year term, *i.e.* until the conclusion of the general meeting convened to approve the financial statements for the year ended December 31, 2019 and that will be held in 2020.

Eighth resolution

Ratification of the co-optation of Maxime de Bentzmann as a new member of the Supervisory Board

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report, ratifies the co-optation of Maxime de Bentzmann as a member of the Supervisory Board, decided by the Supervisory Board at its meeting of March 9, 2016, to replace Eric Schaefer, who has resigned, for the remainder of his predecessor's term of office, *i.e.* until the conclusion of the general meeting convened to approve the financial statements for the year ended December 31, 2017 and that will be held in 2018.

Ninth resolution

Opinion on the compensation components due or paid to Xavier Martiré, chairman of the Management Board for the 2015 financial year

The general meeting, consulted in accordance with the AFEP-MEDEF Code (section 24.3), voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board and Supervisory Board reports, issues a favorable opinion on the compensation components due or paid to Xavier Martiré in his capacity as chairman of the Management Board for the financial year ended December 31, 2015, as presented in chapter 4 "Corporate governance", section 4.5 "Compensation and benefits of members of the Management Board and Supervisory Board" in the 2015 registration document and included in the Management Board's report on the draft resolutions.

Tenth resolution

Opinion on the compensation components due or paid for the 2015 financial year to members of the Management Board (Louis Guyot and Matthieu Lecharny)

The general meeting, consulted in accordance with the AFEP-MEDEF Code (section 24.3), voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board and Supervisory Board reports, issues a favorable opinion on the compensation components due or paid to Louis Guyot and Matthieu Lecharny in their capacity as members of the Management Board for the financial year ended December 31, 2015, as presented in chapter 4 "Corporate governance", section 4.5 "Compensation and benefits of members of the Management Board and Supervisory Board" in the 2015 registration document and included in the Management Board's report on the draft resolutions.

Eleventh resolution

Authorization granted to the Management Board to trade in the Company's shares

The general meeting, voting with the quorum and majority required for ordinary general meetings, and having reviewed the Management Board's report and the Supervisory Board's observations, in accordance with the provisions of Articles L. 225.209 *et seq.* of the French Commercial Code and the provisions of European Commission Rule 2273/2003 of December 22, 2003, authorizes the Management Board, which may further delegate such powers in accordance with the law, to buy back the Company's shares directly or through a representative, on one or more occasions, at its discretion, and within the limits set forth below.

Shares may be purchased for any allocation permitted by European Commission Rule 2273/2003 of December 22, 2003 and by law, or that would be permitted by law or French or European regulations, and in particular for the following purposes:

- to increase share liquidity in connection with a liquidity agreement consistent with the Code of Conduct issued by the French Association of Financial Market Professionals *(Association française des marchés financiers – AMAFI)*, using an investment services provider as intermediary;
- to honor the obligations related to the issuance of all securities granting the right in any way whatsoever to the grant of Company shares, and to grant shares when exercising rights attached to securities granting the right in any way whatsoever to the grant of Company shares;
- to honor obligations related to stock option plans, the grant of bonus shares to employees and corporate officers, the grant or transfer of shares to employees as part of the Company's expansion-related profit sharing plan, employee share ownership or company savings plans, and any other forms of share grants to employees and corporate officers of the Company or Group;
- to lock up shares with a view to granting them as payment or consideration or otherwise in connection with acquisitions made by the Company or Group, in accordance with market practices and applicable regulations, on the understanding that the number of shares purchased with a view to being granted subsequently as part of a merger, demerger or contribution may not exceed 5% of the Company's share capital;
- to cancel as the case may be shares vested in accordance with the authorization granted under the terms of the 24th resolution of the general meeting voting as an extraordinary meeting on October 8, 2014, and the 21st resolution of this general meeting voting as an extraordinary meeting subject to the approval thereof.

These shares may be purchased at any time, excluding periods of tender offers for the Company's share capital, and by all available means, either on or off a stock exchange, over the counter or through the use of optional mechanisms, where applicable by all third parties acting on behalf of the Company, under the conditions stipulated in the provisions of the last paragraph of Article L. 225-206 of the French Commercial Code.

The purchases, sales and transfers described above may be carried out by all means compatible with prevailing laws and regulations, including through the use of financial derivative instruments and the purchase or sale of share blocks.

The general meeting sets the maximum purchase price at €30 per share (excluding acquisition-related costs), it being specified that in the case of capital transactions with preferential subscription rights, or by capitalization of reserves, profits or additional paid-in capital followed by share issue and bonus share allocation, stock split or reverse stock split, the price indicated above may be adjusted accordingly by the Management Board. The total maximum amount allocated to the share buyback program may not exceed €350 million.

The number of shares that may be purchased during the program's duration may not exceed 10% of the share capital composed, as at December 31, 2015, of 114,006,167 shares with a par value of €10 each, *i.e.* 11,400,616 shares, it being specified that (I) when shares are repurchased to increase the liquidity of the Company's shares, under the terms set forth above, the number of shares used to calculate the aforementioned 10% limit is equal to the number of shares purchased, minus the number of shares resold within the period of this authorization, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, and (II) the number of treasury shares shall be taken into account so that the Company remains within the limit of the number of treasury shares held, which is not to exceed 10% of the number of shares making up its share capital.

For illustrative purposes, the maximum amount of the program is therefore €337,574,070 (excluding trading costs), taking into account the 148,147 treasury shares held as at December 31, 2015. The maximum number of shares that may be purchased in the absence of resale is therefore 11,252,469 shares.

This authorization is granted for a maximum period of 18 months as from this general meeting, and the adoption of this resolution terminates with immediate effect the authorization granted by the ordinary general meeting dated June 24, 2015 in its 14th resolution.

The general meeting grants the Management Board, which may further delegate such powers as provided by law, full authority to implement this authorization, place any share trading orders in any market, enter into any agreement, prepare any documentation, carry out any formalities and declarations with any bodies, and more generally take all necessary and appropriate measures to execute the decisions made under this resolution.

The general meeting notes that in the event that the Management Board uses this authorization, the Management Board shall make available the information regarding the carrying out of this buyback program to the shareholders, in the report referred to in Article L. 225-100 of the French Commercial Code and in accordance with the provisions of Article L. 225-211 of said Code.

7.3.2 RESOLUTIONS WITHIN THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING

Twelth resolution

Delegation of authority to the Management Board to increase the share capital through the capitalization of reserves, premiums, profits or other amounts that may be capitalized

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report and the Supervisory Board's observations, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-129-4 and L. 225-130:

1. Delegates authority to the Management Board for a period of 26 months as from this general meeting, with the ability to further delegate such powers as provided by law and the Company's articles of incorporation, to increase the share capital on one or more occasions in the amount and at the times it deems appropriate by successive or simultaneous capitalization of additional paid-in capital, transfer or merger premiums, reserves, profits or any other amount that may be capitalized, as a bonus share issue and grant or an increase in the nominal value of existing shares or a combination of both of these methods.
2. Decides that the maximum capital increase amount that may be carried out in this manner shall not exceed the combined total of the amounts that may be capitalized, nor the cap of €130 million or the equivalent of this amount, to which would be added as necessary the par value of additional shares to be issued to preserve the existing rights of holders of securities giving rights to the Company's shares in accordance with prevailing law, it being specified that this cap is separate and independent of the cap provided for in the 20th resolution of this general meeting.
3. Decides that in the event of a capital increase in the form of a bonus share grant and in accordance with the Provisions of Article L. 225-130 of the French Commercial Code, fractional rights will not be negotiable and the corresponding securities shall be sold, it being specified that the amounts resulting from the sale shall be allocated to the holders of the rights according to applicable regulatory terms and conditions.
4. Grants full authority to the Management Board, which may further delegate such powers, to proceed with the aforementioned issues according to the procedures that it will finalize in accordance with the law, and in particular to:
   - set the amount and the nature of the amounts to be capitalized;
   - determine the dates, terms and conditions, and other characteristics of the issues;
   - deduct from one or more "available reserves" accounts the amount of the fees, charges and rights relating to the capital increase and, where applicable, deduct from one or more "available reserves" accounts the amount required to take the statutory reserve to 10% of the capital after the capital increase;
   - determine the terms and conditions to preserve, as necessary, the rights of holders of securities giving access to capital in accordance with the legal, regulatory and, where applicable, contractual provisions; and
   - more generally, take all necessary measures, enter into any agreements, call for any authorizations, carry out any legal formalities and do whatever is necessary to complete or postpone the planned issues, and in particular, recognize the capital increase(s) resulting from any issue carried out by virtue of this delegation, modify the articles of incorporation accordingly, and request the listing of any securities issued by virtue of this delegation.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 12th resolution.

Thirteenth resolution

Delegation of authority to the Management Board to issue shares or securities, with preferential subscription rights giving access, immediately or in the future, to the Company's share capital

The general meeting, voting with the quorum and majority required for extraordinary general meetings, and having reviewed the Management Board's report, the Supervisory Board's observations, and the Statutory Auditors' report, and in accordance with the provisions of the French Commercial Code set forth in Articles L. 225-129 *et seq.* and L. 228-91 *et seq.*, and particularly Articles L. 225-129-2 and L. 228-92 of said Code:

1. Delegates authority to the Management Board for a period of 26 months as from this general meeting, with the ability to further delegate such powers as provided by law and the Company's articles of incorporation, to increase the Company's share capital on one or more occasions in the amount and on the dates it deems appropriate via issues in euros or in foreign currencies in France and/or another country, with preferential subscription rights, (I) ordinary shares and/or (II) any securities issued with or without payment, giving access by any means, immediately and/or in the future, to new or existing ordinary Company shares, it being specified that the subscription of these shares and other securities may be completed either in cash or by offsetting against liquid and payable debts; it is hereby specified that the issue of any securities giving access to preferred shares is excluded.
2. Decides that under this delegation, the securities that may be issued may consist in particular of debt securities governed by the provisions of Article L. 228-91 *et seq.* of the French Commercial Code.
3. Decides to set the following limits of authorized issue amounts should this delegation of authority be used by the Management Board:
   - the maximum par value of the capital increases that may be made immediately or in the future under this delegation of authority may not exceed the cap of €500 million or the equivalent of that amount (*i.e.* 43.85% of the share capital as at March 9, 2016), it being specified that:
     - this amount will be increased by the par value of the capital increases that may be carried out pursuant to the issue of ordinary shares to preserve, in accordance with the law and, where applicable, contractual stipulations, the rights of holders of securities and other rights giving access to the Company's share capital,
     - any capital increase carried out under this delegation will be deducted from the overall cap of €500 million stipulated in the 20th resolution of this general meeting, subject to the approval thereof, or from the amount of the cap set by a similar resolution that may succeed it while this delegation is valid;
   - the maximum par value of the issues of debt or similar securities giving access to the Company's share capital that may be carried out by virtue of this delegation of authority may not exceed the cap of €1 billion or the equivalent of this amount in the case of an issue in another currency, it being specified that any issue carried out by virtue of this delegation will be deducted from the total cap set in the 20th resolution of this general meeting, subject to the approval thereof, or the amount that would be set by any other resolution of the same nature that may replace it while this delegation is valid.
4. Duly notes that in the event of an issue of securities giving access to new Company shares, this delegation requires that the holders of these issued securities waive, in favor of the beneficiaries of the issued securities, their preferential subscription rights to shares to which said issued securities will give the right immediately or in the future.
5. In the event that the Management Board uses this delegation of authority, the general meeting:
   - decides that the issue(s) shall be reserved by preference for shareholders who may subscribe to the fixed number of shares;
   - nevertheless confers to the Management Board the authority to grant shareholders the right to subscribe for excess securities in addition to those for which they may subscribe as of right, proportionately to the subscription rights that they hold and, in any event, within the limit of their request;
   - decides that if the subscriptions for the fixed number of shares and, where applicable, subscriptions for an excess number of shares, have not covered the entire issue of shares or securities as defined above, the Management Board may use, subject to the conditions stipulated by law and in the order that the Board shall determine, one

and/or any of the options below provided for in Article L. 225-134 of the French Commercial Code:

- limit the amount of the capital increase to the amount of the subscriptions received provided this amount is at least three-quarters of the planned increase,
- freely apportion all or part of the unsubscribed issued securities,
- offer the public all or some of the unsubscribed securities on the French and/or international markets.

6. Grants full authority to the Management Board, with the ability to further delegate such powers as provided by law and the Company's articles of incorporation, to proceed with the aforementioned issues according to the procedures that it will finalize in accordance with the law, and in particular:
   - finalize the terms and conditions of the capital increase(s) and/or issue(s);
   - determine the issue dates and terms and conditions of the issues, as well as the form and characteristics of the securities to be issued;
   - determine the number of shares and/or securities to be issued, as well as their terms and conditions and in particular their issue price, if necessary, the amount of the additional paid-in capital, the procedures for their payment in full and their ex-dividend date (retroactive, where applicable);
   - determine the terms under which the Company may purchase or exchange, as the case may be and at any time or during specified periods, the securities issued or to be issued;
   - suspend, where applicable, the exercise of the rights attached to these securities within a period of no more than three months in the cases and limits provided by applicable laws and regulations;
   - determine the terms and conditions to preserve, as necessary, the rights of holders of securities giving access to capital in accordance with the legal, regulatory and, where applicable, contractual provisions;
   - at its sole discretion, charge the costs of any issue against the related premiums and deduct from the premiums the amount necessary to increase the statutory reserve to 10% of the Company's new capital after each increase;
   - more generally, take all necessary measures, enter into any agreements, call for any authorizations, carry out any legal formalities and do whatever is necessary to complete or postpone the planned issues, and in particular, recognize the capital increase(s) resulting from any issue carried out by virtue of this delegation, modify the articles of incorporation accordingly, and request the listing of any securities issued by virtue of this delegation.
7. Decides that the Management Board may not, except with prior authorization from the general meeting, use this delegation from the time a tender offer for Elis securities is lodged by a third party until the end of the offer period.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 13th resolution.

Fourteenth resolution

Delegation of authority to the Management Board to issue shares and/or securities giving access, immediately or in future, to the Company's capital with cancellation of preferential subscription rights, through a public offering or as part of a public exchange offer, with a priority subscription option for shareholders

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the reports of the Management Board and Statutory Auditors and duly noted that the share capital has been paid up in full, and in accordance with Articles L. 225-129, L. 225-129-2, L. 225-129-4, L. 225-135, L. 225-136 and L. 225-148 of the French Commercial Code, as well as the provisions of Articles L. 228-92 and L. 228-93 of said Code:

1. Delegates authority to the Management Board, for a period of 26 months as from this general meeting, to increase the Company's share capital, at its sole discretion, on one or more occasions, by means of a public offering, on one or more occasions, in the amount and on the dates it deems appropriate, by issuing in both France and abroad, in euros or in foreign currencies, without preferential subscription shareholder rights, (i) ordinary Company shares, and/or (ii) securities giving access by any means, immediately or in the future, to a portion of the Company's capital, and/or in the future to the award of debt securities, on the understanding that the subscription for these shares and securities may be completed either in cash or by offsetting against liquid and payable debts, or by the contribution to the Company of securities meeting the conditions stipulated in Article L. 225-148 of the French

Commercial Code relating to a public exchange offer, or a similar transaction or one having the same effect abroad in accordance with applicable rules, initiated by the Company; it is hereby specified that the issue of any securities giving access to preferred shares is excluded.

2. Decides that the maximum par value of the capital increases that may be made immediately or in the future under this delegation may not exceed the cap of €114 million or the equivalent of that amount in the event of an issue in another currency, it being specified that:

   - this amount will be increased by the par value of ordinary Company shares that may be issued in connection with adjustments made to preserve the rights of holders of securities giving access to capital, in accordance with laws and regulations and, as the case may be, applicable contractual provisions, including if the shares are issued as consideration for securities tendered to the Company as part of a public exchange offer, or a similar transaction or one having the same effect abroad, in accordance with applicable rules, on the securities that fulfill the conditions stipulated in Article L. 225-148 of the French Commercial Code;

   - that the par value of any capital increase carried out under this delegation will be deducted from the overall cap of €500 million stipulated in the 20th resolution of this general meeting, subject to its adoption, or, where applicable, from the amount of the cap that may be set by a similar resolution that may replace it while this delegation is valid;

   - decides that the maximum par value of the issues of debt securities giving access to the share capital that may be carried out by virtue of this delegation may not exceed a par value of €1 billion or the equivalent of this amount in the case of an issue in another currency mentioned in the 20th resolution of this general meeting, it being specified that the par value of the issues of debt securities giving access to the capital that may be carried out in application of this delegation will be deducted from the cap stipulated in the 20th resolution of this general meeting, subject to its adoption, or, where applicable, from the amount of the cap that may be set by a similar resolution that may replace it while this delegation is valid.

3. Decides to cancel shareholders' preferential subscription rights attached to the shares and securities issued by virtue of this delegation, it being specified that the Management Board may grant shareholders a priority right to subscribe for all or part of the issue, during a time period and subject to the conditions that it will set in accordance with the provisions of Article L. 225-135 of the French Commercial Code; this subscription priority would not give rise to the creation of transferable rights but could be exercised both on a reducible and irreducible basis.

4. Duly notes and decides, as needed, that in the event of an issue of securities giving access to new Company shares, this delegation implies by right that holders of these issued securities expressly waive their preferential subscription rights to shares to which the issued securities will give the right, in favor of the beneficiaries of the issued securities.

5. Decides that the amount of the consideration being paid or that may subsequently be paid to the Company for each of the shares issued or to be issued under this delegation shall be set in accordance with prevailing laws and regulations (*i.e.* on the day of this general meeting, shall be at least equal to the weighted average of the share price over the three trading days preceding the date on which the issue price is set, less any discount provided for by applicable laws and regulations), after any necessary adjustment of this average in the event of a discrepancy regarding the ex-dividend dates. The issue price of the securities giving access to the capital will be such that the sum immediately received by the Company, increased, if necessary, by the sum that may be subsequently received by the Company, will be at least equal to the issue price referred to above, for each share issued as a result of the issue of these other securities.

6. Decides that if the subscriptions have not covered the entire issue, the Management Board may use one or both of the following powers, in the order that the Board shall determine, to:

   - limit the amount of the issue concerned to the amount of the subscriptions received provided these subscriptions make up at least three-quarters of the planned issue;

   - freely apportion all or part of the unsubscribed issued securities among the persons of its choosing;

   - offer the public all or some of the unsubscribed issued securities on the French or international markets.

7. Expressly authorizes the Management Board to make use of this delegation of authority, fully or partially, as consideration for securities tendered to the Company as part of a public exchange offer initiated by the Company on securities issued by any company fulfilling

the conditions stipulated in Article L. 225-148 of the French Commercial Code in accordance with the terms and conditions provided for in this resolution (with the exception of restrictions related to the issue price described in section 5 above).

8. Decides that the Management Board shall have full authority, which may be further delegated to its chairman or to one of its members as provided by law and the Company's articles of incorporation, to implement this delegation and in particular to:
   - finalize the terms and conditions of the capital increase(s) and/or issue(s);
   - determine the number of shares and/or securities to be issued, as well as their terms and conditions and in particular their issue price and the amount of the premium that may be required to be paid up in full at the time of the issue;
   - determine the issue dates and rules and the nature and form of the securities to be created, which may be subordinated or unsubordinated securities, perpetual or redeemable, and in particular, in the case of debt securities, determine their interest rate, term, fixed or variable redemption price, with or without premium, and the procedure for amortization;
   - determine the method of paying up the shares and/or securities issued;
   - determine, as applicable, the procedures for exercising the rights attached to the securities issued or to be issued and in particular finalize the date, even retroactively, from which the new shares will bear dividends, as well as any other conditions and procedures for carrying out the issue(s);
   - determine the terms under which the Company may purchase or exchange, as the case may be and at any time or during specified periods, the securities issued or to be issued;
   - provide for the ability to suspend, where necessary, the exercise of rights to these securities within a period not exceeding three months;
   - more particularly, in the case of issue of securities as consideration for securities contributed as part of a public exchange offer, or a similar transaction or one with the same effect abroad according to applicable rules, initiated by the Company:
     - finalize the list of securities contributed for exchange,
     - determine the issue conditions, swap ratio and, if applicable, the amount of the cash adjustment to be paid,
     - determine the terms and conditions of issue either as part of a public exchange offer, or a public exchange offer or public purchase offer as the primary offer with a public exchange offer or public purchase offer as a subsidiary offer, or an alternative public purchase or exchange offer;
   - determine the terms and conditions to preserve, as necessary, the rights of holders of securities giving access to capital in accordance with the legal, regulatory and, where applicable, contractual provisions;
   - at its sole discretion, charge the fees, expenses and rights of any capital increase(s) against the related premiums and, where applicable, deduct from the premiums the amount necessary to increase the statutory reserve to 10% of the Company's new capital after each increase;
   - in general, enter into any agreements, in particular to ensure the planned transaction(s) is/are successfully completed, take all necessary measures and carry out all legal formalities required for the financial servicing of the securities issued under this delegation as well as for the exercising of the rights attached thereto, recognize the completion of each capital increase, make the corresponding amendments to the articles of incorporation, and generally perform what is required.

9. Decides that the Management Board may not, except with prior authorization from the general meeting, use this delegation from the time a public offer for Elis securities is lodged by a third party until the end of the offer period.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 14th resolution.

Fifteenth resolution

Delegation of authority to the Management Board to issue shares and/or securities giving access, immediately or in the future, to the Company's share capital without preferential subscription rights, as part of an offer covered by section II of Article L. 411-2 of the French Monetary and Financial Code

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report, the observations of the Supervisory Board and the Statutory

Auditors' report, and noted that the share capital has been paid up in full, acting in accordance with Articles L. 225-129 *et seq.* of the French Commercial Code, particularly Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92, and in accordance with the provisions of Article 411-2 of the French Monetary and Financial Code:

1. Delegates authority to the Management Board, for a period of 26 months as from this general meeting, to carry out, at its sole discretion, one or more capital increases as part of an offer referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code up to a limit of 5% of the Company's share capital (as it stood on the date of the transaction) per 12-month period, on one or more occasions, in the amount and on the dates it deems appropriate, by issuing in both France and abroad, in euros or foreign currencies, without preferential subscription shareholder rights, (I) ordinary Company shares, and/or (II) securities giving access, immediately or in the future, to a portion of the Company's capital, existing or to be issued, and/or giving access to the allocation of Company debt securities, on the understanding that the subscription for these shares and securities may be completed either in cash or by offsetting against liquid and payable debts; it is hereby specified that the issue of any securities giving access to preferred shares is excluded.
2. Decides that the par value of any capital increase carried out under this delegation shall be deducted from the overall cap of €500 million stipulated in the 20th resolution of this general meeting, subject to its approval, and/or, where applicable, from the amount of the cap that may be set by a similar resolution that may replace it while this delegation is valid.
3. Decides that the maximum par value of the issues of debt securities giving access to the share capital that may be carried out by virtue of this delegation may not exceed a par value of €1 billion or the equivalent of this amount in the case of an issue in another currency, it being specified that the par value of the issues of debt securities giving access to the capital that may be carried out in application of this delegation will be deducted from the overall cap stipulated in the 20th resolution of this general meeting, subject to its approval, and/or, where applicable, from the amount of the cap that may be set by a similar resolution that may replace it while this delegation is valid.
4. Decides to cancel preferential subscription rights to the shares and securities issued by the Company under this resolution.
5. Duly notes and decides, as needed, that in the event of an issue of securities giving access to the Company's capital, this delegation implies by right that holders of these issued securities expressly waive their preferential subscription rights to shares to which the issued securities will give the right, in favor of the beneficiaries of the issued securities.
6. Decides that the amount of the consideration being paid or that may be subsequently paid to the Company for each of the shares issued or to be issued under this delegation shall be set in accordance with prevailing laws and regulations (*i.e.* on the day of this general meeting, shall be at least equal to the weighted average of the share price over the three trading days on Euronext Paris preceding the date on which the issue price is set, minus any discount provided for by applicable laws and regulations), after any necessary adjustment of this average in the event of a discrepancy regarding the ex-dividend dates. The issue price of the securities giving access to the capital will be such that the sum immediately received by the Company, increased, if necessary, by the sum that may be subsequently received by the Company, will be at least equal to the issue price referred to above, for each share issued as a result of the issue of these other securities.
7. Decides that if the subscriptions have not covered the entire issue, the Management Board may use one or both of the following powers, in the order that the Board shall determine, to:
   - limit the amount of the issue concerned to the amount of the subscriptions received provided these subscriptions make up at least three-quarters of the planned issue;
   - freely apportion all or part of the unsubscribed issued securities among the persons of its choosing;
   - offer the public all or some of the unsubscribed issued securities on the French or international markets.
8. Decides that the Management Board shall have full authority, which may further be delegated to its chairman or to one of its members as provided by law and the Company's articles of incorporation, to implement this delegation and in particular to:
   - finalize the terms and conditions of the capital increase(s) and/or issue(s);
   - determine the number of shares and/or securities to be issued, their issue price and the amount of the premium that may be required to be paid up in full at the time of the issue;

- determine the issue dates and rules and the nature and form of the securities to be created, which may be subordinated or unsubordinated securities, perpetual or redeemable, and in particular, in the case of debt securities, determine their interest rate, term, fixed or variable redemption price, with or without premium, and the procedure for amortization;
- determine the method of paying up the shares and/or securities issued;
- determine, as applicable, the procedures for exercising the rights attached to the securities issued or to be issued and in particular finalize the date, even retroactively, from which the new shares will bear dividends, as well as any other conditions and procedures for carrying out the issue(s);
- determine the terms under which the Company may purchase or exchange, as the case may be and at any time or during specified periods, the securities issued or to be issued;
- provide for the ability to suspend, where necessary, the exercise of rights to these securities within a period not exceeding three months;
- determine the terms and conditions to preserve, as necessary, the rights of holders of securities giving access to capital in accordance with the legal, regulatory and, where applicable, contractual provisions;
- at its sole discretion, charge the fees, expenses and rights of any capital increase(s) against the related premiums and, where applicable, deduct from the premiums the amount necessary to increase the statutory reserve to 10% of the Company's new capital after each increase;
- in general, enter into any agreements, in particular to ensure the planned transaction(s) is/are successfully completed, take all necessary measures and carry out all legal formalities required for the financial servicing of the securities issued under this delegation as well as for the exercising of the rights attached thereto, record the completion of each capital increase, make the corresponding amendments to the articles of incorporation, and generally perform what is required.

9. Decides that the Management Board may not, except with prior authorization from the general meeting, use this delegation from the time a public offer for Elis securities is lodged by a third party until the end of the offer period.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 15th resolution.

Sixteenth resolution

Authorization granted to the Management Board in the event of an issue of shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights, and to set the issue price at an amount not to exceed 10% of the share capital

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report, the observations of the Supervisory Board and the Statutory Auditors' report, and in accordance with Article L. 225-136, 1°, paragraph 2 of the French Commercial Code:

1. Authorizes the Management Board, which may further delegate such powers as provided by law, for a period of 26 months as from this general meeting, for each of the issues decided under the delegations of authority granted in application of the preceding 14th and 15th resolutions submitted to this general meeting, and up to a limit of 10% of the Company's share capital (as it stood on the date of the transaction) per 12-month period, to waive the terms and conditions for setting the price specified in the aforementioned resolutions, and to set the issue price of the shares and/or securities giving access to the issued capital immediately or in the future, in accordance with the following terms and conditions:
   (a) the issue price of the shares shall be at least equal to the closing price of the Company's share on (Euronext Paris during the last trading session prior to the date the price is set, minus any discount of up to 5%;
   (b) the issue price of the securities giving access to the capital immediately or in the future will be such that the sum immediately received by the Company, increased, if necessary, by the sum that may be subsequently collected by the Company, shall be at least equal to the issue price referred to in paragraph a) above, for each share issued as a result of the issue of these securities.
2. Decides that the Management Board shall have full authority to implement this resolution subject to the conditions stipulated by the resolution under which the issue is decided.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 16th resolution.

Seventeenth resolution

Authorization granted to the Management Board to increase in the number of shares or other securities to be issued in the event of a capital increase with or without preferential subscription rights

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report and the Statutory Auditors' report, and in accordance with the provisions of Articles L. 225-135-1 and R. 225-118 of the French Commercial Code:

1. Authorizes the Management Board, for a period of 26 months as from this general meeting, to increase the number of shares and/or securities to be issued in the event of an increase in the Company's share capital, with or without preferential subscription rights, in application of the 13th, 14th and 15th resolutions above submitted to this general meeting, subject to their approval, within the deadlines and limits stipulated by the regulation applicable on the day of the initial issue (for example, on the day of this general meeting within 30 days of the close of the subscription and up to a limit of 15% of the initial issue) and at the same price as that chosen for the initial issue.
2. Decides that the par value of any capital increase carried out under this authorization will be deducted from the overall cap of €500 million stipulated in the 20th resolution of this general meeting, or, where applicable, from the amount of the cap that may be stipulated in a similar resolution that may succeed it while this delegation is valid, subject to its approval by the general meeting.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 17th resolution.

Eighteenth resolution

Authorization granted to the Management Board to increase the Company's share capital by issuing shares or securities as consideration for the asset contribution (except in the event of a public exchange offer)

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report, the observations of the Supervisory Board and the Statutory Auditors' report, and in accordance with Article L. 225-147 of the French Commercial Code:

1. Delegates authority to the Management Board, which may further delegate such powers in accordance with laws and regulations and when the provisions of Article L. 225-148 of the French Commercial Code do not apply, for a period of 26 months from this general meeting, to increase the capital and issue any securities giving access to the capital (with the exception of preferred shares) up to a limit of 10% of the Company's capital, as consideration for the asset contribution granted to the Company and consisting of capital securities or securities giving access to the Company's capital, it being specified that the par value of the capital increases that may be made by virtue of this resolution will be deducted from the overall cap of €500 million set by the 20th resolution of this general meeting, subject to the approval of said resolution, or, where applicable, deducted from the amount of the cap that may be stipulated in a similar resolution that may succeed it while this delegation is valid.
2. Decides, as necessary, to cancel in favor of holders of capital securities or securities giving access to the capital, which is the subject of the asset contribution, shareholders' preferential subscription rights to shares and/or securities giving access to the capital that will be issued by virtue of this delegation.
3. Decides that the Management Board shall have full authority in this respect, in particular to determine the transaction's terms, conditions and procedures within the limits of applicable laws and regulations, evaluate the contributions, decide the capital increase or issue of securities giving access to the capital and as consideration for the contribution, and, with regard to said contributions, record their completion, deduct all fees and rights incurred by the capital increase from the contribution premium if applicable, draw from the contribution premium the amounts required to fully allocate the statutory reserve, and make the corresponding amendments to the Company's articles of incorporation.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 18th resolution.

Nineteenth resolution

Delegation of authority to the Management Board to increase the Company's share capital without preferential subscription rights reserved for employees who are members of a company or Group savings plan

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report, the observations of the Supervisory Board and the Statutory Auditors' report, and in accordance with the provisions of

Articles L. 225-129, L. 225-129-2, L. 225-129-6 and L. 225-138 of the French Commercial Code, and Articles L. 3332-1 and L. 3332-18 *et seq.* of the French Labor Code:

1. Delegates authority to the Management Board, for a period of 26 months as from this general meeting, to increase the Company's share capital after the implementation of the company savings plan under the conditions stipulated in Articles L. 3332-18 *et seq.* of the French Labor Code, by issuing (I) ordinary Company shares, and/or (II) securities giving access, immediately or in the future, to the Company's share capital, in a maximum par value of €20 million (increased as applicable by the par value of shares to be issued to preserve the rights of holders of securities giving access to the Company's share capital in accordance with prevailing laws and regulations and, as necessary, with applicable contractual provisions), on one or more occasions, in the amount and on the dates it deems appropriate. It is hereby specified the issue of preferred shares is excluded.
2. Decides to cancel shareholders' preferential subscription rights to new shares to be issued under this resolution, in accordance with Article L. 225-135, paragraph 1 of the French Commercial Code, said shareholders also waiving all rights to shares or securities giving access to capital that would be issued in application of this resolution, in order to reserve the subscription for such shares, directly or through a company mutual fund, to members of staff, employees of the Company and affiliated companies, within the meaning of Article L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code, who belong to one of the Company's savings plans.
3. Delegates to the Management Board the task of finalizing the exact list of beneficiaries and the conditions of employee seniority required to subscribe to the capital increase, and the number of shares to be granted to each of them, in accordance with Article L. 225-138 I. paragraph 2 of the French Commercial Code.
4. Decides that, for the determination of the issue price of the new shares, the Management Board shall comply with the provisions of Article L. 3332-19 of the French Labor Code, as provided for in Article L. 225-129-6 of the French Commercial Code. The share subscription price to be paid by the abovementioned beneficiaries may not exceed the average share price during the 20 trading days preceding the preceding the opening date for the subscription period as set by the Management Board, or be more than 20% lower than such average or more than 30% lower when the lock-up period stipulated by the plan in application of Articles L. 3332-25 *et seq.* of the French Labor Code is greater than or equal to 10 years.
5. Decides that the Management Board may also, in application of this authorization, provide for the grant to employees of bonus shares or other securities giving access to the Company's capital in accordance with Article L. 3332-18 *et seq.* of the French Labor Code, or any security that would be authorized by prevailing laws or regulations, on the understanding that the benefit resulting from this grant in respect of the employer matching contribution and/or discount may not exceed the limits stipulated in Article L. 3332-21 of the French Labor Code.
6. Grants full authority to the Management Board, which may further delegate such powers, to implement this authorization, and in particular:
   - determine the companies whose employees will be eligible for the subscription offer;
   - determine the number of new shares and/or securities to be issued and their ex-dividend date;
   - determine the subscription price and the deadlines by which employees must exercise their rights;
   - determine the deadlines and procedures for paying up the subscriptions;
   - recognize the completion of the capital increase(s) and amend the articles of incorporation accordingly;
   - charge the fees of the capital increase(s) against the related premiums and, where applicable, deduct from the premiums the amount necessary to increase the statutory reserve to 10% of the Company's new capital after each increase;
   - in general, decide and carry out, either itself or by an officer, any transactions and formalities, and do whatever is necessary to complete the capital increase(s).

Adoption of this resolution terminates, with immediate effect, the delegation previously granted by the combined general meeting of shareholders of February 10, 2015 under the terms of its 8th resolution.

Twentieth resolution

Total limits of the amount of the issues carried out pursuant to the 13th to 18th resolutions

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report, and in accordance with the provisions of Article L. 225-129-2 of the French Commercial Code, decides to set, in addition to the individual caps specified in each of the 13th to 18th resolutions, the total limits of the issues that may be decided under said resolutions as follows:

a) The maximum par value of the share issues that may be made directly or on presentation of securities that may or may not be debt securities, may not exceed €500 million; this amount may be increased by the par value of the ordinary Company shares likely to be issued in respect of adjustments made to preserve the rights of holders of securities giving access to the capital, in accordance with legal and regulatory provisions and, as necessary, applicable contractual provisions, it being specified that this limit will not apply to:

- capital increases through capitalization of reserves, premiums, profits or any other sum that may be capitalized pursuant to the terms of the 12th resolution of this general meeting;
- capital increases carried out for the benefit of employees of the Company or a Group company belonging to a Company or Group savings plan in accordance with the provisions of the 19th resolution of this general meeting;
- capital increases resulting from the grant of bonus Company shares to corporate officers and employees carried out in accordance with the provisions of the 22nd resolution of this general meeting.

b) The total maximum par value of the issues of debt securities that may be decided will be €1 billion.

Twenty-first resolution

Authorization granted to the Management Board to reduce the share capital

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report and the Statutory Auditors' report, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, authorizes the Management Board, for a period of 26 months as from this general meeting, to reduce the share capital on one or more occasions, in the amount and on the dates it will determine, by canceling any quantity of shares purchased through the treasury share buyback program within the limits permitted by law.

The maximum number of shares that may be canceled by the Company by virtue of this authorization per 24-month period is 10% of the shares comprising the Company's capital, bearing in mind that this limit applies to an amount of Company capital that will be adjusted as necessary to reflect transactions affecting the share capital subsequent to this general shareholders' meeting.

The general meeting grants full authority to the Management Board, which may further delegate such powers, to implement this authorization, deduct the difference between the book value of the cancelled shares and their par value from all reserves and premium line items, carry out the formalities required to implement the capital reduction that will be decided pursuant to this resolution, and amend the articles of incorporation accordingly.

Adoption of this resolution terminates, with immediate effect, the authorization previously granted to the Management Board by the combined general meeting of shareholders of October 8, 2014 under the terms of its 24th resolution.

Twenty-second resolution

Authorization granted to the Management Board to grant bonus Company shares to employees and/or corporate officers of the Company or a Group company as defined by law

The general meeting, voting with the quorum and majority required for extraordinary general meetings, having reviewed the Management Board's report and the Statutory Auditors' report, in accordance with Articles L. 225-197-1, L. 225-197-2 *et seq.* of the French Commercial Code:

1. Authorizes the Management Board to grant on one or more occasions and free of charge Company shares that exist or are to be issued.
2. Decides that the beneficiaries of the grants may, subject to the provisions of Article L. 225-197-6 of the French Commercial Code, be executive corporate officers eligible within the meaning of Article L. 225-197-1 II, paragraph 1 of the French Commercial Code, and the employees of the Company and affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code, or certain categories thereof.
3. Decides that the Management Board will determine the criteria and conditions of the share grant, particularly the identity of the beneficiaries and the number of shares granted to each beneficiary, and will carry out the grants.
4. Decides that the total maximum number of shares granted free of charge under this resolution may not represent more than 2.5% of the Company's share capital as it stood on the day of the Management Board's decision, not including any additional shares to be issued or granted for adjustment purposes to preserve the rights of beneficiaries in the event of Company capital transactions during the vesting period.
5. Decides that the grants carried out by virtue of this authorization for the benefit of eligible Company executive corporate officers shall not represent a percentage greater than 0.55% of the Company's share capital as it stood on the date of the Management Board's grant decision (subject to any of the abovementioned adjustments), such percentage to be deducted from the cap of 2.5% of the capital mentioned in paragraph 4 above.
6. Decides that the vesting of the shares for the benefit of eligible Company executive corporate officers shall be contingent on compliance with cumulative continued employment conditions and fulfillment of the performance condition(s) determined by the Supervisory

Board at the time of the grant decision, such conditions being assessed over several years.

7. Decides that:
   - the period after which the shares will vest to their beneficiaries shall be determined by the Management Board, it being specified that this period may not be less than two years from the grant date; and
   - the beneficiaries shall be required to lock up said shares for a period determined by the Management Board, it being specified that the general meeting authorizes the Management Board not to impose any lock-up period for the shares concerned, to the extent that the vesting period for all or some of one or more share grants would be at least two years;
   - the corporate officers would be subject to a compulsory retention period of at least two years.

   As needed, the Management Board may provide for vesting and lock-up periods longer than the above set minimum periods.

   Notwithstanding the foregoing, in the event of the invalidity of the beneficiary classified as category two or three as set forth in Article L. 341-4 of the French Social Security Code, the shares will vest to that beneficiary before the end of the vesting period; in the latter case, said shares will be freely transferable as from when they vest.

8. Duly notes that any grant to members of the Management Board will be decided by the Supervisory Board, and that for each grant the Supervisory Board may either decide that the shares so granted may not be sold while the member is still performing his or her duties, or determine the number of shares that must be locked up in registered form while the member is performing his or her duties. Members of the Management Board must in all cases retain said shares for a minimum of two years.

9. Duly notes that this authorization legally implies by right that existing shareholders waive their preferential subscription rights to shares that would be issued under this resolution, in favor of the beneficiaries of the bonus shares to be issued.

10. Authorizes the Management Board to determine the impact on beneficiaries' rights of any transactions that change the capital or are likely to affect the value of the shares granted during the vesting period and, consequently, to amend or adjust, if necessary, the number of shares granted to preserve beneficiaries' rights.

11. Grants full authority to the Management Board, with authority to further delegate such powers as provided by law, to implement this authorization and in particular to:
    - determine, and amend as the case may be, all dates and procedures for the bonus share grant that would be carried out by virtue of this authorization;
    - temporarily suspend rights to the grant as provided by law and regulations;
    - determine whether the shares to be granted free of charge will consist of shares to be issued or existing shares and, as applicable, amend its choice before the shares vest;
    - determine the number of shares to be issued and their ex-dividend date;
    - determine, within the legal and regulatory limits, the conditions for the issue of the granted shares;
    - make any adjustments during the vesting period in order to preserve beneficiaries' rights based on any transactions regarding the Company's capital and in particular to determine the conditions under which the number of shares granted will be adjusted;
    - determine the terms and conditions to preserve, as necessary, the rights of holders of securities giving access to capital in accordance with the legal, regulatory and, where applicable, contractual provisions;
    - recognize the completion of the share issues and make any corresponding amendments to the articles of incorporation; and
    - more generally, carry out any transactions or legal formalities required in connection with the capital increase(s).

This authorization is granted for a maximum period of 38 months as from this general meeting, and the adoption of this resolution terminates, with immediate effect, the delegation previously granted to the Management Board by the combined general meeting of October 8, 2014 under the terms of its 21st resolution.

The Management Board shall inform the general meeting every year, in accordance with laws and regulations, and in particular with Articles L. 225-197-4 of the French Commercial Code, of transactions carried out under this resolution.

Twenty-third resolution

Authorization to carry out legal formalities

The general meeting grants full authority to the bearer of an original, extract or copy of the minutes of this combined general meeting to perform all necessary filings or formalities.

7.4 SUMMARY TABLE OF CAPITAL INCREASE DELEGATIONS OF AUTHORITY AND POWERS

A summary of the capital increase delegations of authority and powers granted to the Management Board and their use during the 2015 financial year is presented in chapter 8 "Information about the Company and its capital", section 8.3.5 "Unissued authorized capital" of the 2015 registration document.

7.5 OBSERVATIONS OF THE SUPERVISORY BOARD REGARDING THE MANAGEMENT BOARD'S REPORT PROVIDED FOR IN ARTICLE L. 225-100 OF THE FRENCH COMMERCIAL CODE AND REGARDING THE FINANCIAL STATEMENTS FOR THE 2015 FINANCIAL YEAR

To the Shareholders,

Our Company's Management Board has convened a combined general meeting, in accordance with the law and the Company's articles of incorporation, to inform you of the situation and activities of the Company during the financial year ended December 31, 2015, and to submit for your approval the financial statements for said financial year, and the appropriation of the net loss.

We remind you that in accordance with Article 225-68 of the French Commercial Code, the Supervisory Board must present to the annual ordinary general meeting its observations on the Management Board's report and the financial statements for the year concerned, on which you are asked to vote.

The Management Board has provided the Supervisory Board with the Company financial statements, consolidated financial statements and the Management Board's report in accordance with Article L. 225-68 of the French Commercial Code.

Having verified and checked the Company financial statements, the consolidated financial statements and the Management Board's report, we believe that there are no specific matters to report regarding these documents.

The resolutions presented by the Management Board have been discussed and approved by the Supervisory Board.

We hope that you will agree with all of the proposals made by the Management Board in its report and choose to adopt the resolutions submitted to you.

The Supervisory Board

Information
about the Company
and its capital

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8.1 INFORMATION ABOUT THE COMPANY

8.1.1 COMPANY NAME AND REGISTERED OFFICE

The Company's business name is Elis.

The Company's registered office is at 33, rue Voltaire in Puteaux (92800), France.

8.1.2 LEGAL FORM AND GOVERNING LAW

The Company is a French corporation governed by a Management Board and a Supervisory Board *(société anonyme à directoire et conseil de surveillance).* It is subject to the legal and regulatory provisions applicable in France (and in particular those of Book II of the French Commercial Code) and to its articles of incorporation.

8.1.3 PREVIOUS LEGAL FORM

The Company was formed in 2007 as a French simplified limited liability company *(société par actions simplifiée)*. It became a corporation governed by a Management Board and a Supervisory Board on September 5, 2014 in view of its forthcoming initial public offering.

8.1.4 PLACE OF REGISTRATION AND REGISTRATION NUMBER

The Company is registered with the Nanterre Trade and Companies Register under number B 499 668 440.

8.1.5 DATE OF FORMATION AND TERM OF EXISTENCE

The Company was formed on August 10, 2007 for a term of existence of ninety-nine (99) years as at its registration with the Trade and Companies Register, *i.e.*, until August 26, 2106, unless sooner dissolved or said period is extended.

8.1.6 WHERE TO VIEW CORPORATE DOCUMENTS

Legal documents regarding the Company and in particular its articles of incorporation, financial statements, reports presented to the general meeting by the Management Board and the Supervisory Board, and more generally all documents that are to be sent or made available to shareholders and referred to in Articles L. 225-115, L. 225-116 and L. 225-117 of the French Commercial Code may be viewed at the Company's registered office at 33, rue Voltaire, Puteaux, 92800 France (telephone: +33 (0)1 41 25 45 00). The Group's historical financial information and regulated information is also available on the Company's website at http://www.corporate-elis.com.

8.2 ARTICLES OF INCORPORATION

The articles of incorporation were prepared pursuant to the statutory and regulatory provisions applicable to corporations with a Management Board and a Supervisory Board governed by French law. The principal stipulations of the articles of incorporation described below are from the Company's articles of incorporation, as revised on February 12, 2015 to bring them into compliance with the provisions applicable to companies whose shares are traded on the Euronext regulated market in Paris.

8.2.1 CORPORATE PURPOSE (ARTICLE 3 OF THE ARTICLES OF INCORPORATION)

The Company's corporate purpose is, directly or indirectly, in France and abroad:

- the acquisition of stakes, through contributions, purchase, subscription or otherwise, in any companies, regardless of their corporate form and corporate purpose;
- management services to companies, notably in the administrative, accounting, financial, IT and sales fields;
- the exploitation of any patents and trademarks, notably under licenses;
- the renting of any equipment and facilities of any type;
- the ownership, through acquisition or otherwise, and the management, notably through rentals, of any properties and assets or real estate rights;
- the direct or indirect participation in any transactions that may be directly or indirectly related to the corporate purpose through the creation of new companies, contributions, subscriptions or purchases of securities or shares and related rights, mergers, alliances, joint venture and by any other means and in any forms used in France and abroad; and
- more generally, any commercial, financial, industrial, personal property or real estate transaction that may be directly or indirectly related to the aforementioned corporate purpose or any purposes that are similar, related or likely to facilitate the achievement of the corporate purpose.

8.2.2 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES (ARTICLES 12 TO 22 OF THE ARTICLES OF INCORPORATION)

Information about the Management Board and the Supervisory Board as defined in the Company's articles of incorporation and the Supervisory Board's rules of procedure is provided in chapter 4, "Corporate governance", sections 4.1 "Management and supervisory bodies" and 4.3 "Chairman of the Supervisory Board's report on corporate governance and internal control" of this 2015 registration document.

8.2.3 FINANCIAL YEAR (ARTICLE 25 OF THE ARTICLES OF INCORPORATION)

The financial year begins on January 1 and ends on December 31 each year.

8.2.4 SHAREHOLDER RIGHTS

Rights, privileges, restrictions and obligations attached to the shares (Article 10 of the articles of incorporation)

Fully paid-up shares may be held either in registered or bearer form, at the shareholder's discretion.

The ownership of a share shall automatically entail acceptance of these articles of incorporation and decisions of the general meetings.

In addition to the voting right attributed to it by law, each share shall create a right to the ownership of the corporate assets and the liquidation surpluses, at a fraction equal to that of the share capital it represents.

Each time it is necessary to possess several old shares to exercise any right, or in case of an exchange or attribution of securities giving the right to a new security in exchange for the delivery several old securities, isolated securities or fewer securities than the number required shall not create any rights for their bearers against the Company, as shareholders shall be personally responsible for grouping together and, possibly, purchasing or selling the number of securities necessary.

Shares shall be indivisible as regards the Company, so that undivided co-owners shall be required to be represented vis-a-vis the Company by one of them or by a single proxy, appointed by a court of law in the event of a disagreement.

Double voting rights (Article 9 of the articles of incorporation)

Pursuant to the terms of Article 9 of the Company's articles of incorporation, the stipulations of which came into force on the date on which the Company's shares were listed for trading on the Euronext regulated market in Paris (February 11, 2015), no use was made of the exemption from the allotment of double voting rights as provided for in Article L. 225-123, paragraph 3 of the French Commercial Code. As a result, effective April 3, 2016, double voting rights shall be granted to all fully paid-up shares held in registered form by the same shareholder for at least two years.

In accordance with Article L. 225-123, paragraph 2 of the French Commercial Code, in the event of a capital increase through the capitalization of reserves, profits or share premiums, double voting rights shall be granted from the date of issue in respect of new shares allotted free of charge to a shareholder as a result of their ownership of existing shares that are already entitled to double voting rights.

Double voting rights may be used in any general meeting.

Shares converted to bearer form or transferred to a new owner shall lose their double voting rights. However, a transfer of ownership arising from succession rights, the liquidation of the joint property of spouses, or inter vivos gifts to a spouse or relative entitled to inherit shall not result in the loss of double voting rights and shall not represent a break in the aforementioned minimum holding period.

Restrictions under the articles of incorporation on the exercise of voting rights (Article 8 of the articles of incorporation)

Article 8 of the Company's articles of incorporation stipulates that any shareholder who comes to hold a fraction of the Company's share capital or voting rights equal to 1%, or any multiple of that fraction, shall be required to notify the Company once one of those thresholds is crossed. Failure to comply with this obligation, and upon request by one or more shareholders holding 1% of the equity capital and voting rights, the voting rights exceeding that percentage which should have been disclosed may not be exercised at any general shareholders' meeting until a period of two years has elapsed following the date on which the breach in notification is corrected.

Allocation of earnings (Article 26 of the articles of incorporation)

The earnings of each financial year shall be determined pursuant to the statutory and regulatory provisions in force.

If the earnings of the financial year so permit, after deduction of an amount to be placed in the statutory reserve or to be added to the statutory reserve, upon a proposal by the Management Board, the general meeting may deduct any amounts it may set at its discretion, either to be carried forward to the following year or to be allocated to one or more general or special reserves or to be allocated among shareholders.

The general meeting shall have the right to grant to shareholders, for all or part of the dividends distributed or of the interim dividends, an option between payment in cash and payment in shares on the terms set by the regulations in force. In addition, the general meeting may decide, for all or part of the dividends, the interim dividends, the reserves or share premiums distributed, or for any capital decrease, that such distribution of dividends, reserves or share premiums or such capital decrease shall be performed in kind by providing securities from the Company's portfolio or assets.

Each shareholder's share in the profits and its contribution to losses shall be proportionate to their share in the share capital.

Changes in shareholders' rights

Shareholders' rights may be modified on the terms provided by the statutory and regulatory provisions. There are no specific provisions governing the modification of shareholders' rights that are stricter than the law.

8.2.5 GENERAL MEETINGS (ARTICLES 23 AND 24 OF THE ARTICLES OF INCORPORATION)

Shareholders' meetings shall be called and shall pass resolutions as provided by law.

Meetings shall be held either at the registered office or at another place stated in the meeting notice.

Shareholders shall prove they have the right to participate in the Company's general meetings on the terms provided by law.

All shareholders may participate in meetings either personally or by a proxy. They may also participate in any meeting by voting by mail on the terms provided by the statutory and regulatory provisions in force.

The Management Board shall have the option of authorizing proxy and vote-by-mail forms to be sent to the Company by remote transmission (including electronic means) on the statutory and regulatory terms in force.

When used, electronic signatures may take the form of a process that satisfies the terms defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

Upon a decision of the Management Board to use such telecommunications means, published in the meeting notice or in the notice of a call to a meeting, shareholders who participate in the meeting by video conference or by telecommunications means permitting to identify them on the terms provided by the regulations in force are deemed to be present for the calculation of the quorum and majority.

Meetings shall be chaired by the chairman of the Supervisory Board or, in his absence, the Vice-Chairman. Failing this, the meeting shall elect its own Chairman.

Meetings minutes shall be prepared and copies or extracts thereof shall be certified and issued pursuant to the law.

8.2.6 AGREEMENTS ENTERED INTO WITH EXECUTIVES AND DIRECT OR INDIRECT SUBSIDIARIES

Information about agreements entered into with executives and direct and indirect subsidiaries is provided in chapter 4, "Corporate governance", section 4.1.6 "Regulated agreements", and also detailed in the Statutory Auditors' special report which is included in section 4.2 of the aforementioned chapter 4.

8.2.7 PROVISIONS SET FORTH IN THE ARTICLES OF INCORPORATION THAT MAY HAVE AN IMPACT ON A CHANGE OF CONTROL

There are no provisions in the Company's articles of incorporation that may have an effect on a change in control.

8.2.8 CROSSING OF SHAREHOLDING THRESHOLDS (ARTICLE 8 OF THE ARTICLES OF INCORPORATION)

Any individual or legal entity, acting alone or in concert with others, who comes to hold, or ceases to hold, directly or indirectly, a fraction equal to or greater than 1% of the Company's share capital or voting rights, or any multiple of such percentage, including beyond the disclosed thresholds provided by the statutory and regulatory provisions, shall notify the Company of the total number of shares and voting rights they hold and the securities giving access to the share capital and voting rights potentially attached to them by registered letter with acknowledgment of receipt, sent to the registered office no later than by the end of the fourth trading day after the day on which the threshold is exceeded.

For the determination of the thresholds mentioned above, the shares or voting rights held indirectly and the shares or voting rights deemed as shares or voting rights held, as defined by the provisions of Articles L. 233-7 *et seq.* of the French Commercial Code, shall also be taken into account.

In the event of non-compliance with the above provisions, the penalties provided by law where the obligation to disclose the exceeding of the legal thresholds has not been respected shall only apply to the thresholds stipulated in the articles of incorporation upon a request, recorded in the minutes of the general meeting, by one or more shareholders holding at least 1% of the Company's share capital or voting rights.

The Company reserves the right to give notice to the public and shareholders of either the information of which it was given notice or the fact that the relevant person or legal entity has not respected the aforementioned obligation.

8.2.9 IDENTIFICATION OF BEARERS OF SECURITIES (ARTICLE 7 OF THE ARTICLES OF INCORPORATION)

The Company shall have the right, on the statutory and regulatory terms in force, to ask at any time, at its expense, from the central custodian of financial instruments, as applicable, for the name or corporate name, nationality, year of birth or year of formation, and the address of the holders of securities to the bearer conferring immediately or in the future a voting right in its own shareholders' meetings, and the quantity of securities held by each of them and, if applicable, any restrictions on such securities. In view of the list transmitted by the aforementioned organization, the Company shall have the right to ask the persons on such list, and whom the Company believes to be registered on behalf of third parties, for the above information pertaining to the owners of the securities.

When the person subject to a request for information has not transmitted the information within the time periods provided by the legislative and regulatory provisions in force or has transmitted incomplete or incorrect information related either to its status or to the owners of the securities, the shares or securities giving access immediately or in the future to the share capital and for which such person has been registered as the owner shall be deprived of voting rights for all shareholders' meetings that may be held until the date on which the actual owner is identified, and the payment of the corresponding dividends shall be deferred until such date.

8.2.10 RESTRICTIONS UNDER THE ARTICLES OF INCORPORATION REGARDING SHARE TRANSFER

There are no restrictions accepted by the members of the Company's Management Board or Supervisory Board pertaining to the sale of their stake in the Company's share capital, with the exception of the rules relating to preventing insider trading and the recommendations of the AFEP-MEDEF Code imposing an obligation to retain shares.

8.3 INFORMATION ABOUT THE COMPANY'S CAPITAL AFR

8.3.1 PARTICULAR STIPULATIONS GOVERNING MODIFICATIONS OF THE SHARE CAPITAL

If the articles of incorporation do not provide any specific stipulations, the share capital may be increased, decreased or amortized by any methods or means authorized by law.

8.3.2 AMOUNT AND STRUCTURE OF THE SHARE CAPITAL

As at December 31, 2015, the Company's share capital was €1,140,061,670, divided into 114,006,167 shares with a par value of €10.00 each, fully subscribed, fully paid up and all in the same class.

8.3.3 CHANGES IN SHARE CAPITAL OVER THE PAST THREE YEARS

The table below shows changes to the Company's share capital over the past three years:

Date	Type of transaction	Transaction amount *(In euros)*	Share premium *(In euros)*	Share capital before transaction *(In euros)*	Number of shares before transaction	Number of shares after transaction	Par value after transaction *(In euros)*	Share capital after transaction *(In euros)*
11/04/2013	Capital decrease by dividing par value	107,331,782.50		214,663,565	214,663,565	214,663,565	0.50	107,331,782.50
12/17/2013	Capital increase	353,845,494.50	-	107,331,782.50	214,663,565	922,354,554	0.50	461,177,277
01/29/2014	Capital increase	36,433,132	6,566,867.98	461,177,277	922,354,554	995,220,818	0.50	497,610,409
10/08/2014	Capital increase	1	-	497,610,409	995,220,818	995,220,820	0.50	497,610,410
11/06/2014	Reverse stock split[(a)]			497,610,410	995,220,820	49,761,041	10	497,610,410
02/10/2015	Exercise of warrants[(b)]	19,398,010	-	497,610,410	49,761,041	51,700,842	10	517,008,420
02/10/2015	Capital increase as consideration for asset contribution[(c)]	16,318,630	4,863,972	517,008,420	51,700,842	53,332,705	10	533,327,050
02/10/2015	Capital decrease[(d)]	16,354,060	(3,463,070)	53,332,705	51,697,299	51,697,299	10	516,972,990
02/10/2015	Capital increase[(e)]	84,627,150	25,388,145	516,972,990	51,697,299	60,160,014	10	601,600,140
02/12/2015	Capital increase (initial public offering)	538,461,530	161,538,459	601,600,140	60,160,014	114,006,167	10	1,140,061,670

(a) Under the Company's reverse stock split, the share's par value was multiplied by 20, taking it from €0.50 to €10 per share, while the number of shares making up the share capital was divided by 20, taking it to 49,761,041.

(b) The listing of the Company's shares for trading on a regulated market triggered the exercise of the warrants (BSA). In consequence, and in accordance with the terms and conditions of the BSA, 3,879,602 BSA became exercisable as a result of the initial public offering (the event having triggered this exercise being separate from the second triggering event – sale of shares – provided for under the BSA's terms and conditions) and 1,939,801 new shares were issued following the exercise of the 3,879,602 BSA. The non-exercisable BSA and/or those still outstanding after the Company's initial public offering became null and void.

(c) Merger by absorption of Quasarelis.

(d) Following the cancellation of the Company's treasury shares as a consequence of the completed merger by absorption of Quasarelis.

(e) Capital increase fully subscribed by Legendre Holding 27, the subscription price of which was fully paid up by offsetting a receivable held by Legendre Holding 27 against the Company relating to an intra-group loan on June 14, 2013 and amended by riders of September 23, 2014 and October 22, 2014 (see chapter 4.2, "Statutory Auditors' special report on regulated agreements and commitments with related parties", of the 2015 registration document.

8.3.4 THE COMPANY'S SELF-CONTROLLING AND SELF-HELD SHARES AND ACQUISITION OF ITS OWN SHARES

As at December 31, 2015, the Company held 148,147 treasury shares accounting for 0.129% of the Company's capital, all held under the liquidity agreement (see section 8.4 below, "Share buyback"). These shares have no voting rights.

8.3.5 UNISSUED AUTHORIZED CAPITAL

Table of currently valid financial delegations of authority granted by the general meeting to the Management Board in 2015 and use of these delegations in 2015

To enable the Company to access the market, as part of its initial public offering, and if necessary, particularly in relation to the Group's ongoing expansion, the general meetings of October 8, 2014 and February 10, 2015 delegated some of their powers to the Management Board which they also authorized to grant bonus shares to Group employees and executives. All the authorizations and delegations granted to the Management Board that can lead to the issuance of securities giving access to the Company's share capital are listed below:

Type of delegation or authorization granted to the Management Board by the general meeting	Maximum amount *(In euros)*	Authorization date	Expiration date	Duration	Use in 2015
Grant of bonus shares, existing or to be issued, to Group employees or corporate officers	10% of the total number of Company shares at the grant date	October 8, 2014	December 8, 2017	38 months	April 7, 2015, December 21, 2015
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital with preferential subscription rights	500 million	October 8, 2014	December 8, 2016	26 months	-
Capital increase through the capitalization of reserves, profits or share premiums, or other	130 million	October 8, 2014	December 8, 2016	26 months	-
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital without preferential subscription rights and public exchange offer	50 million	October 8, 2014	December 8, 2016	26 months	-
Authorization in the event of an issue of shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights, to **set the issue price**	10% of the Company's share capital as at the date of the transaction per 12-month period	October 8, 2014	December 8, 2016	26 months	-
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital without preferential subscription rights, as part of an offering covered by section II of Article L. 411-2 of the French Monetary and Financial Code	5% of the Company's share capital as at the date of the transaction per 12-month period	October 8, 2014	December 8, 2016	26 months	-
Capital increase through the issue of shares and/or any securities giving access, immediately or in the future, to the capital, in consideration for contributions in kind granted to the Company	10% of the share capital as it stood on the issue date	October 8, 2014	December 8, 2016	26 months	-
Increase in the number of shares or other securities to be issued in the event of a capital increase with or without preferential subscription rights	15% of the initial issue	October 8, 2014	December 8, 2016	26 months	-
Capital increase through the issue of shares without preferential subscription rights and offering to the public as part of the Company's initial public offering	600 million	October 8, 2014	July 8, 2015	9 months	February 12, 2015
Capital increase through the issue of shares and/or other securities giving access to the Company's share capital reserved for employees participating in a company savings plan	20 million	February 10, 2015	April 10, 2017	26 months	-

Pursuant to the aforementioned authorizations, the Management Board carried out the following transactions during the 2015 financial year, after receiving prior approval from the Supervisory Board, in accordance with the Company's articles of incorporation:

- capital increase in cash in an amount of €538,461,530 as part of the Company's initial public offering;
- grant of 568,711 performance shares, subject to continued employment and achievement of performance targets, of which 524,684 were granted on April 7, 2015 and 44,027 on December 21, 2015.

Financial delegations submitted to the general meeting of May 27, 2016

At the combined general meeting called for May 27, 2016, the shareholders will be asked to vote on the renewal of certain financial delegations that expire in 2016. Details of the resolutions related to these proposals can be found in chapter 7, "Combined general meeting of May 27, 2016", of the 2015 registration document.

Other issued securities giving access to capital

As at the filing the date of this registration document, the Company had granted 568,711 performance-related bonus shares (for a description of performance shares, please refer to note 5.2 to the 2015 consolidated financial statements in chapter 6, "Financial statements for the year ended December 31, 2015", of the 2015 registration document).

8.3.6 INFORMATION ABOUT THE POTENTIAL DILUTION OF SHARE CAPITAL

Since performance shares are likely to be covered by new shares, as at December 31, 2015 the potential volume of outstanding dilutive instruments was 568,711 shares related to the granted bonus shares not covered by the inventory of treasury shares. The overall potential dilutive impact of these instruments is therefore approximately 0.49% of the share capital.

8.3.7 PLEDGES

To the Company's knowledge, no pledges, guarantees or securities had been granted on the Company's shares at the filing date of this registration document.

8.4 SHARE BUYBACK

8.4.1 ONGOING ELIS TREASURY SHARE BUYBACK PROGRAM

On June 24, 2015, pursuant to its 14th resolution, the ordinary general shareholders' meeting renewed the authorization granted to the Company for a period of 18 months by the combined general meeting of October 8, 2014 to trade in its own shares, in accordance with Article L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-5 of the general regulations of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) and EC regulation 2273/2003 of December 22, 2003. A description of the share buyback program is available on the Group's website (www.corporate-elis.com).

The goals of the buyback program are as follows:

- to increase share liquidity in connection with a liquidity agreement with an independent investment services provider in accordance with compliance rules recognized by the AMF;
- to grant shares to employees and corporate officers of the Company or its current or future affiliates under the conditions defined by applicable legal requirements, in particular in respect of the exercising of stock options, bonus share grants or profit sharing;
- to deliver or exchange shares upon the exercise of rights attached to negotiable securities conferring a right, in any way whatsoever, to the grant of Company shares;
- to retain or use shares at a later date as consideration or exchange in the context of potential acquisitions;

- to cancel shares under a cancellation authorization granted to the Management Board by the extraordinary general meeting in order to reduce the share capital.

The purchase of Company shares may involve a number of shares such that on the date of each repurchase, the total number of shares purchased by the Company since the start of the buyback program does not exceed 10% of the number of shares making up the share capital at that date, with the understanding that in accordance with Article L. 225-209 of the French Commercial Code, the number of shares purchased by the Company to be retained and delivered at a later date as consideration or exchange in the context of an acquisition may not exceed 5% of its share capital.

The maximum purchase price per share is €30. The total maximum amount allocated to the share buyback program may not exceed €350 million.

The share buyback may be staggered over an 18-month period as from June 24, 2015, *i.e.* until December 23, 2016 inclusive. A description of the renewal of the share buyback program for 2015 has been drawn up in accordance with Articles 241-1 *et seq.* of the AMF general regulations.

Under this program, purchases, sales or transfers of the Company's shares may take place at any time in accordance with legal and regulatory requirements, including during public offers for the purchase or exchange of shares initiated by the Company or concerning the Company's shares.

The only use made of the share buyback program during the financial year ended December 31, 2015 was in connection with the liquidity agreement managed by Kepler Cheuvreux. The half-year statement of the liquidity agreement is available on the Elis Group's website (www.corporate-elis.com). The table below shows the transactions conducted by the Company under the share buyback program in 2015:

Treasury shares held as at February 11, 2015 at the start of trading	0
Number of shares purchased between February 11, 2015 and December 31, 2015	844,401
Number of shares sold between April 13, 2015 and December 31, 2015	696,254
Number of shares canceled in the last 24 months	0
Treasury shares held directly and indirectly as at December 31, 2015[(a)]	148,147
Market value of the portfolio as at December 31, 2015	2,259,241.75

(a) As at December 31, 2015, the Company's 148,147 treasury shares were fully allocated for liquidity purposes.

8.4.2 SHARE BUYBACK PROGRAM SUBMITTED FOR SHAREHOLDER APPROVAL AT THE NEXT GENERAL MEETING OF MAY 27, 2016

At the combined general meeting convened for May 27, 2016, the shareholders will be asked to terminate the 14th resolution approved by the general meeting of June 24, 2015 and to authorize, pursuant to the vote on the 11th resolution, the implementation of a new share buyback program, in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code, Section IV of Book II of the AMF general regulations and EC regulation 2273/2003 of December 22, 2003.

8.4.3 LIQUIDITY AGREEMENT

On April 13, 2015 Elis entered into a liquidity agreement with Kepler Cheuvreux, which complies with the Code of Conduct issued by the French Association of Financial Market Professionals (*Association française des marchés financiers* – AMAFI) on March 8, 2011 and approved by the AMF on March 21 of the same year. A total of €3 million was credited to the liquidity account to fund these market-making transactions. As at December 31, 2015, the Company's 148,147 treasury shares entirely allocated to liquidity purposes represented €2,150,000.

8.5 SHAREHOLDER STRUCTURE

8.5.1 OWNERSHIP OF SHARE CAPITAL AND VOTING RIGHTS

The share capital structure changed significantly in 2015 with the listing of the Company's shares on the Euronext Paris regulated market and the reorganization that preceded it. Details are provided in note 10.1 to the 2015 consolidated financial statements, and chapter 6, "Financial statements for the year ended December 31, 2015", of the 2015 registration document.

In consequence, Eurazeo, which, after taking an equity stake in 2007 and up until February 12, 2015, held more than 98% of the Company's share capital and voting rights directly or indirectly via Legendre Holding 27, the company controlled by Eurazeo, held at December 31, 2015, 41.5% of the share capital and voting rights. Eurazeo also held 24.22% of the 16,000,000 BSA issued by the Company on October 4, 2007, which were exercised at the time of the initial public offering (see section 8.3.3 above, "Change in share capital over the past three years").

Of the Supervisory Board's nine members, four were appointed on the recommendation of Eurazeo, and five are independent.

The latest ownership structure of the Company's share capital is available on the Group's website at www.corporate-elis.com. The ownership structure is presented in the table below, based on statutory disclosures establishing an interest of more than 5% of share capital or voting rights at the end of the financial year in application of Article L. 233-7 of the French Commercial Code, and disclosures by executives and individuals related to the Group.

In accordance with Article 223-11 of the AMF general regulations, the theoretical voting rights shown in the table below take into account all voting rights attached to shares, including shares stripped of voting rights (treasury shares), it being specified that there were no double voting rights as at December 31, 2015.

These theoretical voting rights therefore differ from voting rights exercisable at general meetings since some of the shares, particularly treasury shares, are temporarily stripped of voting rights.

	December 31, 2015			December 31, 2014	
Shareholders	**Number of shares**	**% of share capital and theoretical voting rights**	**% of share capital and exercisable voting rights**	**Number of shares**	**% of share capital and theoretical voting rights**
Legendre Holding 27 SAS	43,853,538	38.46%	38.51%	45,928,873	92.30%
Eurazeo SA(a)	3,467,774	3.04%	3.04%	2,986,725	6%
SUBTOTAL	**47,321,312**	**41.50%**	**41.55%**	**48,915,598**	**98.3%**
ECIP Elis SARL(a)	592,849	0.52%	0.52%	592,849	1.19%
Quasarelis SAS(b)	-	-	-	165,432	0.33%
Executives and employees	375,377	0.32%	0.32%	87,162	0.18%
Treasury stock	148,147	0.12%	0	-	-
Free float	65,568,462	57.51%	57.58%	-	-
TOTAL	**114,006,167**	**100%**	**113,858,020**	**49,761,041**	**-**

(a) Shareholders who have disclosed that they are bound by a shareholders' agreement (see section 8.5.10 of this chapter, below).

(b) As part of the reorganization of share capital which preceded the Company's initial public offering, (i) the Company's executives and employees contributed to Quasarelis the 4,183,970 warrants issued by the Company on October 4, 2007 and were granted 1,521,305 Quasarelis shares in consideration for said contribution, and (ii) Quasarelis was absorbed by the Company on February 10, 2015. Quasarelis shareholders (employees and executives of the Company and its subsidiaries) were granted Company shares as consideration for their contribution, on the understanding that such shares were non-transferable (restricted) until August 11, 2015 inclusive.

8.5.2 DOUBLE VOTING RIGHTS

At the filing date of this registration document, 20,196,099 shares were eligible for double voting rights in accordance with Article 9 of the Company's articles of incorporation, the stipulations of which are described above in section 8.2.4 "Shareholder rights" of the 2015 registration document. On March 31, 2016, Legendre Holding 27 converted 17,700,000 shares into bearer form.

On April 12 the AMF's Board, on the basis of Article 234-9.10° of the its general regulations, granted a waiver to Eurazeo and Legendre Holding 27 regarding the obligation to propose a public offer on Elis shares due to an increase of more than 1% in Elis voting rights in less than 12 months.

8.5.3 CONTROL OF THE COMPANY

Since the listing of the Company's shares for trading on the Euronext Paris regulated market and based on information about the Company shown in the above table (section 8.5.1), Eurazeo and Legendre Holding 27, a company controlled by Eurazeo, directly and indirectly hold between them more than 40% of the Company's share capital and voting rights. From a legal point of view, in application of the provisions of Article L. 233-3 II of the French Commercial Code, Eurazeo is presumed to exercise control over the Company to the extent that no other shareholder holds, directly or indirectly, a proportion of voting rights higher than that held by Eurazeo, it being noted that, due to the change in ownership structure (loss of absolute majority) and governance (majority of independent members on the Board, independent Chairman of the Board and Audit Committee, etc.), Eurazeo exercises significant influence, which is reflected in the accounting treatment applied. As stated in section 8.5.1 above, Eurazeo is represented on the Company's Supervisory Board, which has a majority of independent members. Furthermore, the Appointments and Compensation Committee and Audit Committee comprise a majority of independent Board members and are chaired by independent Supervisory Board members.

8.5.4 SHARE TRANSACTIONS CARRIED OUT BY EXECUTIVES AND SIMILAR PERSONS

In accordance with Article 223-26 of the AMF general regulations, the table below shows the transactions carried out by executives and similar persons since February 11, 2015, the date on which the Company's shares were listed for trading on the Euronext Paris regulated market, disclosed to the AMF pursuant to Articles 223-22-A *et seq*. of the AMF general regulations:

Date of transaction	Disclosed by	Type of transaction	Number of shares	Unit price *(In euros)*	Transaction amount *(In euros)*
02/10/2015	Michel Datchary	Purchase	710	13.00	9,230
02/11/2015	Michel Datchary	Purchase	190	13.65	2,527
02/13/2015	Philippe Audouin	Purchase	3,000	13.76	41,280
02/16/2015	Thierry Morin	Purchase	1,000	14.18	14,185
03/17/2015	Michel Datchary	Purchase	100	14.90	1,490
03/30/2015	Florence Noblot	Purchase	500	14.99	7,495
04/17/2015	Philippe Audouin	Loan[a]	500	-	-
04/17/2015	Marc Frappier	Loan[a]	500	-	-
04/17/2015	Virginie Morgon	Loan[a]	500	-	-
04/17/2015	Eric Schaefer	Loan[a]	500	-	-
06/10/2015	Agnès Pannier-Runacher	Purchase	500	19.14	9,570
10/12/2015	Louis Guyot	Purchase	7,333	13.62	99,917

(a) Simple loan of shares granted by Eurazeo.

No other executive or corporate officer disclosed that they had carried out transactions in Company shares during the 2015 financial year.

8.5.5 TRANSFER OR DISPOSAL OF SHARES UNDERTAKEN TO REGULARIZE CROSS SHAREHOLDINGS

None.

8.5.6 CROSSING OF SHAREHOLDING THRESHOLDS

Crossing of statutory shareholding thresholds

Pursuant to Article L. 233-7 of the French Commercial Code, any individual or entity, acting alone or in concert with others, who comes to hold, directly or indirectly, a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90% or 95% of the Company's share capital or voting rights, is required to notify the Company and the AMF thereof in writing within four trading days as from the date of exceeding the threshold, indicating the total number of shares and voting rights held. Shareholding threshold crossings disclosed to the AMF are made public by the AMF. Disclosures are also forwarded within the same maximum period and under the same conditions whenever the equity interest or voting rights fall below the above-mentioned thresholds. If any shareholder fails to comply with these disclosure requirements, the shares in excess of the relevant threshold that should have been disclosed in accordance with the above-mentioned provisions will be stripped of voting rights at all shareholders' meetings until a period of two years has elapsed following the date on which the breach of notification was rectified.

In this regard, since February 11, 2015, the date on which the Company's shares were listed for trading on the Euronext Paris regulated market, the following disclosures were made to the AMF regarding the crossing of legal shareholding thresholds:

- in a letter dated March 19, 2015, Goldman Sachs Group disclosed that on March 13, 2015 its indirect holding via Goldman Sachs International, which it controls, exceeded the threshold of 5% of Elis's share capital and voting rights following the purchase of 5,701,757 Elis shares through the open market, and that it held, at that date, 5,701,757 Elis shares, *i.e.* 5% of the Company's capital and voting rights;
- in a letter dated March 19, 2015, Amundi Group disclosed that on March 18, 2015 its holding via its various vehicles exceeded the 5% threshold of Elis's capital and voting rights, and that it held, at that date, 5,704,615 Elis shares in its managed funds *(OPCVM)*, representing 5.004% of the Company's share capital and voting rights;
- in a letter dated April 1, 2015, Amundi Group disclosed that on March 31, 2015 its holding via its various vehicles had dropped below the 5% threshold of Elis's share capital and voting rights, and that it held, at that date, 5,648,316 Elis shares in its managed funds *(OPCVM)*, representing 4.95% of the Company's share capital and voting rights;
- in a letter dated April 7, 2015, Amundi Group disclosed that on April 3, 2015 its holding via its various vehicles exceeded the 5% threshold of Elis's share capital and voting rights, and that it held, at that date, 5,702,911 Elis shares in its managed funds *(OPCVM)*, representing 5.002% of the Company's share capital and voting rights;
- in a letter received on April 10, 2015, Amundi Group disclosed that on April 9, 2015 its holding via its various vehicles had dropped below the 5% threshold of Elis's share capital and voting rights, and that it held, at that date, 5,660,117 Elis shares in its managed funds *(OPCVM)*, representing 4.96% of the Company's share capital and voting rights;
- in a letter received on April 14, 2015, Goldman Sachs Group disclosed that on April 8, 2015, its indirect holding via Goldman Sachs International, which it controls, had dropped below the 5% threshold of Elis's share capital and voting rights, and it no longer held any Company shares;
- in a letter received on October 16, 2015, Ameriprise Financial Inc., acting on behalf of clients and funds that it manages, disclosed that on October 14, 2015 its holding exceeded the 5% threshold of Elis's share capital and voting rights, and that it held, at that date, on behalf of said clients and funds, 5,752,999 Elis shares, representing 5.046% of the share capital which in turn represented the same number of Company voting rights.

As a result of the foregoing, as at December 31, 2015, the positions exceeding 5% relate to the following disclosures, which are still in force:

Disclosed by	Disclosure date	Position date	Position (number of shares)	Threshold	Breach	AMF reference
Ameriprise Financial, Inc.	10/16/2015	10/14/2015	5,752,999	5%	Exceeded	215C1452

To the best of the Company's knowledge, as at December 31, 2015 no shareholder other than those mentioned above held, directly or indirectly, 5% or more of the Company's share capital and voting rights.

Since the start of the financial year on January 1, 2016, Franklin Resources, Inc. has disclosed to the Company in a letter dated January 27, 2016 that it had exceeded the 5% shareholding threshold, and that it held, at that date, 5,843,514 Company shares representing 5.1256% of Elis's share capital and voting rights.

Crossing the shareholding thresholds set forth in the articles of incorporation

Since February 11, 2015, the date on which the Company's revised articles of incorporation entered into force, shareholders must disclose to the Company any movement of 1%, or a multiple of that percentage, above or below the threshold in accordance with the stipulations of Article 8 of the Company's articles of incorporation (see section 8.2.8 above in this Registration Document).

These disclosures are in addition to the aforementioned statutory disclosures. Shareholders who fail to comply with the disclosure requirement set forth in the articles of incorporation will lose the voting rights attached to their shares exceeding the threshold in question at the request of one or more shareholders holding at least 1% of the share capital, under the conditions and within the limits set forth by law.

8.5.7 EMPLOYEE SHAREHOLDING AND PROFIT-SHARING

Shareholding agreements

Employee shareholding agreements were concluded with the Group's principal French subsidiaries.

Employee profit-sharing agreements

Profit-sharing is an optional scheme whose purpose is to allow the Company to involve employees more closely, based on a calculation formula, in the Company's operations and, more specifically, in its earnings and performance. On such basis, profit-sharing agreements were concluded with a majority of the Group's French entities.

An employee savings plan has been set up in all of the Group's French entities, with the exception of Maison de Blanc Berrogain and Pro Services Environnement. The plan offers Group employees with more than three months of seniority the possibility of using immediately and in full the amounts paid to them as part of their shareholding or profit-sharing plan or the amounts voluntarily paid by employees to subscribe for units in employee shareholding mutual funds (FCPE). The amounts invested in the employee savings plan are not available for five years, except in the cases of early release provided for by law.

8.5.8 EQUITY INTERESTS OF MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

As at December 31, 2015, the personal interests in Elis's share capital of Xavier Martiré, Louis Guyot and Matthieu Lecharny, members of the Management Board and Supervisory Board, accounted for less than 1% of the share capital and voting rights. The number of shares held by members of the Management Board and Supervisory Board is included in their biographies in chapter 4, "Corporate governance", of the 2015 registration document.

8.5.9 OTHER INFORMATION ABOUT THE CAPITAL

Agreements likely to cause a change in control of the Company

At the date of this registration document, and to the best of the Company's knowledge, there are no shareholder or other agreements likely to cause a change in control of the Company at a later date.

Options or conditional or unconditional agreements regarding the capital of the Company or its subsidiaries

At the date of this registration document, there is no share capital of the Company or its subsidiaries under option or agreed conditionally or unconditionally to be put under option (including the identity of those persons to whom such options relate).

8.5.10 EVENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER (ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

In accordance with Article L. 225-100-3 of the French Commercial Code, the events likely to have an impact with regard to the public offering are disclosed below:

Agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company

At the date of this registration document, the financing agreements entered into by the Company with its financial creditors include clauses with specific provisions in the event of a change in control of the Company, such change in control being understood as the ownership by any individual or group of individuals acting in concert, other than Authorized Shareholders (mainly Eurazeo and its affiliates and certain Company executives and employees).

Accordingly, under the terms of the New Senior Credit Facilities Agreement, it is stipulated that in the event of a change in control, each lender may request the early repayment of all amounts loaned by said lender to the Company (particularly accrued interest), subject to certain terms and conditions.

Likewise, the agreement relating to the issue of High-Yield Bonds stipulates that in the event of a change in control, each bond lender has the option to request redemption of said Bonds by the Company, at a price of 101% of the par value of the High-Yield Bonds held by the lender, plus accrued interest.

Shareholder agreement

On October 30, 2007, Eurazeo, Quasarelis and certain Company executives and employees signed a shareholder agreement, which was amended by supplemental agreements on December 13, 2007, February 10, 2009, June 14, 2013, December 17, 2013 and July 16, 2014. The purpose of the agreement was to govern their relationship as Company shareholders as well as the rules governing the functioning of the Company's management bodies for as long as the Company's shares were not listed for trading on a regulated market. This shareholder agreement was automatically terminated by operation of law when the Company's shares were listed for trading on the Euronext regulated market in Paris, *i.e.* on February 11, 2015.

In letters dated March 25, 2015 and March 27, 2015, in accordance with the provisions of Article L. 233-11 of the French Commercial Code, Eurazeo and ECIP Elis notified the Company, for the purposes of filing with the AMF, of the signing of a shareholder agreement (the "Agreement") relating to their holding in the Company's share capital and defining the terms and conditions of their investment in the Company's capital.

The Agreement provides for a divestment clause under the terms of which each of the parties to the Agreement undertake, in the event of a sale of all or some of their Elis shares, to sell said shares concomitantly and under the same legal and financial terms and conditions. In the event of partial sale, the number of Elis shares sold by the parties shall be determined on a prorata basis of the parties' respective holdings in Elis's capital. Notwithstanding the foregoing, the Agreement stipulates that ECIP Elis shareholders may sell or transfer the equity interest held by ECIP Elis in Elis to their respective shareholders even though Eurazeo would still retain its equity interest in Elis.

The Agreement entered into force on March 23, 2015 and shall remain in force as long as Eurazeo and ECIP Elis hold Company shares, it being specified that each of the parties may terminate the agreement by giving written notice three months prior to the date on which the cancellation is due to take effect.

The Agreement was submitted to the AMF on March 25 and March 27, 2015 and a notice relating thereto was published by the AMF on its website on March 30, 2015 (215C0370 of March 30, 2015).

Parties to the Agreement have declared that the Agreement does not constitute concerted action as defined by Article L. 233-10 of the French Commercial Code.

To the Company's knowledge, there are no other agreements likely to have a material impact on the Company's capital in the event of a public offer for the Company's shares.

Agreements providing for compensation payments to members of the Management Board or employees if they resign or are dismissed without just or serious cause

As stated in chapter 4, "Corporate governance", Management Board members are eligible for compensation payments in the event of departure. The terms and conditions of such payments are presented in chapter 4, sections 4.2 "Statutory Auditors' special report on regulated agreements and commitments with related parties" and 4.5 "Compensation and benefits granted to the members of the Management Board and the Supervisory Board".

Agreement that may lead to restrictions on share transfers or on the exercise of voting rights

At the date of this registration document, to the best of the Company's knowledge and with the exception of the restrictions stipulated in Article 8 of the Company's articles of incorporation as described above, there are no shareholder agreements or any other agreement that may, at a later date, lead to restrictions on share transfers or on the exercise of voting rights.

8.6 DIVIDENDS

8.6.1 DIVIDEND POLICY

The Company's aim is to annually distribute around 40% of its consolidated net income before amortization of customer relationships, subject to approval by the Company's shareholders voting at their ordinary general meeting on the basis of the Management Board's recommendation and report. However, this distribution target in no way represents an undertaking by the Group. The actual amounts of future distributions will be determined on the basis of various factors, including the Company's general business conditions and in particular its strategic objectives, financial position, the opportunities it wishes to pursue and applicable statutory provisions.

8.6.2 DIVIDENDS PAID IN THE PAST THREE FINANCIAL YEARS

The Company did not pay any dividends in the financial years ended December 31, 2012, 2013 and 2014.

The general shareholders' meeting of June 24, 2015 voted in favor of the payment of an amount totaling €39,902,158.45, *i.e.* €0.35 per share, which was deducted from additional paid-in capital and reserves and paid on July 2, 2015. At the next general meeting convened for May 27, 2016, the shareholders will be asked to vote under the 4th resolution on a special cash dividend to be deducted from additional paid-in capital (see chapter 7 of this Registration Document).

8.6.3 TIMEFRAME FOR CLAIMING DIVIDENDS

Dividends not claimed within five years from the payment date are time-barred and must be paid over to the French government.

8.7 TRADING OF SHARES

8.7.1 EXCHANGE

On February 11, 2015 Elis was listed for trading on Compartment A of the Euronext Paris regulated market. The initial public offering was completed following the listing for trading of 114,006,167 shares, of which 57,692,306 were issued under a global offering which included 3,846,153 existing shares that were sold and 53,846,153 new shares, before any exercise of the over-allotment option.

- **Elis share data**
  - ISIN code: FR0012435121.
  - Exchanges: Ongoing trading on Euronext – Compartment A of NYSE Euronext Paris.
  - Other exchanges where the shares are traded: none.
  - Par value: €10.
  - Number of shares outstanding as at December 31, 2015: 114,006,167.
  - Price at December 31, 2015: €15.25.
  - Market capitalization as at December 31, 2015: €1,738,594 million.

8.7.2 VOLUMES TRADED AND CHANGE IN SHARE PRICE IN 2015

	Share price *(in euro)*			Traded volume		
	High	Low	Closing price	Number of shares traded per month	Daily average of shares traded	Market capitalization (month-end) *(in € millions)*
February	14.92	13	14.9	14,400,420	1,107,725	1,698.69
March	15.76	14.67	15.42	3,764,609	171,119	1,757.98
April	18.9	15.95	18.11	5,242,627	262,131	2,064.65
May	18.85	17.42	18.27	4,709,123	235,456	2,082.89
June	19.39	17.84	17.62	3,251,289	147,786	2,008.79
July	19.7	15.8	15.06	5,363,363	233,190	1,716.93
August	15.27	14.09	14.16	4,859,098	231,386	1,614.33
September	15.44	13.65	13.94	5,097,742	231,716	1,589.25
October	15.46	13.16	15.41	7,417,373	337,153	1,756.84
November	15.55	14.55	14.86	3,983,591	189,695	1,694.13
December	15.73	14.89	15.25	2,470,172	112,281	1,738.59
January	16.12	14.695	16.12	3,386,045	169,302	1,837.78

8.8 NON-EQUITY INSTRUMENTS

8.8.1 SECURITIES GIVING RIGHTS TO ALLOCATION OF DEBT INSTRUMENTS

Bond issues

On April 28, 2015, Novalis, a subsidiary wholly owned by the Company, issued High-Yield Bonds with a principal amount of €800 million and paying interest at an annual rate of 3% for a period of seven years, maturing in April 2022. As a result of the dissolution without liquidation of Novalis and the universal transfer of Novalis assets to the Company effective July 9, 2015, Elis replaced Novalis and became the issuer of said bonds.

Interest is payable every six months (at end April and end October of each year). The High-Yield Bonds, which have a par value per unit of €100,000, 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).

The High-Yield Bonds issue agreement contains a change of control clause that may lead to the redemption of said bonds by the Company under the terms and conditions described above (see section 8.5.10 above).

The High-Yield Bonds are guaranteed by M.A.J., Société de Participation Commerciales et Industrielles, Atmosfera, Lavotel and Sociedade Portugesa de Aluguer e Serviço de Texteis SA **(SPAST)**. These guarantees are subject to various limitations taking into account rules related to the protection of the corporate interest, and rules relating to financial assistance and any other equivalent rule applicable to the companies under consideration. These commitments are described in note 7.1 to the 2015 parent company financial statements provided in chapter 6, "Financial statements for the year ended December 31, 2015", of the 2015 registration document.

Commercial paper program

The Elis Group obtained approval from Banque de France on September 10, 2015 to become a "Commercial Paper Issuer" for a commercial paper program with a maximum amount of €400 million. The Elis Group restructured its €850-million bank loan by reducing the €650-million Term Loan portion to €450 million and at the same time increasing the €200-million Revolver portion to €400 million.

The revolver portion obtained the banks' approval for this five-year secured credit facility also to act as a backup facility securing the commercial paper program. The outstanding portion of the commercial paper program at December 31, 2015 was €169.5 million.

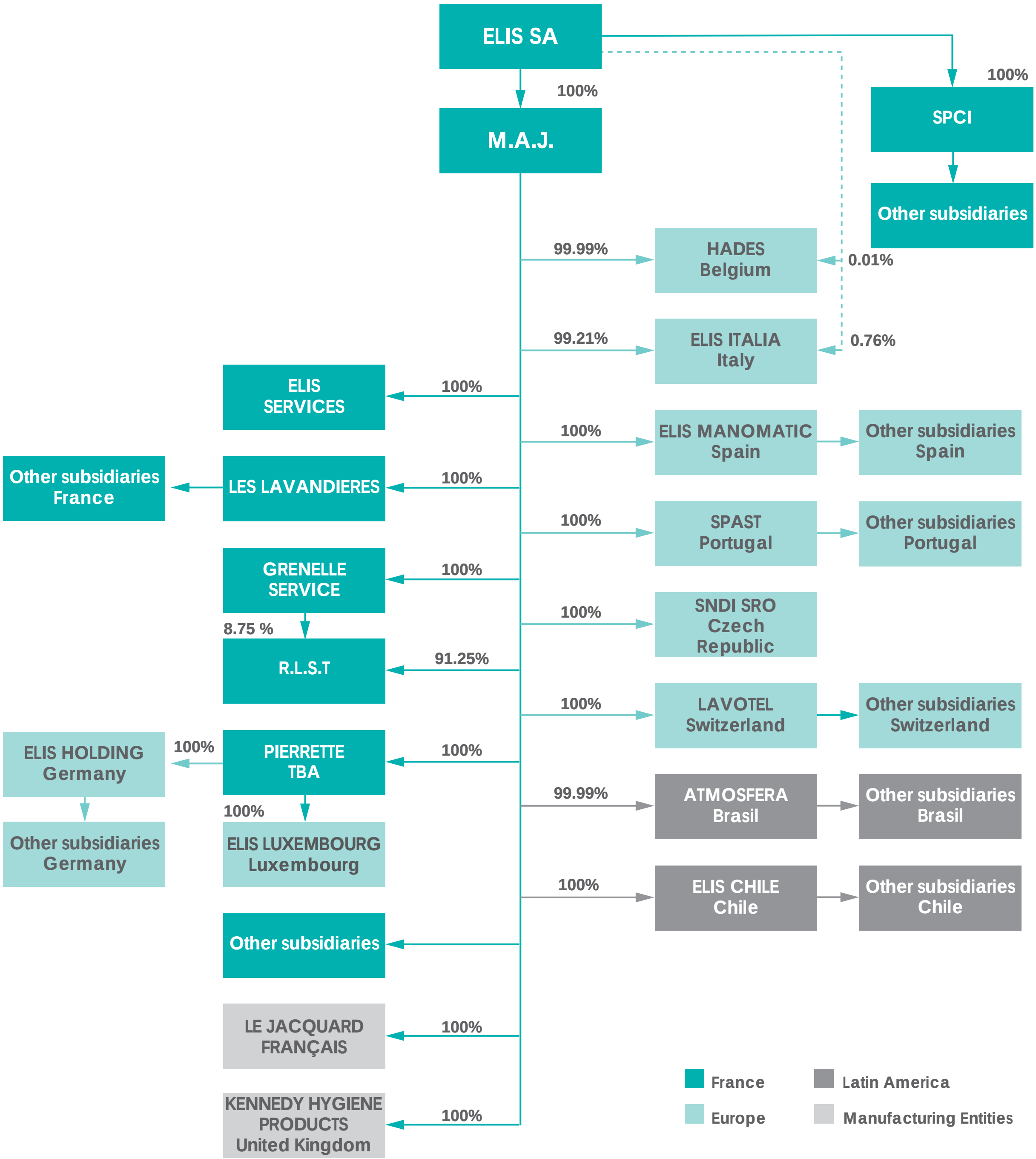
Elis did not want its commercial paper program to be rated.

8.8.2 RATING

At the time of their issue, *i.e.* April 28, 2015, the High-Yield Bonds were rated BB by Standard & Poor's and BA2 by Moody's. The Elis Group has the same rating level from both agencies for its overall debt.

8.9 SIMPLIFIED GROUP ORGANIZATIONAL CHART

The simplified organizational chart below shows the Group's legal organization as at December 31, 2015:



8.10 LIST OF MAIN SUBSIDIARIES

Elis is the Group's lead company and the head of the French tax consolidation group set up on March 1, 2008.

The Company's main direct or indirect subsidiaries are described below. No Group subsidiary is listed.

- **M.A.J.** is a French corporation *(société anonyme)* with share capital of €142,515,408, having the registered office at 31 Chemin latéral au Chemin de fer, Pantin, 93500 France, and registered with the Bobigny Trade and Companies Register under number 775 733 835. The Company holds 100% of the share capital and voting rights of M.A.J. The main activity of M.A.J. is flat linen, workwear and HWB rental and maintenance services.
- **Elis Services** is a French corporation *(société anonyme)* with share capital of €16,000,075, having the registered office at 31 rue Voltaire in Puteaux, 92800 France, and registered with the Nanterre Trade and Companies Register under number 693 001 091. M.A.J. holds 100% of the share capital and voting rights of Elis Services. The main activity of Elis Services is providing support services to the Group's various companies; it also operates as the Group's central purchasing office (purchase & resale transactions).
- **Les Lavandières** is a French simplified limited liability company *(société par actions simplifiée)* with share capital of €448,544, having the registered office at Zone Industrielle les Carrières in Avrillé, 49240 France, and registered with the Angers Trade and Companies Register under number 062 201 009. M.A.J. holds 100% of the share capital and voting rights of Les Lavandières. The main activity of Les Lavandières is flat linen, workwear and HWB rental and maintenance services.
- **Lavotel** is a Swiss corporation *(société anonyme)* with share capital of CHF5,000,000, having the registered office at 35 chemin de la Vuarpillière in Nyon (Switzerland), and registered with the Vaud Canton (Switzerland) Trade and Companies Register under number CHE-106 858 105. M.A.J. holds 100% of the share capital and voting rights of Lavotel. The main activity of Lavotel is flat linen and workwear rental and laundry services.
- **Grenelle Service** is a French simplified limited liability company *(société par actions simplifiée)* with share capital of €15,900,000, having the registered office at 10 route des Champs Fourgons Port de Gennevilliers in Gennevilliers, 92230 France, and registered with the Nanterre Trade and Companies Register under number 341 203 875. M.A.J. holds 100% of the share capital and voting rights of Grenelle Service. The main activity of Grenelle Service is flat linen, workwear and HWB rental and maintenance services.
- **Régionale de location et services textiles (R.L.S.T.)** is a French simplified limited liability company *(société par actions simplifiée)* with share capital of €243,208, having the registered office at 7, rue Alfred-Mongy in Marcq-en-Baroeul, 59700 France, and registered in the Lille Métropole Trade and Companies Register under number 885 581 033. M.A.J. and Grenelle Service hold 91.25% and 8.75%, respectively of the share capital and voting rights of R.L.S.T. The main activity of R.L.S.T. is flat linen, workwear and HWB rental and maintenance services.
- **Pierrette – T.B.A.** is a French corporation *(société anonyme)* with share capital of €278,768, having the registered office at Zone d'Activités Commerciales des Savlons in Malzéville, 54220 France, and registered with the Nancy Trade and Companies Register under number 306 042 268. M.A.J. holds 100% of the share capital and voting rights of Pierrette – T.B.A. The main activity of Pierrette – T.B.A. is flat linen, workwear and HWB rental and maintenance services.
- **Atmosfera Gestão e Higienização de Têxteis SA** is a Brazilian corporation with share capital of 495,559,072.15 Brazilian reals, having the registered office at Av. Antonieta Piva Barranqueiros, S/N, Chácara Aeroporto – Jundiai, SP (zip code 13.212-009, Brazil) and registered with the Trade and Companies Register of the Federal Republic of Brazil under number 00.886.257/0001-92. M.A.J. and S.P.C.I. (a company wholly owned by the Company) hold 99.99% and 0.01% respectively of the share capital and voting rights of Atmosfera Gestão e Higienização de Têxteis SA The main activity of Atmosfera Gestão e Higienização de Têxteis S.A. is flat linen and workwear rental and laundry services. Atmosfera Gestão e Higienização de Têxteis S.A. is the head company of the Brazilian subsidiaries.

The position of Elis subsidiaries and its direct investments is described in the table in note 11 to the 2015 consolidated financial statements included in chapter 6, "Financial statements for the year ended December 31, 2015", of the 2015 registration document.

Additional information

AFR

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9.1. PERSONS RESPONSIBLE

9.1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT INCLUDING THE ANNUAL FINANCIAL REPORT

Xavier Martiré, chairman of the Management Board.

9.1.2 DECLARATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT INCLUDING THE ANNUAL FINANCIAL REPORT

Having taken all reasonable care to this effect, I hereby declare that, to the best of my knowledge, the information contained in this registration document is consistent with the facts and contains no omission likely to affect its scope.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position, and results of the Company and all companies in the Group, and that the information included in the 2015 registration document relating to the management report listed in the cross-reference table on pages 317 to 318 of said document presents a true and fair picture of the changes in the business, the results, and the financial position of the Company and all companies in the Group as well as a description of the major risks and uncertainties they face.

I have obtained from the Statutory Auditors of the financial statements an audit completion letter, in which they indicate that they have audited the financial position and the financial statements provided in this registration document and read the entire document.

This letter includes no observations.

The Statutory Auditors report on the consolidated financial statements for the year ended December 31, 2015 presented in this document is provided on pages 226 and 227 of the registration document and contains an observation relating to the change in accounting method following the application of IFRIC 21 presented in note 1.4 to the 2015 consolidated financial statements.

The report on the annual financial statement for the same financial year is included on pages 250 and 251 of the registration document and contains no observations or reservations.

The Statutory Auditors reports on the historical consolidated financial information for the years ended December 31, 2014 and December 31, 2013, presented in the 2014 annual financial report and the Base Document approved by the French Financial Markets Authority *(Autorité des marchés financiers – AMF)* on September 8, 2014 under No. I.14-053, are included in both section III-AI of the 2014 annual financial report and in paragraph 20.1.2 of the Base Document and include no observations for each of the fiscal years.

April 12, 2016

Xavier Martiré

Chairman of the Management Board

9.2 STATUTORY AUDITORS

9.2.1 PRINCIPAL STATUTORY AUDITORS

PricewaterhouseCoopers Audit

Represented by Bruno Tesnière

Member of the Association of Statutory Auditors of Versailles *(Compagnie régionale des commissaires aux comptes de Versailles)*

63, rue de Villiers
92200 Neuilly-sur-Seine – France

Appointed Principal Statutory Auditor in 2007 when the Company was incorporated, the term of office of PricewaterhouseCoopers Audit was renewed during the June 26, 2013 general meeting for a period of six fiscal years, *i.e.* until the general meeting called to approve the financial statements for the fiscal year ending December 31, 2018.

Mazars

Represented by Isabelle Massa

Member of the Association of Statutory Auditors of Versailles *(Compagnie régionale des commissaires aux comptes de Versailles)*

61, rue Henri Regnault
Tour Exaltis
92400 Courbevoie – France

Appointed Principal Statutory Auditor on June 29, 2011, the term of office of Mazars was renewed during the June 26, 2013 general meeting for a period of six fiscal years, *i.e.* until the general meeting called to approve the financial statements for the fiscal year ending December 31, 2018.

9.2.2 ALTERNATE STATUTORY AUDITORS

Anik Chaumartin

Member of the Association of Statutory Auditors of Versailles *(Compagnie régionale des commissaires aux comptes de Versailles)*

63, rue de Villiers
92200 Neuilly-sur-Seine – France

Appointed Alternate Statutory Auditor on June 26, 2013 for a period of six fiscal years expiring at the end of the general meeting called to approve the financial statements for the fiscal year ending December 31, 2018.

CBA

Member of the Association of Statutory Auditors of Versailles *(Compagnie régionale des commissaires aux comptes de Versailles)*

61, rue Henri Regnault
Tour Exaltis
92400 Courbevoie – France

Appointed Alternate Statutory Auditor on June 29, 2011, the term of office of CBA was renewed during the June 26, 2013 general meeting for a period of six fiscal years, *i.e.* until the general meeting called to approve the financial statements for the fiscal year ending December 31, 2018.

9.2.3 STATUTORY AUDITORS' FEES

	Mazars				Pricewaterhouse Coopers Audit			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
(In thousands of euros)	2015	2014	2015	2014	2015	2014	2015	2014
AUDIT								
Statutory audits, certifications, review of parent company and consolidated financial statements	**1,140**	**498**	**85%**	**62%**	**1,318**	**577**	**88%**	**74%**
▪ Elis	819	164			814	163		
▪ Fully-consolidated subsidiaries	321	334			504	414		
Other audit-related procedures and services	**165**	**275**	**12%**	**34%**	**145**	**126**	**10%**	**16%**
▪ Elis	144	119			145	85		
▪ Fully-consolidated subsidiaries	21	156			-	41		
SUBTOTAL	**1,305**	**773**	**97%**	**96%**	**1,463**	**703**	**98%**	**91%**
Other services provided by the networks to fully consolidated subsidiaries								
▪ Legal, tax, employment-related	36	31			30	67		
▪ Other	-				-	6		
SUBTOTAL	**36**	**31**	**3%**	**4%**	**30**	**73**	**2%**	**9%**
TOTAL	**1,341**	**804**	**100%**	**100%**	**1,493**	**776**	**100%**	**100%**

In order to reflect the Group's overall audit targets, it is also specified that audit fees paid to Deloitte, the incumbent Auditors of Atmosfera in Brazil, amounted to €375 thousand in 2014 (including €106 thousand relating to audit services and €269 thousand to other services).

9.3 CONTACTS AND AVAILABLE FINANCIAL INFORMATION

9.3.1 INVESTOR RELATIONS

The Group is committed to maintaining ongoing relationships with financial analysts and its shareholders, including French and foreign individual shareholders and institutional investors. Analyst meetings and/or conference calls are organized in Paris for the publication of annual and half-year results, as well as for other significant events. Quarterly revenue announcements are made by conference call. The Group's management gives talks all year round at conferences organized by specialized financial intermediaries.

One-on-one meetings between investors and various company representatives are also organized several times a year, in particular during road shows in France and abroad. Investors may also contact the Director of Investor Relations at any time.

The Investor Relations section of the Elis website is specially designed for both individual and institutional shareholders, and offers open and unrestricted access. This section provides share price information (both in near real time and historical data) and all information published by the Group's Financial Department: press releases and news, analyst presentations, annual financial report for the previous fiscal year and the 2015 registration document, the composition of the Management Board and the Supervisory Board, Company articles of incorporation, the Supervisory Board's internal regulations, the charters of the Audit Committee and the Appointments and Compensation Committee, the Code of Conduct for Trading and Market Activities, the financial publications calendar and the list of financial analysts that cover the Elis stock.

Investor relations contact

Nicolas Buron
Director of Investor Relations
31-33, rue Voltaire – 92800 Puteaux – France
Telephone: +33 (0)1 41 25 45 00
Fax: +33 (0)1 42 04 73 88
investors@elis.com
www.corporate-elis.com

9.3.2 BANK RESPONSIBLE FOR REGISTERED SHAREHOLDERS' ACCOUNTS

BNP Paribas Securities Services

Elis shareholder relations
CTS – Corporate Trust Services
Grands Moulins de Pantin – 9, rue du Débarcadère – 93500 Pantin – France
Telephone: +33 (0)1 40 14 00 90

Elis shares may be registered with this institution.

9.3.3 REGULATED INFORMATION

Since the admission of the Company's shares to trading on the Euronext Paris regulated market, the regulated information in accordance with the provisions of the AMF general regulations is available on the Company's website. This information is archived in a specific section of the Company's website and may be accessed at: www.corporate-elis.com.

Elis has signed a contract with an AMF-licensed professional information agency for the distribution of regulated information within the meaning of the AMF general regulations. This service provider is responsible for the distribution of all press releases covering periodic or ongoing regulated information.

9.3.4 PROVISIONAL FINANCIAL COMMUNICATION CALENDAR

For 2016, the provisional calendar for the key communication events is as follows:

Date (Indicative)	Contents
03/10/2016	Presentation of FY 2015 results
05/04/2016	Presentation of Q1 2016 revenue
05/27/2016	Combined general shareholders' meeting
06/08/2016	Payment of special dividend
07/26/2016	Q2 2016 revenue and H1 2016 results
10/28/2016	Q3 2016 revenue

9.4 PUBLIC DOCUMENTS

Company press releases, this registration document, including Company and Group historical financial information registered with the *Autorité des marchés financiers,* as well as, where applicable, any updates, are available on the Company's website at: (www.corporate-elis.com), and on the AMF's website (www.amf-france.org). A copy may be obtained free of charge from the Company's registered office (33, rue Voltaire, 92800 Puteaux, France).

Pursuant to Article 221-3 of the AMF general regulations, regulated information (as defined in Article 221-1 of the AMF general regulations) is available on the Company's website for at least ten years following its publication.

In accordance with AMF recommendations, the Company's articles of incorporation and the Supervisory Board's internal regulations are available on the Company's website (www.corporate-elis.com). These documents, the minutes of the General Meetings, the Statutory Auditors' reports and all other company documents may be consulted at the Company's registered office under the conditions provided for by law and the articles of incorporation.

All these legal and financial documents relating to the Company and made available to shareholders according to the regulations in force may be consulted at the Company's registered office.

Moreover, Notices of the crossing of shareholding thresholds are published on the AMF's website (www.amf-france.org).

CROSS-REFERENCE TABLES

CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

This cross-reference table lists the main disclosure items required by European Commission regulation (EC) 809/2004 of April 29, 2004 (the "Regulation") and refers to the pages in this registration document containing information regarding these items.

No.	Items shown in Appendix 1 of the Regulation	Chapter/section	Page(s) of the registration document
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1.2.	**Declaration of the persons responsible**	**9.1.2**	**308**
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3.	**Selected financial information**		
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13.2.	**Report prepared by the Statutory Auditors**	**N/A**	
13.3.	**Preparation of the forecast or estimate**	**N/A**	
13.4.	**Statement on the validity of a forecast previously included in a prospectus**	**N/A**	
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20.4.3	Indication about the source and unaudited nature of the unaudited financial information included in the registration document and not extracted from the issuer's audited financial statements	N/A	
20.5.	**Date of the latest financial information**	**12/31/2015**	
20.6.	**Interim and other financial information**	**N/A**	
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20.7.	**Dividend policy**	**5.4, 8.6**	**160, 300**
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CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

To facilitate the reading of this document, the cross-reference table below may be used to identify in this 2015 registration document the information that constitutes the annual financial report which must be published by listed companies in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the general regulations of the French Financial Markets Authority.

Information	Chapter/section	Page(s) of the registration document
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French corporation *(société anonyme)* governed by a Management Board and a Supervisory Board,
with share capital of €1,140,061,670
Registered office: 33, rue Voltaire – 92800 Puteaux – France – Nanterre
Trade and Companies Register (R.C.S.) no. 499 668 440