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UPDATE TO THE 2015 REGISTRATION DOCUMENT

INCLUDING THE HALF-YEAR 2016 FINANCIAL REPORT

UPDATE TO THE REGISTRATION DOCUMENT

[INTENTIONALLY OMITTED]

General information

In this update (the "**Registration Document Update**") to the registration document filed with the French *Autorité des Marchés Financiers* (the "**AMF**") on April 13, 2016 under number R. 16-019 (the "**Registration Document**"), unless otherwise indicated:

- the term "**Company**" or "**Elis**" means Elis, a French joint stock corporation ("*société anonyme*") with its registered office at 5 boulevard Louis Loucheur – 92210 Saint-Cloud, France, and which is registered with the Trade and Companies Register of Nanterre under number 499 668 440;
- "**Group**" refers collectively to the Company and its consolidated subsidiaries;
- "**Indusal**" or refers collectively to Compañia Navarra de Servicios Integrales SL, a Spanish law-governed company, and its subsidiaries;
- "**Lavebras**" or refers collectively to Lavebras Gestão de Têxteis S.A., a Brazilian law-governed company, and its subsidiaries.

Forward-looking statements

The Registration Document Update contains information on the Group's development objectives, outlook and plans, and among other things takes into account the realization of the acquisitions of Indusal in Spain and Lavebras in Brazil. Such information is sometimes identified by the use of the future tense, the conditional mood and by forward-looking terms such as "think", "aim", "expect", "intend", "should", "has the ambition of", "consider", "believe", "wish", "could" and so forth. This information is based on data, assumptions and estimates that the Company considers reasonable. This information may evolve or be altered due to uncertainty related, among other factors, to any business risks and to the economic, financial, competitive, regulatory and climatic environment. The Company makes no undertaking to update or revise the objectives, outlook and forward-looking statements contained in the Registration Document Update, except pursuant to any statutory or regulatory obligations applicable to the Company. Moreover, the materialization of certain risks described in Chapter 2 – "Risk factors and insurance policy" of the Registration Document, as supplemented and amended by the Registration Document Update, may have an impact on the Group's activities and its ability to achieve its objectives. Moreover, the Group's ability to achieve such objectives will depend, among other things, on the successful implementation of the strategy presented in Section 1.5.2 – "The Group's strategy" of the Registration Document, as supplemented and amended by the Registration Document Update, along with the successful integration of Indusal and Lavebras. The Company makes no representation and gives no warranty as to the achievement of the objectives set out in the Registration Document Update.

Information about the market and competition

The Registration Document Update contains information relating to the Group's markets and competitive position, particularly in Chapter 1 – "Presentation of the Group and its activities" of the Registration Document, as supplemented and amended by the Registration Document Update. Some of these data were obtained from external market research. Such publicly available information, which the Company deems reliable, has not been independently verified and the Company cannot guarantee that a third party using different fact-gathering, analytical or calculation methods to compute market data would obtain the same results. Unless otherwise stated, information included in the Registration Document Update relating to market shares and market size in the Group's core markets are based on Group estimates and provided for information purposes only.

Risk factors

Among the information contained in the Registration Document Update, investors are urged to pay close attention to the risk factors described in Chapter 2 – "Risk factors and insurance policy" of the Registration Document, as supplemented and amended by the Registration Document Update, before making any investment decision. The materialization of one or more of these risks could adversely affect the business, financial position and results of the Group as well as its objectives. Moreover, other risk factors, which were not identified or considered material by the Company at the date of this Registration Document Update, may likewise have an adverse effect and may cause investors to lose all or part of their investment.

Estimated data

The historical figures relating to Indusal and Lavebras included in the Registration Document Update come from the information provided to the Company by Indusal and Lavebras, respectively, in connection with the acquisition processes for these companies, and in particular from the consolidated financial statements of Indusal and Lavebras for the year ended December 31, 2015, which were audited, respectively by Hevia Chávarri y Asociados S.L. and KPMG Assurance Services Ltda. The estimated figures relating to Indusal and Lavebras are based on the information made available to the Company by Indusal and Lavebras, respectively, as adjusted on the basis of some data, hypotheses, and estimates that the Company deems reasonable. The figures relating to Indusal and Lavebras as well as the estimated financial data relating to the Group and set out in the Registration Document Update have not been subject to any audit or limited review by the Company's statutory auditors.

The Registration Document Update also contains combined estimated financial data the year ended December 31, 2016, obtained by summing the estimated financial data relating to Indusal and the activities of the Group in Spain in 2016 on the one hand, and by adding together the estimated financial data relating to Lavebras and the activities of the Group in Brazil in 2016 on the other hand. These financial data are presented for information purposes only and do not constitute an indication of the earnings from the Group's operational activities or of the Group's financial position in each case as they would have resulted from the financial year ended December 31, 2016 if the acquisitions of Indusal and Lavebras had occurred as of January 1, 2016.

Rounding

Certain figures (including figures expressed in thousands or millions) and percentages in this Registration Document Update have been rounded. Consequently, the totals presented in this Registration Document Update may differ slightly from those obtained by summing the non-rounded values of those figures.

Conversion

Unless otherwise stated, amounts expressed in Brazilian real in this Registration Document Update have been converted into euros, on the basis of a reference exchange rate for illustration purposes, on the basis of a reference exchange rate of BRL3.6 to €1. In this Prospectus, the symbol "**BRL**" means the Brazilian real and the symbol "**€**" means the euro.

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Presentation of the Group and its activities

Information concerning this Chapter is provided in Chapter 1 of the Registration Document. At the date of the Registration Document Update, that information remains accurate, subject to the updates and additional information set out below.

1.1 THE GROUP'S MAIN ACTIVITIES AND STRATEGY

1.1.1 THE GROUP'S ACTIVITIES

At the date of the Registration Document Update, the Group is a multi-service leader in the rental, laundry and maintenance of flat linen, workwear and hygiene and well-being appliances in Europe and Latin America. With a workforce of more than 21,500 people in 13 countries, Elis recorded consolidated revenue of €1,415 million and consolidated EBITDA of €446 million in 2015. With more than a century of expertise, Elis now serves more than 240,000 customers of all sizes in the Hospitality, Healthcare, Industry, Retail and Services sectors, via its network of more than 300 production and distribution centers and 13 clean rooms (controlled-atmosphere environments in which used garments from the pharmaceuticals and microelectronics sectors, for example, are laundered), ensuring that the Group has unrivalled proximity to its customers.

1.1.2 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 in order to maintain its growth and increase profitability, which is already among 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.

The Group's acquisitions of Indusal in Spain and Lavebras in Brazil, announced on December 21, 2016, as described in Section 1.6 "Acquisitions of Indusal and Lavebras" of the Registration Document Update, form part of that strategy.

Indusal is a leading player in textiles rental and laundry services in Spain[1], generating net revenue of €83 million in 2015, and according to information provided by Indusal to the Company in connection with the acquisition, it is likely to achieve net revenue of around €90 million in 2016*, with an estimated EBITDA margin of around 27%*. The Indusal acquisition will double the Group's revenue in Spain with an estimated combined revenue of Indusal and the Group in Spain (before the Indusal acquisition) around €180 million in 2016*. With this acquisition,

[1] Based on a market size estimated by the Company using 2014 data contained in the KPMG report (August 2014) referred to in Section 1.6.1 "Competitive environment — General presentation" of the Registration Document.

* See above "General Information – Estimates."

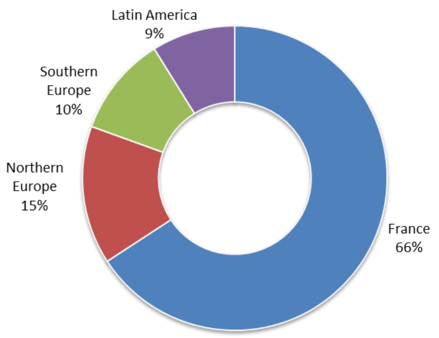
the Group is strengthening its position in a fragmented and high-potential market, and with a market share of more than 25% it is becoming the sector leader in Spain.[2]

Lavebras is a leading player in laundry services in Brazil[2], with a presence in 17 Brazilian states. It generated net revenue of BRL276 million (€77 million) in 2015, and according to information provided by Lavebras to the Company in connection with the acquisition, it is likely to achieve net revenue of around BRL370 million (€103 million)* in 2016, with an estimated EBITDA margin of over 30%* and estimated EBIT margin of around 19%.* The acquisition of Lavebras fits with the Group's intention to expand its business in Latin America and particularly in Brazil, where the Group has operated since 2014. With the acquisition of Lavebras, the Group will strengthen leading position as one the leading actors in Brazil, where the Group expects its market share to rise to over 25% in 2017. [2]

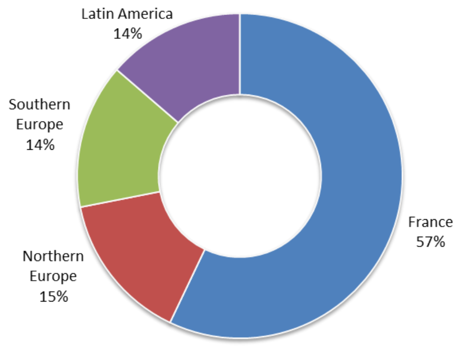
After these transactions, the Group's international operations are likely to account for more than 40% of its revenue based on estimated financial data for 2016,[3] as opposed to 25% in 2014. Aside from the Indusal and Lavebras acquisitions, at the date of the Registration Document Update the Group estimates that it is the sector leader in France (around 40-50% market share), Switzerland (around 30-40% market share), Portugal (around 35-45% market share) and Chile (around 25-35% market share). In addition, the Group estimates that it is the sixth-largest sector player in Germany (less than 10% market share) and the third-largest player in the Belgium-Luxembourg region (less than 10% market share). [2]

The diagrams below provide an indication of the breakdown of the Group's estimated revenue for the year ended December 31, 2016 before the acquisitions of Indusal, Lavebras and Puschendorf (which is described in Section 1.2.2 "Acquisitions" of the Registration Document Update) and after these acquisitions (based on estimated data for the year ended December 31, 2016, and consolidation as of January 1, 2016)[4]:

Pre-acquisition revenue breakdown by area



Post-acquisition revenue breakdown by area



[2] Based on a market size estimated by the Company using 2014 data contained in the aforementioned KPMG report.

[3] Estimated financial data for the Group are presented below in Section 4.1.1 "Unaudited estimated financial data for the year ended December 31, 2016."

[4] Excluding manufacturing entities. Latin America includes Brazil and Chile. Northern Europe includes Switzerland, Germany, Belgium, Luxembourg and the Czech Republic. Southern Europe includes Spain, Portugal and Italy.

1.2 KEY EVENTS SINCE APRIL 13, 2016

The significant press releases published by the Group since April 13, 2016, the date on which the Registration Document was registered, are reproduced below, except for the press release relating to the Indusal and Lavebras acquisitions, which features in Section 1.6 "Acquisitions of Indusal and Lavebras" of the Registration Document Update. Acquisitions made by the Group in the first half of 2016 are described in note 2.1 "Acquisitions in the first half of 2016" to the financial statements for the half-year period ended June 30, 2016, included in Section 4.2.6.8 "Notes to the consolidated financial statements" of the Registration Document Update.

1.2.1 FINANCIAL RESULTS

The definitions of the main financial terms used in the press releases below are provided in the "Financial definitions" part of Section 4.2.3.2 – "Group Results" of the Registration Document Update.

- **October 27, 2016 - Third-quarter 2016 results**

Q3 revenue up +5.7% and +1.5% on an organic basis
9-month revenue up +6.5% and +2.5% on an organic basis

- **Very good figures in Europe and Latin America, illustrating the relevance of Elis' international development strategy in connection with a difficult French market**
  - +4.5% in Europe, driven by Southern Europe
  - +18.5% in Latin America, driven by the Olympic Games and our good commercial momentum in Brazil
  - -1.2% in France with the Nice terrorist attack impacting hospitality in Paris and the French Riviera
- **Recent acquisitions continue to drive growth, with a +4.0% impact in Q3**
- **FY16 outlook**
  - Revenue confirmed at above €1.5bn: +6.5% growth (nearly +3% organic, c. +4% M&A and -0.5% FX)
  - EBITDA margin: France down between -60 bps and -30 bps depending on Q4 French hospitality activity; further improvement in Europe and Latin America confirmed

Q3 revenue (EUR million)	2016	2015	Reported growth	Organic growth
Trade & Services	87.1	86.7	+0.5%	+0.5%
Hospitality	91.8	93.5	-1.8%	-1.8%
Industry	46.8	47.8	-2.2%	-2.2%
Healthcare	40.4	39.8	+1.6%	+1.6%
France[a]	**257.9**	**261.1**	**-1.2%**	**-1.2%**
Northern Europe	57.4	51.6	+11.1%	-0.7%
Southern Europe	46.9	42.3	+10.9%	+10.9%
Europe	**104.3**	**93.9**	**+11.0%**	**+4.5%**
Latin America	**36.1**	**22.0**	**+64.1%**	**+18.5%**
Manufacturing entities	**4.6**	**4.3**	**+7.0%**	**+14.7%**
Total	**402.8**	**381.2**	**+5.7%**	**+1.5%**

[a]: After other items including rebates

Percentage change calculations are based on actual figures

9-month revenues (EUR million)	2016	2015	Reported growth	Organic growth
Trade & Services	257.7	255.3	+1.0%	+1.0%
Hospitality	241.5	239.0	+1.1%	+1.1%
Industry	140.9	141.8	-0.7%	-0.7%
Healthcare	122.9	119.1	+3.2%	+3.2%
France[a]	**742.6**	**739.7**	**+0.4%**	**+0.4%**
Northern Europe	159.8	135.9	+17.6%	+1.3%
Southern Europe	120.7	108.2	+11.5%	+10.2%
Europe	**280.6**	**244.1**	**+14.9%**	**+5.3%**
Latin America	**95.9**	**67.1**	**+42.9%**	**+14.1%**
Manufacturing entities	**14.0**	**12.7**	**+10.3%**	**+14.7%**
Total	**1,133.1**	**1,063.6**	**+6.5%**	**+2.5%**

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

France

Q3 revenue was down -1.2% in France (entirely organic). Hospitality revenue was down -1.8%. The terrorist attack on July 14 in Nice strongly impacted the Parisian and French Riviera markets. In addition, Q3 2015 was very dynamic, contributing to a challenging comparable base. All in all, Trade & Services, Industry and Healthcare delivered revenue in line with last year.

Europe

Q3 revenue growth in Northern Europe (+11.1%) was largely driven by the acquisitions completed in the first half of the year. Organic growth was down -0.7%. After the restatement of 2015 exceptional items, organic growth was c. +2% (for the record, some non-recurring sales of workwear and ultra-clean garments were registered in Belgium in Q2 and Q3 2015 for €1.5m). Switzerland and Germany, our main markets in the region, are slightly up despite subdued hospitality activity during the summer.

In a favorable environment, Southern Europe continued to be dynamic, with revenue growth of +10.9% (entirely organic). This performance was again driven by Spain and Portugal, both delivering double-digit organic revenue growth. This not only reflects the good tourism numbers in the Iberian Peninsula, but also underscores Group's commercial momentum, leveraging on the rebound of the region to open new markets.

Latin America

Latin America Q3 revenue increased +64.1% largely due to acquisitions we completed in Brazil in July 2015 and in January 2016, and the acquisition of Albia in Chile (consolidated since October 1, 2015). Organic growth improved sharply in Q3, at +18.5%. This was due to three main effects: (i) price increases, (ii) several contracts linked to the Olympic Games for total revenue of €1.5m in Q3, and (iii) gains of new contracts with large accounts. In addition, we registered a positive impact from the evolution of currencies over the quarter (+6.8%).

- **July 26, 2016 – H1 2016 results**

Solid +7.0% revenue growth, EBITDA margin in line with full year targets and 2016 outlook confirmed

- **Revenue growth and EBITDA margin in line with expectations despite a difficult environment in France and Brazil**
  - Revenue: €730.2m (7.0% of which 3.1% organic growth)
  - EBITDA: €216.1m (29.6% of revenue)
  - Slight decrease in EBITDA margin in France (-27bps), in line with expectations
  - EBITDA margin improvement of 71bps in Europe (excluding France) and 176bps in Latin America

- **Further M&A activity**
  - Two significant acquisitions in the first half, in Germany and in Brazil
  - Another significant acquisition in July in Switzerland
  - Successful integration of the Chilean subsidiary

- **2016 outlook confirmed**
  - Revenue: €1.5bn with 3% organic growth and 4% of M&A
  - EBITDA margin: -30 bps in France and further improvement in Europe and Latin America

(EUR million)	H1 2016	H1 2015	Change
Revenue	**730.2**	**682.4**	**+7.0%**
EBITDA	**216.1**	**204.6**	**+5.6%**
EBIT	**92.5**	**87.7**	**+5.5%**
Net income (loss)	**23.1**	**(80.6)**	**n/a**
Headline net income*	**38.9**	**15.7**	**+148.5%**
Headline free cash flow**	**6.7**	**(22.9)**	**n/a**
Adjusted net debt (as of end of period)***	**1,506.4**	**1,440.7**	

Percentage change calculations are based on actual figures
* After elimination PPA amortization and 2015 IPO and refinancing expenses (net of tax)
** After elimination of 2015 IPO and refinancing expenses (net of tax)
*** The basis of comparison is as of December 31, 2015
The definitions of organic revenue growth, EBITDA, EBITDA margin, EBIT, headline free cash-flow and adjusted net debt are in the "Financial definitions" Section of this release.

Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of flat linen, professional clothing, hygiene and well-being appliances, today announces its first half 2016 financial results.

The accounts were approved by the Management Board and examined by the Supervisory Board on July 25, 2016. They have been the subject of a limited review by the company's auditors.

Revenues

Reported revenue growth

(EUR million)	2016			2015			Change		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Trade & Services	84.8	85.8	170.6	83.1	85.5	168.6	+2.1%	+0.4%	+1.2%

Hospitality	66.9	82.9	149.7	62.2	83.3	145.5	+7.4%	-0.5%	+2.9%
Industry	47.1	46.9	94.1	46.7	47.2	94.0	+0.9%	-0.6%	+0.1%
Healthcare	41.3	41.2	82.5	39.4	39.9	79.3	+4.8%	+3.3%	+4.0%
France*	**234.0**	**250.7**	**484.7**	**228.2**	**250.5**	**478.6**	**+2.6%**	**+0.1%**	**+1.3%**
Northern Europe	50.3	52.2	102.5	38.2	46.1	84.2	+31.7%	+13.3%	+21.6%
Southern Europe	33.5	40.3	73.8	28.9	37.1	66.0	+16.0%	+8.7%	+11.9%
Europe**	**83.8**	**92.5**	**176.3**	**67.0**	**83.2**	**150.2**	**+25.0%**	**+11.3%**	**+17.4%**
Latin America	**28.1**	**31.7**	**59.8**	**22.3**	**22.8**	**45.1**	**+26.1%**	**+38.9%**	**+32.6%**
Manufacturing entities	**4.7**	**4.8**	**9.5**	**4.5**	**3.9**	**8.5**	**+4.2%**	**+20.9%**	**+12.0%**
Total	**350.6**	**379.7**	**730.2**	**322.0**	**360.4**	**682.4**	**+8.9%**	**+5.4%**	**+7.0%**

Percentage change calculations are based on actual figures
* After other items including rebates
** Europe excluding France

Organic revenue growth

(EUR million)	**Q1 organic growth**	**Q2 organic growth**	**H1 organic growth**
Trade & Services	+2.1%	+0.4%	+1.2%
Hospitality	+7.4%	-0.5%	+2.9%
Industry	+0.9%	-0.6%	+0.1%
Healthcare	+4.8%	+3.3%	+4.0%
France*	**+2.6%**	**+0.1%**	**+1.3%**
Northern Europe	+2.6%	+2.6%	+2.6%
Southern Europe	+11.0%	+8.7%	+9.7%
Europe**	**+6.2%**	**+5.3%**	**+5.7%**
Latin America	**+13.9%**	**+10.0%**	**+11.9%**
Manufacturing entities	**+5.6%**	**+25.4%**	**+14.8%**
Total	**+4.1%**	**+2.2%**	**+3.1%**

Percentage change calculations are based on actual figures
* After other items including rebates
** Europe excluding France

In the first half of 2016, Group revenues increased by 7.0% to €730.2m. Organic growth of +3.1% and the impact of acquisitions of +5.6% were partially offset by a 1.7% negative impact from exchange rates.

France

In the first half of 2016, the 1.3% revenue growth in France was entirely organic. The very favorable, non-recurring calendar effects in Q1 (Easter week in March vs April in 2015 and the impact of an additional day in February as 2016 is a leap year) led to a mechanical growth slowdown in Q2 (0.1% vs 2.6% in Q1). Additionally:
Revenues for the Trade & Services segment increased by 1.2%. The economic environment remained difficult, leading to sluggish growth despite good commercial momentum in the services segment during the first quarter.
Revenue growth for the Hospitality segment was at 2.9%. On the top of the above-mentioned calendar effects, the second quarter was negatively impacted by bad weather and by several strikes and protests in the country. However, the roll-out of large contracts with hotels is in line with our expectations.

Revenues for the Industry segment were virtually flat. The activity with existing clients was generally weak and the tough environment negatively impacted the second quarter.
Revenues for the Healthcare segment grew by 4.0%, helped by the roll-out of large contracts for both short-stay and long-stay.

Europe (excluding France)

In the first half, revenue growth in Northern Europe (21.6%) was largely driven by the acquisitions completed in April 2015, July 2015 and January 2016. Organic revenue growth was up 2.6% with Switzerland and Germany, our main markets in the region, being well oriented.

Revenue in Southern Europe continued to be dynamic (up 11.9%) in a favorable economic environment with organic growth at almost 10%. This performance was again driven by Spain; the intrinsic growth of the market and our very good commercial momentum in all segments confirm the strong potential of the country, where we continue to win market share.

Latin America

Revenue in Latin America grew 32.6%, largely due to acquisitions we completed in Brazil in July 2015 and in January 2016, and the acquisition of Albia in Chile (consolidated since October 1, 2015). Organic growth was 11.9% in the first half and was achieved entirely in Brazil. This was due to three main effects: (i) price increases, (ii) strong activity from hospitals, laboratories and medical centers as a consequence of epidemics that impacted Brazil during its summer in Q1 and (iii) new contracts won with large clients who chose the rental and maintenance model for the first time. In a difficult environment in Brazil, this good organic performance confirms the market's strong potential. The depreciation of the Brazilian Real strongly impacted our reported revenue growth with a negative 22.4% impact on revenues in the region. That said, the FX effect should reverse in the second half.

EBITDA

(EUR million)	**H1 2016**	**H1 2015**	**Change**
France	**163.3**	**162.7**	**+0.4%**
As a % of revenues	*33.7%*	*33.9%*	*-27bps*
Europe	**40.7**	**33.6**	**+21.2%**
As a % of revenues	*23.1%*	*22.3%*	*+71bps*
Latin America	**12.5**	**8.6**	**+44.8%**
As a % of revenues	*20.8%*	*19.1%*	*+176bps*
Manufacturing entities	**1.7**	**1.4**	**+21.0%**
As a % of revenues	*12.1%*	*10.1%*	*+196bps*
Holdings	**(2.1)**	**(1.6)**	**n/a**
Total	**216.1**	**204.6**	**+5.6%**
As a % of revenues	*29.6%*	*30.0%*	*-39bps*

Percentage change calculations are based on actual figures
* Europe excluding France

In H1 2016, Group EBITDA increased +5.6% to €216.1m. EBITDA as a percentage of revenues fell 39bps due to the decrease in French EBITDA margin (down 27bps) and to a negative mix effect as Europe and Latin America, which have lower margins, have higher revenue growth rates.

In France, EBITDA as a percentage of revenues fell nearly 30bps as expected, mainly due to market conditions which remain tough but which were partially compensated by the productivity initiatives we put in place.

In Europe (excluding France), the consolidation of our footprint and the transfer of know-how continued to bear fruit with EBITDA margin up 71bps.
In Latin America, transfer of know-how and the successful integration of the Chilean subsidiary led to a +176bps EBITDA margin improvement.

From EBITDA to Net income

(EUR million)	**H1 2016**	**H1 2015**
EBITDA	**216.1**	**204.6**
As a % of revenues	*29.6%*	*30.0%*
Depreciation & amortization	(123.6)	(116.9)
EBIT	**92.5**	**87.7**
As a % of revenues	*12.7%*	*12.9%*
Banking charges	(0.7)	(0.8)
PPA amortization	(22.0)	(21.8)
Goodwill impairment	-	-
Other operating income and expenses	(2.5)	(4.8)
Operating income	**67.3**	**60.4**
As a % of revenues	*9.2%*	*8.8%*
Financial expense	(27.0)	(42.5)
IPO & refinancing expenses	-	(123.3)
Income (loss) before tax	**40.2**	**(105.4)**
Tax	(17.1)	24.8
Reported net income (loss)	**23.1**	**(80.6)**
Headline net income*	**38.9**	**15.7**

Percentage change calculations are based on actual figures
* After elimination of PPA amortization and 2015 IPO and refinancing expenses

EBIT

As a percentage of revenues, EBIT was down 19bps in the first half. The decrease in EBITDA margin in partially offset by a lower amount of Depreciation & amortization as a percentage of revenues than in H1 2015. This highlights the better discipline with regard to purchases of linen.

Operating income

Operating income increased both in value and as a percentage of revenues.
PPA amortization was mainly accounted for in 2007 and the amortization period will end in 2018.

Financial income

Financial income shows a strong improvement. As a reminder, Elis completely refinanced its debt in February 2015 and then in April 2015. The H1 2015 financial expense was therefore not normative, but it is in H1 2016.

Net income

Net income amounted to €23.1m. In the first half of 2015, it included €123.3m of non-recurring expenses related to the IPO and various debt refinancing charges.

Headline net income

After the elimination of PPA amortization (net of tax), Headline net income amounted to €38.9m in H1 2016, significantly up relative to H1 2015.

Other financial items

Investments

Group net investments amounted to €133.9m in H1 2016 (18.3% of revenues), compared to €141.1m in H1 2015 (20.7% of revenues). As a reminder, H1 2015 was impacted by linen purchases and by some industrial investments in order to absorb additional volumes linked to large contracts signed at the end of 2014.

Headline free cash flow

Headline free cash-flow amounted to €6.7m, compared to -€22.9m in H1 2015. This improvement is due to the increase of operating cash-flow and to the decline in interest expenses. For the record, due to the seasonality of the business, almost all full-year Headline Free cash is generated during the second half of the year.

Adjusted net debt

Group adjusted net financial debt as of June 30, 2016 was €1,506.4m or 3.2x trailing 12 month EBITDA (*pro forma* for the full year impact of acquisitions).
In addition to the elements mentioned above, the net debt is impacted by the acquisitions completed at the beginning of the year and by the payment made to shareholders of €39.9m for the 2015 financial year.

Dividend payment for the 2015 financial year

The Annual General Meeting held on May 27, 2016 approved the cash payment of €0.35 per share for the 2015 financial year. This payment was made on June 7, 2016. In 2015, a similar payment was made on July 2, 2015.

1.2.2 ACQUISITIONS[5]

- **December 29, 2016 – Elis continues its growth strategy in Latin America and enters the Colombian market with the acquisition of SIL**

[5] The press release announcing the acquisitions of Indusal and Lavebras can be found in Section 1.6 “Acquisitions of Indusal and Lavebras” of this Registration Document Update.

Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and wellbeing appliances, has closed the acquisition of SIL in Colombia, thus entering a third country in the region after Brazil and Chile. Elis acquired 100% of Servicios Industriales de Lavado SIL S.A.S from its owner, who will continue to work with the Group as it expands in Colombia, with the stated objective of quickly becoming the market leader.

SIL operates 2 laundries in Bogota and in Cali and its industrial facilities are among the best in the industry. The company mainly serves private clients in the Healthcare market. SIL will post annual revenue of c. 10 billion Colombian pesos in 2016 (c.€3 million) and will be consolidated in Elis's accounts as from January 1, 2017.

Since 2010, Colombia has posted an average GDP growth rate of more than 4% per year. It is the 4th economy in Latin America, with inflation and unemployment under control. The addressable market offers strong growth opportunities thanks to its very low outsourcing rate. The market is still quite unstructured, with only local players and no clear leader. Elis will therefore be the only international player on a market that offers further opportunities for consolidation. Thanks to the rise of tourism, the Hospitality industry is undergoing transformation and Colombia also has the most developed healthcare system in Latin America, with a very dense network of public and private hospitals.

After having significantly reinforced its leadership position in Brazil with the acquisition of Lavebras, Elis reaffirms its intention to continue expanding in Latin America.

- **December 8, 2016 – Elis closes the acquisition of Puschendorf**

Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and well-being appliances, today closed the acquisition of 100% of the Puschendorf Textilservice group in Germany.

Puschendorf is a family business that operates 5 laundries in Germany and will post annual revenue of c. €40 million in 2016.

Elis, which intends to continue its industrial and commercial expansion in Germany, now has a network
of 16 laundries in the country.

- **November 10, 2016 – Elis continues its growth strategy in Germany by signing an agreement to acquire Puschendorf**

Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and well-being appliances, announces the signature of an agreement to acquire 100% of Puschendorf Textilservice in Germany. The closing of the transaction is subject to standard regulatory conditions and is expected to take place by the end of the year.

Puschendorf is a family business which operates 5 laundries in Germany and will post annual revenue of c. €40 million in 2016. Its current manager, Carsten Puschendorf, will remain in his position and will bring his expertise and knowledge of the German market, especially for Healthcare.

With this transaction, Elis will strengthen its footprint in some German Länders where it had a limited presence, notably in the region between Lower Saxony (Hanover, Wolfsburg), Saxony-Anhalt (Magdeburg) and Saxony (Leipzig). In these regions, Puschendorf is the undisputed leader for the Healthcare market (hospitals and nursing homes) and has notably implemented an innovative tracking
system for flat linen.

Elis, which intends to continue its industrial and commercial expansion in Germany, will have a network of 16 laundries in the country.

- **July 8, 2016 – Elis continues its growth strategy with an acquisition in Switzerland**

Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and well-being appliances, has taken another step in it strategy aiming at consolidating its footprint in its key markets with the closing of a transaction in Switzerland.

The Group has acquired a laundry serving mainly restaurant clients in Zürich and the surrounding region. On a full-year basis, the company will generate revenues of c. €5 million. It will be consolidated in Elis' financial statements from July 1, 2016 onwards.

With this transaction, Elis is continuing its strategy of targeted, value-creative bolt-on acquisitions. Elis now enjoys an unrivalled network of 17 laundries in the country, serving both legacy clients in the hospitality and healthcare segments as well as industrial clients with its workwear offer.

- **June 20, 2016 – Elis announces the acquisition of the Swiss startup On My Way and extends its client base by offering services to private individuals**

Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and well-being appliances, announces the acquisition of *On My Way*, a Swiss startup which offers innovative linen-cleaning solutions to private individuals (www.on-my-way.ch).

On My Way provides private individuals with a linen-cleaning service, by gathering their laundry in pickup points located on their everyday route (gas stations, supermarkets) as well as at their offices.

This new activity is the natural extension of the Group's services, adding to its undisputable industrial know-how and close proximity to clients thanks to a network of more than 300 production centers in the world.

Most Elis clients, hotels or large corporates, also have hosts or employees asking for a linen cleaning service and the Group wishes to service them. In activity since 2014, On My Way has already entered into strong partnerships with large corporates like *Philip Morris International*, or prestigious institutions like *Ecole hôtelière de Lausanne*.

On My Way will be managed from France by the Marketing & Innovation department, notably with the objective of actively developing the number of services and expanding its geographical footprint.

1.3 PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment are described in Chapter 1, Section 1.10 "Property, plant and equipment" of the Registration Document.

On November 28, 2016, Elis's registered office moved from Puteaux to Saint-Cloud. The new registered office, on which a subsidiary of the Company holds a 9-year commercial lease, contains 400 Elis employees and brings together several of the Group's central and operational departments that were previously split up across several sites in the Paris region.

The Puteaux site was sold on December 30, 2016 for a final total price of €50.4 million (the initial total price of €54 million – see note 3.6 "Significant events of the year – Puteaux sale agreement" to the consolidated financial statements for the year ended December 31, 2015 in Chapter 6 "Financial statements for the financial year ended December 31, 2015" of the Registration Document) – was reduced in accordance with the sale agreement, because of the difference in floorspace resulting from the building permit and the floorspace specified in the sale agreement).

1.4 INVESTMENTS

The main investments made by the Group are described in Chapter 1, Section 1.11 "Investment policy" of the Registration Document and the "Acquisitions" part of Section 4.2.3.1 "Key events in the first half of 2016" of the Registration Document Update.

At the date of the Registration Document Update, the main investments underway include those relating to the Group's ordinary activities, such as capital expenditure to maintain and improve its architecture (factories, machines, service vehicles, IT systems and hygiene appliances for rental), along with acquisitions, particularly the acquisitions of Indusal and Lavebras described below in Section 1.6 of the Registration Document Update.

1.5 MAJOR CONTRACTS

The Group has entered into financing agreements described in notes 3.6 "Significant events of the year — Refinancing" and 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 Registration Document, and note 8.2 "Gross debt" to the financial statements for the half-year period ended June 30, 2016, included in Section 4.2.6.8 "Notes to the consolidated financial statements" of the Registration Document Update.

At the date of the Registration Document Update, in addition to those contracts and in particular to finance the Indusal and Lavebras acquisitions, the Company has entered into the following loan agreements:

1.5.1 BRIDGE LOAN AGREEMENT

On November 10, 2016, the Company entered into a bridge loan agreement (hereinafter the "**Bridge Loan Agreement**") with a banking syndicate comprising BNP Paribas, Crédit Agricole Corporate and Investment Bank (CA-CIB), Deutsche Bank Luxembourg S.A., HSBC France and Société Générale, for a total principal amount of €550 million, for the purpose of (x) financing the price of the Indusal and Lavebras acquisitions and related costs and expenses and (y) paying all amounts due in relation to the refinancing of Indusal and Lavebras's existing debt. The agreement has two tranches:

- Tranche 1, a €325 million bridge to equity tranche;
- Tranche 2, a €225 million bridge to debt tranche.

Tranche 1 has a 6-month maturity with the possibility of extending it by three months at Elis's discretion, and tranche 2 has a 12-month maturity with the possibility of extending it by six months at Elis's discretion. The Bridge Loan Agreement states that the availability period for tranche 1 will terminate on July 21, 2017 at the latest, and that the availability period for tranche 2 will terminate on April 21, 2017 at the latest. The Bridge Loan Agreement also contains a funds availability guarantee that is customary for this kind of financing, and includes customary early redemption clauses (including in case of a change of control of the Company subsequent to the acquisition by one or more persons acting in concert of more than 50% of the Company's voting rights). The Bridge Loan Agreement provides for the same financial covenants as the senior credit facilities agreement entered into by the Company on September 2, 2014, and described in note 8.3 to the consolidated financial statements for the year ended December 31,2015, which are included in Chapter 6 "Financial statements for the financial year ended December 31, 2015" of the Registration Document.

The Company intends to refinance tranche 1 of the Bridge Loan Agreement through a capital increase, the arrangements of which are described in Section 1.6.3 "Financing of the acquisitions" of the Registration Document Update and tranche 2 of the Bridge Loan Agreement through the Senior Syndicated Credit Facilities Agreement described in Section 1.5.2 "Senior Syndicated Credit Facilities Agreement" of the Registration Document Update.

1.5.2 SENIOR SYNDICATED CREDIT FACILITIES AGREEMENT

On January 17, 2017, the Company entered into a senior syndicated credit facilities agreement (hereinafter the "**Senior Syndicated Credit Facilities Agreement**") with a banking syndicate comprising the banks that were party to the Bridge Loan Agreement along with Amundi, Aviva, BBVA, CM-CIC, ING, KBC, La Banque Postale, Mediobanca, MontePaschi di Siena and Banco Sabadell (the "**Senior Lenders**"). The Senior Syndicated Credit Facilities Agreement was entered into for a five-year period and in a principal amount of €1,150 million, and is intended in particular to refinance the principal, interests and other expenses related to the Company's senior credit facilities agreement entered into on September 2, 2014 for a principal amount of €850 million described in note 8.3 to the consolidated financial statements for the year ended December 31,2015, which is included in Chapter 6 "Financial statements for the financial year ended December 31, 2015" of the Registration Document. Under the Senior Syndicated Credit Facilities Agreement, the Senior Lenders made available to the Company:

- a term credit facility in a principal amount of €450 million;
- a capital expenditure and acquisition financing facility in an amount of €200 million, the purpose of which is to finance in part the Indusal and Lavebras acquisitions and the Group's external growth; and

- a revolving credit facility in an amount of €500 million, the purpose of which is to finance the Group's general operations, as well as covering the Group's commercial paper program in a maximum amount of €400 million.

The Senior Syndicated Credit Facilities Agreement provides for (i) various applicable margins, which are 50bps lower than those in the senior credit facilities agreement entered into in 2014, and (ii) Elis's compliance, every half-year period, with a financial covenant involving a net debt/EBITDA ratio of less than 4 up to and including December 31, 2017 and less than 3.75 thereafter (the senior credit facilities agreement entered into on September 2, 2014, included a covenant involving a net debt/EBITDA ratio of less than 4). The Senior Syndicated Credit Facilities Agreement does not contain any other financial covenant.

The Senior Syndicated Credit Facilities Agreement does not contain any specific accelerated payment clause related to minimum credit ratings.

The Senior Syndicated Credit Facilities Agreement includes clauses that require Elis to give the lenders certain guarantees in line with standard market practice, including:

- a negative pledge whereby the borrower undertakes not to grant real security interests (*sûretés réelles*) to third parties, subject to certain exceptions;
- a cross-default clause stating that a default on another borrowing would also cause the senior syndicated loan to fall due;
- periodic disclosure obligations;
- an undertaking to comply with legislation in force; and
- a guarantee that no change of control will occur (subsequently to the acquisition by one or more persons acting in concert of more than 50% of the Company's voting rights).

1.6 ACQUISITIONS OF INDUSAL AND LAVEBRAS

On December 21, 2016, the Company entered into an agreement to acquire Indusal in Spain, and the acquisition was completed the same day. On January 5, 2017, following the execution of a memorandum of understanding on December 21, 2016, the Company also entered into an agreement to acquire Lavebras in Brazil, the completion of which remains subject to the usual conditions precedent and to clearance from the Brazilian antitrust authority. Acquisitions carry certain risks for the Group, described in Section 2.1 "Risks related to the acquisitions of Indusal and Lavebras" of the Registration Document Update.

On December 21 2016, the Company published the following press release:

Elis announces two strategic acquisitions in Spain and Brazil

With Indusal in Spain and Lavebras in Brazil, Elis continues the implementation of its strategy in two key markets and increases the share of international business to over 40% of its revenues

- **Two countries with high potential**

- Elis will become the sector leader in Spain and consolidate its leading position in Brazil[1], with a market share above 25% in both countries
- Fragmented markets with low outsourcing ratios
- Excellent growth track-record for Elis in these markets (both in terms of revenues and margin)

- **Total investment for these acquisitions amounts to around €510m**
  - Indusal: investment of €170m, corresponding to a multiple of 5x 2016e EBITDA post-synergies
  - Lavebras: investment of BRL1,230m (c.€340m[2]), corresponding to a multiple of 8x 2016e EBIT post-synergies[3]
- **Optimized financing and capital increase**
  - €550m bridge financing
  - €325m capital increase with preferential subscription rights, with support from Eurazeo and Crédit Agricole Assurances
  - €1,150m senior loan refinancing (from €850m today), with a maturity extended to 2022 and an improvement of margin grid by c.50bps
- **Significant value creating operations**
  - Between €25m and €30m in synergies by 2019, excluding tax credit[4]
  - 30% target EBITDA margin by 2019 in both countries[5]
  - c.7% accretive impact on adjusted EPS expected in FY20176[6]

Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of professional clothing, textile articles, hygiene and well-being appliances, announces the strengthening of its positions in two of its key geographies with the completion of the acquisition of Compañia Navarra de Servicios Integrales SL ("**Indusal**") in Spain and a memorandum of understanding for the acquisition of Lavebras Gestão de Têxteis S.A. ("**Lavebras**") in Brazil.

<u>Transactions' rationale</u>

- Elis will become the sector leader in Spain and consolidate its leading position in Brazil
- Strengthening of the Group's growth profile in two strategic markets
  - Strong growth track-record of Elis in these markets
    - Double digit organic growth for Elis in Spain since 2014 (notably +14% over the first nine months of 2016)
    - Double digit organic growth for Elis in Brazil since 2015, despite challenging macroeconomic conditions (notably +14% over the first nine months of 2016)
  - Two markets with high growth potential
    - Organic growth as local outsourcing is still limited
      - Spanish market size estimated at only €600 million (as of 2014) compared to €2.0 billion for France[7]
      - Brazilian market size estimated at only €900 million (as of 2014)[13]
    - External growth with additional bolt-on opportunities

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[1] Following execution of the definitive agreements, completion of the acquisition of Lavebras will remain subject to Brazilian antitrust clearance.
[2] Reference exchange rate of BRL3.6 for €1.0.
[3] Based on deducting the present value of expected tax goodwill amortization from the enterprise value of BRL1,300m.
[4] For more information on synergies, see "Value Creation" below.
[5] The Group's EBITDA margin ratio in 2015 was 31.5%.
[6] The adjusted EPS for the FY2015 was €0.67.
[7] Source: KPMG, August 2014.

- Margin improvement:
  - Margins progressing although currently below Group average
  - Network densification will lead to significant productivity gains

<u>Presentation of the acquisitions</u>

Indusal (Spain)

A family-owned business founded in 1981, Indusal is the #2 sector player in Spain (just ahead of Elis). Indusal is a player in the linen rental and laundering sector, well-positioned in the hospitality, healthcare and industry segments. Indusal operates 24 plants and has around 1,450 employees[8]. Indusal's revenues are expected to reach c.€90 million in 2016, with an EBITDA margin of c.27%.
This acquisition will enable Elis to double its revenues in Spain and become the leading player, with a market share above 25% on a buoyant market with a fragmented competitive landscape.

Lavebras (Brazil)

Lavebras, #2 on the Brazilian market behind Elis, is present in 17 States in Brazil and has around 4,000 employees[9] in 76 plants. A family-owned company established in 1997, Lavebras owns the densest industrial laundry complex in Brazil. The Lavebras Group operates in the healthcare, industry (agribusiness notably) and hospitality segments.
In 2016, Lavebras's revenues are expected to exceed BRL370 million (€103 million) with an EBITDA margin above 30% and an EBIT margin of c.19%. Lavebras's activity has grown substantially both organically and through external growth with 12 acquisitions completed since 2015.
Non-rented linen ("laundered linen") accounts for half of Lavebras's revenues (vs. less than 10% for Elis at group level), which is specific to the Brazilian market. The requirement of capital expenditure on "laundered linen" activities is lower[10] than for rented linen activities and thus accounts for Lavebras's lower capital intensity compared to the Group.
With Lavebras, Elis will consolidate its position as the leading player in Brazil, with a market share above 25%.

<u>Invested amount</u>

Total investment for these acquisitions amounts to around €510 million:

- €170 million for the acquisition of 100% of Indusal's capital, corresponding to a multiple of 7x 2016e EBITDA pre-synergies and 5x 2016e EBITDA post-synergies.
- BRL1,230 million (c.€340[11] million) for the acquisition of 100% of Lavebras net of the amount reinvested by DNA Capital in the new combined Brazilian entity (BRL70 million, around €20 million). DNA Capital, Lavebras's historical shareholder and the investment vehicle for the Bueno family (with investments in healthcare companies such as DASA and Amil) thus demonstrates its confidence in the new structure.
  This amount values Lavebras at an implied multiple of 18x 2016e EBIT pre-synergies and

[8] As of June 30, 2016.
[9] As of July 2016.
[10] Level of capital expenditure on "laundered linen" activities around 13% of Lavebras revenues vs. c.18% for Elis at Group level.
[11] Reference exchange rate of BRL3.6 for €1.0.

8x 2016e EBIT post-synergies[12].

Financing of the acquisitions

- The financing for these acquisitions has been secured through a €550 million bridge loan signed in early November 2016 with a syndicate of international banks.
- The refinancing of this bridge loan will combine:
    - **A capital increase** with preferential subscription rights in an amount of c. €325 million with a view to restoring Elis's leverage ratio to around 3.0x EBITDA post transactions. Eurazeo and Crédit Agricole Assurances, the two major shareholders, with stakes of 16.9%[13] and 10% respectively, have indicated that they intend to fully take-up their rights, *i.e.* a combined amount of around €87 million. The rights issue is expected to occur during the first half of 2017, subject to favourable market conditions.
    - **A new syndicated loan** in a principal amount of €1,150 million to refinance Elis's current senior loan along with the outstanding amount due on the bridge loan: Elis has received commitments from a pool of 15 leading international banks to refinance Elis's senior loan, with an extension of the maturity (January 2022 vs. February 2020 for the existing senior loan), an increased principal amount (€1,150 million vs. €850 million for the existing senior loan) and a margin grid improvement of c.50 basis points. Final documentation for this new syndicated loan is expected to be signed in January 2017.

Value creation

Both transactions are expected to generate significant synergies that will lead to improved operating margins:

- Estimated synergies per year to fully materialize by 2019[†]:
    - c.€10 million in Spain, of which 90% are cost synergies (derived from centralized purchasing of linen and consumables and industrial optimization, among others) and 10% are topline synergies.
    - c.BRL60 million (€17 million) in Brazil, of which 67% are cost synergies (centralized purchasing of linen and consumables, industrial optimization) and 33% are topline synergies (derived from revenue efficiency improvement, among others).
    - In addition, in Brazil, tax credit of c.BRL300 million (c.€83 million), representing tax goodwill expected to be amortized over 5 years.
- 30% target EBITDA margin by 2019 in both countries.[14]

Two strategic acquisitions with an accretive impact on adjusted earnings per share as early as 2017

The acquisitions of Indusal and Lavebras improve substantially the Group's growth and earnings profile, boosted by (i) the organic growth contribution resulting from the two acquisitions, (ii) the expected synergies with the Group and (iii) the margin improvement dynamics following the increased size of the Group in these two geographies. Following these transactions, the share of

[12] Based on deducting the present value of expected tax goodwill amortization from the enterprise value of BRL1,300m.

[13] Of which 16.1% held via Legendre Holding 27, a company controlled by Eurazeo.

[†] For purposes of the Registration Document Update, it is noted that "to fully materialize" is intended to mean that the expected synergies are expected to be fully implemented by 2019.

[14] The Group's EBITDA margin ratio in 2015 was 31.5%.

international business in the Group's total revenues is expected be over 40%[15] (from 25% in 2014). These two transactions will have an accretive impact on adjusted earnings per share post refinancing of around 7% in FY2017[16].

Completion of the acquisitions

The acquisition of Indusal closed on the signing date of the agreement. Pursuant to the memorandum of understanding entered into by Elis, the definitive agreements for the acquisition of Lavebras will be executed in early January 2017. The completion of the acquisition of Lavebras remains subject to the approval of the Brazilian antitrust authority. This acquisition is expected to close during the first half of 2017.

Financial definitions

- 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.
- EBITDA is defined as EBIT before depreciation and amortization net of the portion of grants transferred to income. EBITDA is a performance measure presented in the Group's consolidated financial statements.
- EBITDA margin is defined as EBITDA divided by revenues.
- EBIT is defined as net income (loss) before net financial expense, income tax, share in income of equity-accounted companies, amortization of customer relationships, goodwill impairment, other income and expense and miscellaneous financial items (bank fees recognized in operating income).
- Adjusted earnings per share (EPS) for the FY2015 means earnings attributable to shareholders of the parent company, adjusted for impairment charge, PPA amortization and IPO and refinancing expenses (net of tax) and divided by the weighted average number of ordinary shares. Adjusted earnings per share (EPS) for FY2017 means earnings attributable to shareholders of the parent company, adjusted for exceptional items and divided by the number of ordinary shares outstanding post completion of the rights issue. The adjusted earnings per share for the FY2017 are calculated based on the integration of Lavebras and Indusal as of January 1, 2017 and expected synergies for 2017.

1.6.1 PRESENTATION OF INDUSAL

Historical figures relating to Indusal included in the Registration Document Update have been provided to the Company by Indusal in connection with the acquisition process for Indusal. The estimated figures relating to the Indusal are based on information provided to the Company by Indusal, as adjusted on the basis of certain data, assumptions and estimates deemed reasonable by the Company, and were not subject to audit or limited review by the statutory auditors of the Company.

Indusal is a leading player in the Spanish textiles rental and laundering sector.[17] Indusal was

[15] Calculated based on the Group's, Indusal's and Lavebras's estimated consolidated revenues for 2016.
[16] The adjusted EPS for the FY2015 was €0.67.
[17] Based on a market size estimated by the Company from 2014 data contained in the aforementioned KPMG report.

created by the Erburu family in 1981 and provides flat linen and garment rental and laundering services in several business sectors, including healthcare, hospitality and industry. Indusal's production capacity of approximately 120,000 tons of linen per year.

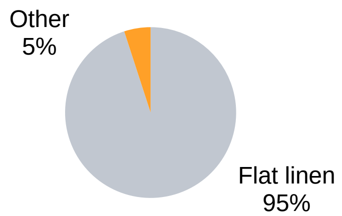
Indusal is based in Pamplona, Spain, and operates across Spain and particularly in the Bilbao region. It serves a diverse base of more than 3,000 customers. Indusal's network comprises 24 production sites, of which 13 have production capacity of less than 100 metric tons per week, 7 have capacity of between 100 and 150 metric tons per week and 4 have capacity of between 150 and 270 metric tons per week.

Indusal generated net revenue of €83 million in 2015, and according to information provided by the Indusal to the Company in connection with the acquisition, it is likely to achieve net revenue of around €90 million in 2016*, with an estimated EBITDA margin of around 27%*.

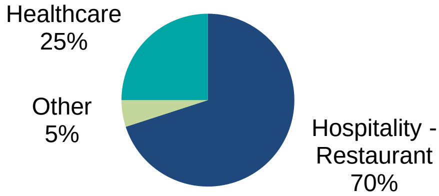
Indusal had 1,450 employees at June 30, 2016.

The charts below present the breakdown of Indusal's revenue by market and customer segment as a percentage of 2015 consolidated net revenue:

Revenue breakdown by activity (2015 revenues)



Revenue breakdown by end-market (2015 revenues)



1.6.1.1. Strategic rationale

The Indusal acquisition is a crucial milestone in the Group's development in Spain.

The Group, which has since 2014 generated double-digit organic revenue growth in Spain (compound annual growth rate of 21% between 2014 and 2016), estimates that its market share in Spain was close to 15% in 2016[18]. In Spain[19], the Group generated revenue of €60.9 million in 2014 and €75.6 million in 2015, and in 2016 expects to achieve estimated revenue of around €90* million,. The Group's average workforce in Spain over FY2015 was approximately 1,100 employees.

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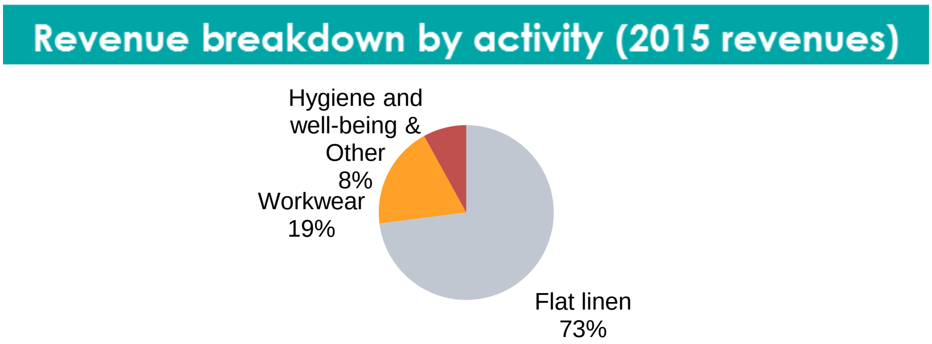
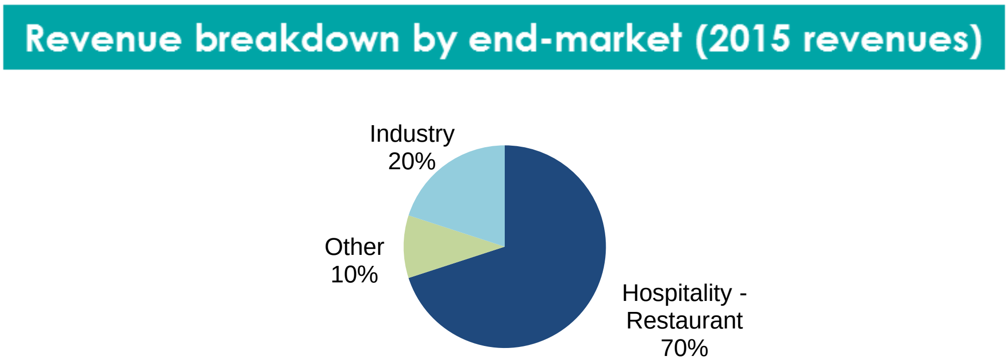
* See above "General Information – Estimates" .
[18]Based on a market size estimated by the Company on the basis of 2014 figures in the aforementioned KPMG report.
* See above "General Information – Estimates"
[19] Including Andorra.

The chart below presents the breakdown of the Group's revenue in Spain by market and customer segment as a percentage of 2015 consolidated net revenue:





With this acquisition, the Group becomes, with a market share of over 25% based on its estimates, the leading player[20] in a market that is growing quickly and still has potential for further development, driven in particular by growth in the tourism and hospital sectors. As an illustration, the Spanish market was only worth an estimated €600 million in 2014, as opposed to around €2 billion for the French market.[21]

Competition in the Spanish market is fragmented, and the Indusal acquisition will give the Group a denser network, covering all of Spain's major regions; it will strengthen its presence in Navarre and Northern Spain, give it a presence in Andalucia where it has not previously operated, and also build up its network in regions like Madrid and Valencia, where business volumes are high.

The Indusal acquisition will double the Group's revenue in Spain, with an estimated combined revenue of Indusal and the Group in Spain[22] around €180 million in 2016* (as compared to €120-140 million for Ilunion and around €20 million for Bugaderia l'Empordà, the new number 2 and 3, respectively, in the Spanish market, based on the Company's estimates). The Group also benefits from a potential increase in its operating margins, mainly by having denser networks and being more competitive.

The chart below presents, for illustration purposes, the breakdown of the Group's revenue in Spain combined with that of Indusal, by end-market and activity as a percentage of 2015 consolidated net revenue:

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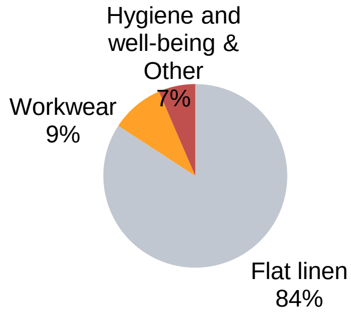
[20] Based on a market size estimated by the Company from 2014 data contained in the aforementioned KPMG report.

[21] See aforementioned KPMG report.

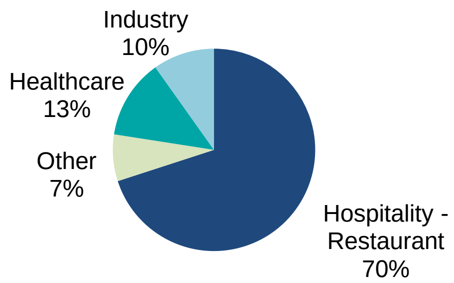
[22] Prior to the Indusal acquisition.

* See above "General Information – Estimates."

Revenue breakdown by activity (2015 revenues)



Revenue breakdown by end-market (2015 revenues)



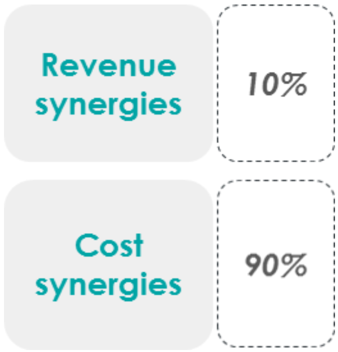
1.6.1.2. Value creation and synergies

The synergies expected as a result of the Indusal acquisition are estimated by the Company at around €3 million for 2017 and around €8 million for 2018, fully materializing (once they will be fully implemented) at almost €10 million for 2019 (as compared to pre-acquisition reference data).

Phasing of synergies (in €m)

The expected synergies are comprised of:

- 90% cost synergies: optimization of industrial sites and logistics reorganization, pooling of headquarters and commercial teams, and economies of scale due to the centralization of purchases such as linen, laundry products and other consumables, and
- 10% revenue synergies: expected positive effect on competitive leverage, improved territorial coverage and the cross-selling of Elis products to Indusal customers.



The Group also expects the Group's EBITDA margin in Spain to increase as a result of the acquisition, to more than 30% by 2019.

1.6.1.3. Integration of Indusal into the Group

The Group has already demonstrated in the past its ability to carry out acquisitions of a significant size and integrate the companies acquired successfully, due in particular to its central teams that handle support functions.

In particular, in Spain, the Group has a structured platform and a full management team which, since 2013, have enabled the Group to integrate successfully the businesses acquired from the Reig Marti group and Explotadora de Lavanderias under the "Lavanderias Diana" brand, as well as the Lavalia group.

The integration plan relating to the Indusal acquisition provides for rapid integration of Indusal's existing management teams within the Group's operations in Spain.

1.6.1.4. Completion date

The Indusal acquisition closed on the day of signing of the acquisition agreement, *i.e.* on December 21, 2016. Indusal is consolidated in the Group's consolidated financial statements from December 31, 2016. As a result of this consolidation, the Group's consolidated liabilities include Indusal's net indebtedness, which is mainly comprised of a syndicated loan for an outstanding amount in principal, incurred and unpaid interests and other expenses estimated at around €40 million on December 31, 2016.

1.6.1.5. Purchase price

The purchase price for 100% of Indusal's capital was based on an enterprise value of €170 million.

1.6.2 PRESENTATION OF LAVEBRAS

Historical figures relating to Lavebras included in the Registration Document Update have been provided to the Company by Lavebras in connection with the acquisition process for Lavebras. The estimated figures relating to Lavebras are based on information provided to the Company by Lavebras, as adjusted on the basis of certain data, assumptions and estimates deemed reasonable by the Company, and were not subject to audit or limited review by the statutory auditors of the Company.

Lavebras is one of the major players in the Brazilian laundering sector[23], with a leading position

[23] See aforementioned KPMG report.
* See above "General Information – Estimates."

in the hospital sector. Lavebras also operates in the healthcare, industry (notably agribusiness) and hospitality segments.

Lavebras is a family-owned company established in 1997 and based in Videira in the state of Santa Catarina. It has operations in 17 Brazilian states. Its network of 76 production sites is one of the largest and densest networks of laundering plants in Brazil, and notably includes a network of on-site laundries within companies in the agribusiness and hospital sectors. Lavebras's network comprises 43 sites with production capacity of less than 20 metric tons per week, 27 with capacity of between 20 and 100 metric tons per week and 6 with capacity of between 100 and 320 metric tons per week.

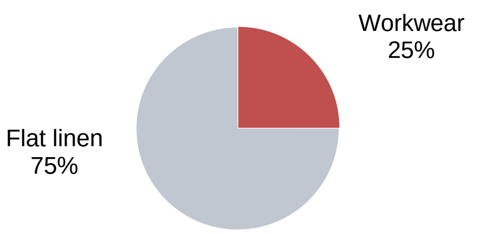
Lavebras has seen remarkable growth since it was founded, partly through organic growth and partly through fast development with 12 acquisitions carried out since 2015, while maintaining a high level of profitability.

Lavebras generated net revenue of BRL276 million (€77 million) in 2015, and according to information provided by Lavebras to the Company in connection with the acquisition, it is likely to achieve net revenue of around BRL370 million (€103 million)* in 2016, with an estimated EBITDA margin of over 30%* and estimated EBIT margin of around 19%*. A specific feature of the Brazilian market is that non-rented (or "laundered") linen accounts for half of Lavebras's revenue, as opposed to less than 10% of the Group's revenue. In the laundered linen business, capital expenditure is lower than in the rented linen business (around 13% of Lavebras's net revenue as opposed to around 18% for the Group). As a result, Lavebras' business is less capital-intensive than that of the Group.

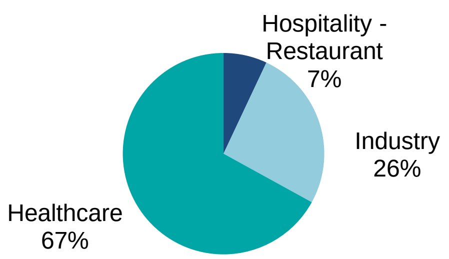
Lavebras's workforce was more than 4,000 in July 2016.

The charts below present the breakdown of Lavebras's revenue by end-market and activity as a percentage of 2015 consolidated net revenue:

Revenue breakdown by activity (2015 revenues)



Revenue breakdown by end-market (2015 revenues)



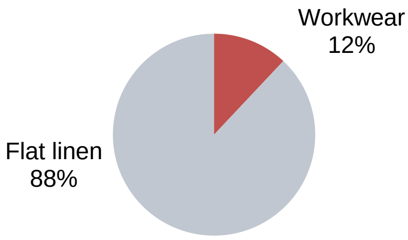
1.6.2.1. Strategic rationale

The Lavebras acquisition is an important milestone in the Group's development in Brazil.

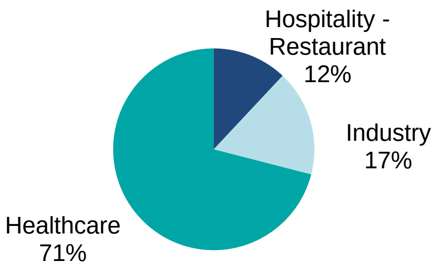
Despite tough macroeconomic conditions, the Group has since 2014 generated double-digit organic revenue growth in Brazil (compound annual growth rate of 27% between 2014 and 2016), and estimates that it had close to 15% of the Brazilian market in 2016[24]. In Brazil, the Group generated revenue of BRL266 million (€85.3 million[25]) in 2014 and BRL325 million (€87.4 million[26]) in 2015, and in 2016 expects to achieve estimated revenue of around BRL430 million (€119 million). The Group's average workforce in Brazil over the year 2015 was around 3,700 employees.

The chart below presents the breakdown of the Group's revenue in Brazil by end-market and activity as a percentage of 2015 consolidated net revenue:

Revenue breakdown by activity (2015 revenues)



Revenue breakdown by end-market (2015 revenues)



With the acquisition of Lavebras, the Group will strengthen its position as one of the leading companies in Brazil where, based on Group estimates, its market share is likely to rise to over 25% in 2017[27]. In addition, the acquisition will enable the Group to capitalize on Lavebras's exceptional growth (more than 20% per year for the last three years, achieved via organic and external growth, including 12 acquisitions since 2015) and its high level of profitability, supported by recognized expertise.

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[24] Based on a market size estimated by the Company on the basis of 2014 figures in the aforementioned KPMG report.
[25] At an exchange rate of BRL3.72 for EUR1.
[26] At an exchange rate of BRL3.72 for EUR1.
[27] Based on a market size estimated by the Company on the basis of 2014 figures in the aforementioned KPMG report.

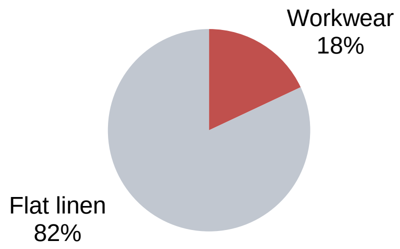
Since the acquisition of Atmosfera in 2014, Brazil has been a key part of the Group's strategy because of its large growth potential; the Brazilian market was worth only an estimated €900 million in 2014 as opposed to around €2 billion for the French market[28].

The Group's existing networks in Brazil and those of Lavebras are very complementary, and the deal will give the Group a wide geographical coverage in Brazil. Lavebras is one of the leading actors in Southern Brazil and has extensive operations in the Brazilia region. The Lavebras acquisition also boosts the Group's position in the agribusiness sector.

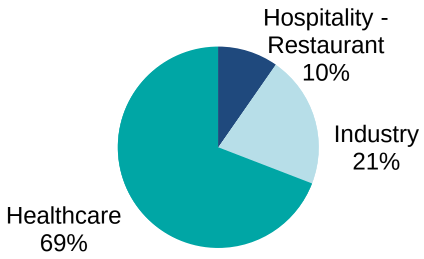
The estimated combined revenue generated by Lavebras and the Group (prior to the acquisition of Lavebras) in Brazil should be around BRL800 million (€222 million) in 2016*, as compared to around BRL200 million (€56 million) for Alsco and around BRL120 million (€33 million) for Servizi Italia, the new number 2 and 3, respectively, in the Brazilian market, according to the Company's estimates. The Group will also have the potential to increase its operating margins, mainly through networks densification.

The chart below presents, for illustration purposes, the breakdown of the Group's revenue in Brazil combined with that of Lavebras, by end-market and activity as a percentage of 2015 consolidated net revenue:

Revenue breakdown by activity (2015 revenues)



Revenue breakdown by end-market (2015 revenues)

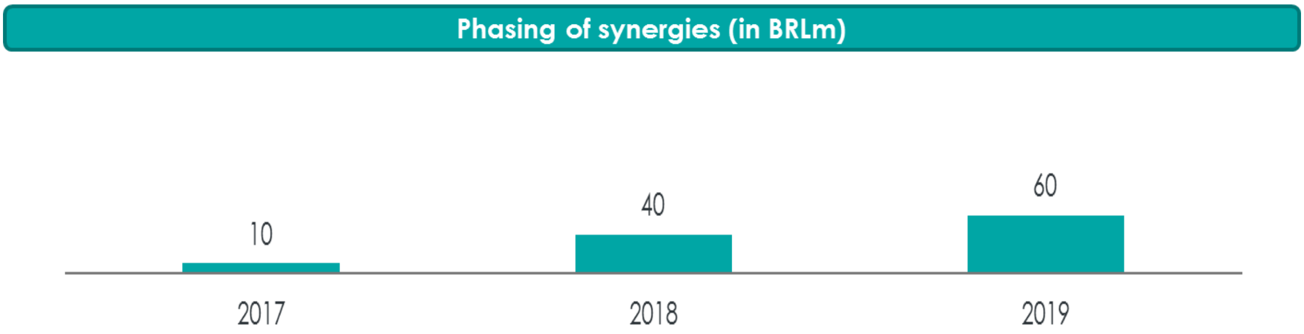


1.6.2.2. Value creation and synergies

The synergies expected as a result of the Lavebras acquisition are estimated by the Company at around BRL10 million (€3 million) for 2017 and BRL40 million (€11 million) for 2018, fully

[28] See aforementioned KPMG report.
* See above "General Information – Estimates."

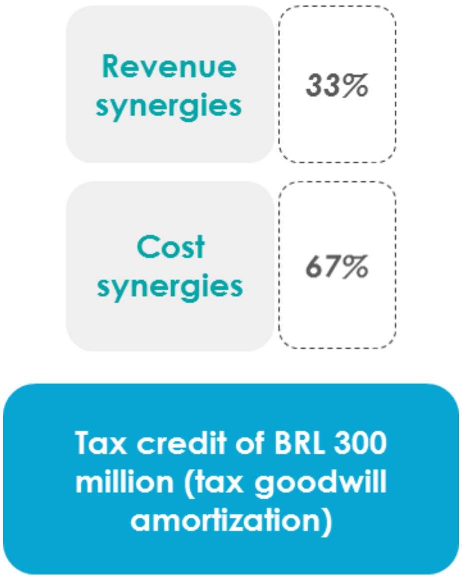
materializing (once they will be fully implemented) at around BRL60 million (€17 million) for 2019 (as compared to pre-acquisition reference data).



The expected synergies are comprised of:

- 67% cost synergies: optimization of industrial sites and logistics reorganization, pooling of headquarters and commercial teams, and economies of scale due to the centralization of purchases such as linen, laundry products and other consumables, and
- 33% revenue synergies: expected positive effect on competitive leverage and revenue efficiency in a market that is currently very competitive.

In addition to these synergies, a tax credit of around BRL300 million (€83 million) representing tax goodwill (based on a total tax base of BRL900 million (€250 million) and a Brazilian corporate tax rate of 34%), is expected to be amortized over an estimated period of five years.



In addition, the Group aims to increase its EBITDA margin in Brazil to over 30% by 2019.

1.6.2.3. Integration of Lavebras within the Group

The Group has already demonstrated its ability to carry out significant acquisitions of a significant size and integrate the acquired companies acquired successfully, in particular thanks to its central teams that handle support functions.

In particular, in Brazil, the Group has a strong platform and a full management team that, since the acquisition of Atmosfera in 2014, have successfully integrated four major acquisitions (L'Acqua and Santa Clara in 2014, Teclav in 2015 and Martins e Lococo in 2016).

The integration plan relating to the Lavebras acquisition provides for rapid integration of Lavebras's existing management teams within the Group's operations in Brazil.

1.6.2.4. Indicative timetable of the transaction / expected closing date

Subject to clearance from the Brazilian antitrust authority and satisfaction of customary conditions precedent for this kind of transaction as set out in the acquisition agreement, the Lavebras acquisition is expected to be completed in the first half of 2017. Lavebras will be consolidated in the Group's consolidated financial statements from the closing date of the acquisition.

1.6.2.5. Purchase price

The purchase price for 100% of Lavebras's capital – *i.e.* BRL1,230 million (€340 million) net of the reinvestment by DNA Capital as described below – was based on an enterprise value of BRL1,300 million (€360 million). The acquisition agreement includes a standard price-adjustment clause based on Lavebras's actual net debt on the closing date as compared to the estimated net debt on the date the acquisition agreement was signed.

DNA Capital, the Bueno family's investment holding company that owned 30% of Lavebras's capital before the acquisition, has undertaken to reinvest, via one of its investment funds, part of the proceeds resulting from the sale of its stake in Lavebras (around BRL70 million, *i.e.* around €20 million) in the new entity resulting from the combination of Lavebras with the Group's business in Brazil. Atmosfera will head the Group's Brazilian operations. in connection with the acquisition of Lavebras by Atmosfera, M.A.J., shareholder of Atmosfera, and DNA Capital have agreed on a call option allowing M.A.J. to acquire DNA Capital's stake in Atmosfera before May 31, 2019 and DNA Capital has a put option allowing it to sell to M.A.J. its stake in Atmosfera before May 31, 2019.

1.6.3 FINANCING OF THE ACQUISITIONS

The total purchase price for Indusal and Lavebras will be paid in cash in full by the Group to the respective shareholders of the companies.

To secure the financing of those acquisitions, on November 10, 2016 Elis entered into the Bridge Loan Agreement, the main terms of which are described in Section 1.5 "Major contracts" of the Registration Document Update.

The Company intends to refinance tranche 1 of the Bridge Loan Agreement through a capital increase for cash in an amount of around €325 million, maintaining shareholders' preferential subscription rights.

Tranche 2 of the Bridge Loan Agreement will be refinanced by the Senior Syndicated Credit Facilities Agreement entered into on January 17, 2017, the main terms of which are described in Section 1.5 "Major contracts" of the Registration Document Update.

The Group aims to maintain its financial leverage ratio (net debt/EBITDA) at around 3 times its EBITDA after the completion of the acquisitions and refinancing transactions.

These operations are destined to strengthen the Group's shareholders' equity and financial structure and to allow the Group to maintain a strong balance sheet structure while preserving its financial room for maneuver.

The refinancing transactions described in the above, including the capital increase, represent a new financial resources budget available to the Group of around €613 million (based on an amount for the new syndicated senior credit facilities agreement representing an increase of €300 million compared to the amount of the previous senior credit facilities agreement and on net proceedings of the capital increase approximately amounting to €313 million). If payment of the acquisition price for Indusal and Lavebras[29] (if the latter closes) was made only by resorting to these new financial resources, the balance of the Group's new financial resources would amount to approximately €103 million. The Company believes that such amount is sufficient to allow the Group to implement its investment policy, on a short and medium term basis, in connection with industrial and textiles investments as well as non-structuring acquisitions.

1.6.4 RATINGS

Credit rating agencies Moody's and Standard & Poor's confirmed the ratings for the Company, *i.e.* Ba2 (stable outlook) and BB (positive outlook) respectively, in press releases published on December 23, 2016, following the announcement by the Company of the acquisitions of Indusal and Lavebras.

[29] Based on an acquisition price for Lavebras of BRL1,230, net of the reinvestment by DNA Capital, *i.e.* around €340 million at a reference exchange rate of BRL3.6 for €1.

2

Risk factors

At the date of the Registration Document Update, the risk factors described in Chapter 2 of the Registration Document remain accurate, subject to the additional information set out below.

The Company believes these risks could have a material adverse effect on the Group and its business, financial position, results or ability to achieve its objectives. In addition, other risks may exist or occur that are unknown or whose realization is not regarded, at the date of the Registration Document Update, as likely to have an adverse effect on the Group, its business, financial position, results or ability to achieve its objectives.

2.1 RISKS RELATED TO THE ACQUISITIONS OF INDUSAL AND LAVEBRAS

2.1.1 RISKS RELATED TO THE NON-COMPLETION OF THE LAVEBRAS ACQUISITION

The Lavebras acquisition is subject to the satisfaction of certain conditions precedent that are customary for this type of transaction, and to the authorization of the Brazilian antitrust authority, the *Conselho Administrativo de Defesa Econômica* ("CADE").

No assurance can be given that all such conditions precedent will be satisfied, and in particular that the CADE will grant its authorization or grant it on terms that are favorable for the Group. If all the conditions precedent are not satisfied, or satisfied with delay, or subject to commitments that are unfavorable for the Group, the acquisition may not be completed, or may be completed later than expected, or the expected benefits of the acquisition could be reduced, which could have an adverse effect on Elis's share price and on the Group's financial position and outlook.

2.1.2 RISKS RELATED TO THE FINANCING OF THE ACQUISITIONS

The financing arrangements in connection with the Indusal and Lavebras acquisitions are described in Section 1.6.3 "Financing of the acquisitions" of the Registration Document Update. The Company's ability to refinance the Bridge Loan Agreement will depend partly, for the bridge-to-equity tranche, on market conditions. If market conditions prove to be unfavorable, the financial expenses incurred by the Company could exceed expected amounts. In particular, if the Company were unable to complete the planned capital increase, it may have to use other financial instruments to refinance the Bridge Loan Agreement, which could result in an increase in the Group's overall debt and leverage (net debt/EBITDA) ratio, thus adversely affecting its financial position and outlook.

2.1.3 RISKS RELATED TO THE INTEGRATION OF INDUSAL AND LAVEBRAS

The integration of Indusal's and Lavebras's activities could give rise to higher-than-expected integration costs or lower-than-expected synergies and other benefits.

Despite the Group's extensive experience in acquiring other entities and securing benefits from such acquisitions, Elis's integration process, although effective, is subject to inherent uncertainties and costs. The Group may face significant costs, delays or other operational or financial difficulties in integrating Indusal and Lavebras. The synergies and other benefits expected from the acquisitions (including growth opportunities, cost optimization, the tax impact of goodwill amortization and increased revenue and profits), including those detailed in the Registration Document Update, may not materialize as expected if the Group is unable to integrate fully the acquired companies' information systems and operational processes, retain key staff or key customer accounts, or experiences unexpected events, circumstances, disputes or legal obligations relating to the acquired companies or their existing customer base. The Group cannot guarantee that, following their integration into the Group, the activities of Indusal and Lavebras will retain their existing customer bases, generate the expected margins or cash flows or achieve the anticipated synergies or other expected benefits. Although the Group has examined in detail the activities and financial performance of Indusal and Lavebras, its assessments are subject to a number of assumptions and estimates concerning Indusal's and Lavebras's markets, profitability, growth, interest rates, and company valuations. The Group cannot guarantee that its assessments of Indusal and Lavebras and the related assumptions and outlooks regarding them will prove to be accurate, as actual developments may differ significantly from expected results. In particular, the Group cannot guarantee that the estimated financial figures for 2016 relating to Indusal and Lavebras, which are based on information provided to it by Indusal and Lavebras, respectively, in connection with the acquisition processes, will prove to be identical to actual audited figures.

In addition, successfully integrating Indusal and Lavebras will require close involvement from Elis's management teams in Spain and Brazil, which could affect their ability to manage the Group's business effectively during the integration period, even though dedicated teams have been set up to manage the process.

Although the estimated synergies and other benefits expected to arise from the acquisitions are significant, any failure, material delay or unexpected costs in the integration process could adversely affect the Group's ability to achieve its objectives and its operational and financial position.

2.1.4 RISKS RELATED TO DUE DILIGENCE

As part of its assessment of the Indusal and Lavebras acquisitions, in particular with respect to the determination of the purchase prices, and in order to devise an operational strategy, Elis performed due diligence to identify relevant information relating to each of the acquired companies, including any material issues or liabilities.

However, the Group cannot guarantee that the documents and information provided by Indusal and Lavebras as part of the due diligence process, including estimated financial data for 2016 relating to Indusal and Lavebras, were complete, adequate or accurate, and therefore that due diligence allowed the Group to identify or assess all potential material problems, risks or liabilities within Indusal and Lavebras. In particular, the Group cannot guarantee that due diligence enabled it to identify or anticipate all risks related to disputes and litigation involving the acquired companies in the past, present or future, or all risks related to potential failures by the acquired companies, their management or employees, to comply with applicable anti-corruption and anti-money laundering laws.

If the Group was not able to identify or assess correctly certain risks, it could be exposed to material undisclosed risks affecting the acquired companies, and could have to write down or off certain assets, restructure its activities or bear other costs, which could lead to losses that may not be covered by the indemnification undertakings agreed in connection with the acquisitions, due to caps on the amounts and scope of such undertakings.

Together, these factors could result in weaker operational performance than originally expected, and could have an adverse effect on the Group's ability to achieve its objectives and on its financial position.

2.1.5 RISKS RELATED TO DISPUTES AND LITIGATION INVOLVING THE ACQUIRED COMPANIES.

Lavebras and some of its subsidiaries are currently or may become subject to legal or administrative proceedings or regulatory investigations that could adversely affect the Group's financial position, business, reputation and results after completion of the Lavebras acquisition. In particular, as a result of the due diligence conducted by the Company in connection with the Lavebras acquisition, the Company has identified the proceedings described below concerning some entities in the Lavebras group. The Company cannot, however, guarantee that the due diligence investigations conducted by the Company have enabled it to identify all pending or potential disputes relating to Lavebras, which may result in significant additional liabilities for the Group.

Although the terms of the agreement for the acquisition of Lavebras signed on January 5, 2017 provide that the sellers will indemnify Atmosfera Gestão e Higienização de Têxteis SA ("**Atmosfera**"), as buyer, against liabilities in respect, among things, of the claims described below (subject to a *de minimis* threshold per claim, caps and deductibles as provided for in the agreement), certain risks to which the Group may be exposed as a result of its acquisition of Lavebras may not be covered, or may be inadequately covered, under such indemnity. In particular, the agreement does not provide for indemnification for any loss of future earnings resulting from any of the claims described below. In addition, the Group cannot guarantee that the sellers will be willing or able to fulfill any of their indemnification obligations under the agreement, or that the total liability incurred by the Group in respect, among other things, of one or more of the claims described below will not exceed the indemnification cap provided under the agreement.

Proceedings relating to Prolav Servicos Tecnicos Ltda.

Proceeding brought by the Public Prosecutor Office for the State of Rio de Janeiro

Prolav Servicos Tecnicos Ltda. ("**Prolav**"), a subsidiary of Lavebras, is a defendant, along with other industrial laundry services providers, including Atmosfera, in a public civil action for administrative improbity brought by the Public Prosecutor Office (the "**PPO**") for the State of Rio de Janeiro in 2014 alleging that the defendants were involved in various violations under Brazil's anti-corruption and public procurement laws, including the Administrative Improbity Act (Federal Law No. 8249/1992) and the Public Procurement Act (Federal Law No. 8666/1993). The alleged violations include bribery, price fixing, renewal of contracts against the public interest and bid-rigging in the industrial laundry services market for public health care providers in the State of Rio de Janeiro between 2003 and 2011. The scope of this inquiry, including the list of the subject contracts, cannot be ascertained at this time in light of the information currently available to the Company. If held liable for administrative improbity, Prolav may be subject to various penalties and sanctions, including disgorgement of profits derived from the subject contracts, fines up to three times the amount of such profits and the prohibition from receiving tax credits, public grants or other public incentives. Prolav may also be placed on a "blacklist," prohibiting Prolav from participating into any new procurement process or entering into any new agreement with any Brazilian public entity for a period up to 10 years. At this stage of the proceeding, the Company believes that blacklisting sanctions, if any, or the prohibition from receiving tax credits, public grants or other public incentives, if applicable, would extend only to Prolav and any of its subsidiaries. As of the date hereof, this proceeding is still in the preliminary discovery phase, and, to the Company's knowledge, no provisional timetable for the proceeding has been established.

Based on information available to the Company as of the date hereof, the amount of Prolav's potential liability as a result of any adverse outcome of this proceeding cannot be assessed. To the Company's knowledge, no provision has been taken by Lavebras or Prolav in respect of this proceeding

Administrative proceeding brought by CADE

In December 2008, CADE opened an investigation into various industrial laundry services providers, including Prolav, in relation to an alleged bid-rigging cartel scheme in the industrial laundry services market for public health care providers in the State of Rio de Janeiro between 1999 and 2005. In February 2016, CADE imposed a fine on Prolav in the amount of BRL2.5 million (approximately €700,000). Late payment of the fine is subject to statutory interest at the Brazilian Central Bank's overnight rate (*SELIC*), which may result in significant additional costs if Lavebras challenges CADE's decision in court and the suit remains pending for several years before an adverse final judgment is rendered. To the Company's knowledge as of the date hereof, Prolav has not yet paid the above mentioned fine and has made a provision in an amount equal to BRL1.25 million (approximately €350,000). Following CADE's decision, Lavebras (as shareholder of Prolav) filed an administrative appeal which was dismissed by CADE on June 28, 2016. As of the date hereof, Lavebras has indicated to the Company that Prolav intends to bring a suit in federal court seeking to have CADE's decision voided or to have the amount of the fine reduced. In addition to the fine imposed by CADE, Prolav may be subject to other sanctions as a result of any lawsuit brought to challenge CADE's decision or any other proceeding in relation to the alleged illegal acts, including an obligation to compensate the government for damages suffered as result of the alleged bid-rigging scheme.

Based on information available to the Company as of the date hereof, the amount of Prolav's potential liability as a result of any adverse outcome of this proceeding cannot be assessed.

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Proceedings relating to NJ Lavanderia Industrial e Hospitalar Ltda

Proceedings brought by the Public Prosecutor Office for the Federal District

NJ Lavanderia Industrial e Hospitalar Ltda ("**NJ Lavanderia**"), a subsidiary of Lavebras, is a defendant, together with the Federal District Government ("**FDG**"), in a public civil action brought by the PPO for the Federal District in 2014 challenging the validity of a public contract entered into between NJ Lavanderia and the FDG for the provision of industrial laundry services to public health care providers in the Federal District. The PPO seeks to have the agreement cancelled and to have the FDG compelled to execute a remediation covering laundry services to be provided to four different public regional hospitals within the Federal District. At the trial court hearing in May, 2016, the court granted the FDG's request to suspend the proceeding for a 60-day period, in order to enable FDG to present a project to conserve, to remedy and improve the laundry services in three of four subject public regional hospitals. As of the date of this Prospectus, no settlement resulted from this suspension. A decision on the merits of the case is expected during the second half of 2017.

NJ Lavanderia is also a defendant in another public civil action brought by the PPO for the Federal District in 2015 alleging that the contract described above was entered into without following the public tender process required under the Public Procurement Act. This proceeding is still in the preliminary discovery phase, and, to the Company's knowledge, no indicative timetable for the proceeding has been established.

Based on information available to the Company as this time, the amount of NJ Lavanderia's potential liability as a result of any adverse outcome of these proceedings cannot be assessed. To the Company's knowledge, no provision has been set aside by Lavebras or NJ Lavanderia in respect of these proceedings.

Proceeding before the Court of Audits of the Federal District

NJ Lavanderia is also an interested party in an administrative proceeding brought in August 2016 by the political party "Democratas" against the Health Secretariat of the federal government alleging that NJ Lavanderia continued to provide services under two public contracts, including the one described above, which were entered into as emergency agreements, after the expiration of their respective terms. If found liable, NJ Lavanderia may be exposed to various penalties and sanctions, including disgorgement of profits from the contracts concerned, fines and blacklisting (as described above). The proceeding is currently under review by the Court of Audits for the Federal District and, to the Company's knowledge, no indicative timetable for the proceeding has been established.

Based on information available to the Company as of this time, the amount of NJ Lavanderia's potential liability as a result of any adverse outcome of this proceeding cannot be assessed. To the Company's knowledge, no provision has been set aside by Lavebras or NJ Lavanderia in respect of this proceeding.

2.1.6 RISKS RELATED TO GOODWILL AND DEFERRED TAX ASSETS

Risks related to the Group's goodwill, described in Section 2.1.3 "Financial risks" of the Registration Document, apply to the Indusal and Lavebras acquisitions.

2.2 FINANCIAL RISKS

2.2.1 LIQUIDITY RISK

At June 30, 2016, the Group's adjusted net debt[35] was €1,506.4 million. Loan agreements relating to this debt include customary legal and financial covenants for these type of transactions, and provide for acceleration in the event that the Company fails to comply with such covenants.

Financial undertakings include an obligation for the Group to maintain a leverage ratio of less than 4, with which it complied at June 30, 2016.

The breakdown of financial liabilities by contractual maturity at June 30, 2016 is presented together with the Group's debt in note 8.2 to the consolidated financial

[35] See definition of adjusted net debt in the "Financial definitions" part of Section 4.2.3.2 – "Analysis of activity in the first half of 2016" of the Registration Document Update.

statements for the six months ended June 30, 2016, included in Section 4.2.6.8 "Notes to the consolidated financial statements" of the Registration Document Update.

On January 17, 2017, the Company entered into a Senior Syndicated Credit Facilities Agreement for a total principal amount of €1,150 million, whose main terms are described in Section 1.5 "Major contracts" of the Registration Document Update.

The Senior Syndicated Credit Facilities Agreement, which has a 5-year term (and a maturity date in January 2022) and is intended in particular to refinance the principal, interests and other expenses related to the previous senior credit facilities agreement entered into on September 2, 2014, which was due to expire in February 2020. The maturity of the Company's financial indebtedness was thus extended by 23 months and the average maturity of the Company's financial indebtedness was increased to 5 years (from 3.65 under the previous senior credit facilities agreement).

The Senior Syndicated Credit Facilities Agreement contains only one covenant regarding consolidated financial ratios: the Group's net debt/EBITDA ratio must be less than 4 up to and including December 31, 2017 and less than 3.75 thereafter.

The Group has reviewed its future payments and believes that it is able to meet them.

2.2.2 CURRENCY RISK

The currency risk to which the Group is exposed is described in Section 2.1.3 "Financial risks" of the Registration Document and in note 8.1 to the consolidated financial statements for the year ended December 31, 2015, which are included in Chapter 6 "Financial statements for the financial year ended December 31, 2015" of the Registration Document.

In addition, since the purchase price for Lavebras is denominated in Brazilian real, the Group is exposed to currency risk arising from the fluctuations in the euro against the Brazilian real between January 5, 2017, the date on which the acquisition agreement was signed, and the closing date, which is expected to occur in the second half of 2017. This risk relates to the disbursement amount corresponding to the acquisition of Lavebras (*i.e.* BRL1,300 million (€360 million)). At the date of the Registration Document Update, based on the exchange rate fluctuations in the Brazilian real against the euro in anticipated by the Group for 2017, the Group has not entered into any hedging arrangements in respect of such currency risk.

2.2.3 INTEREST-RATE RISK

The interest-rate risk to which the Group is exposed is described in Section 2.1.3 "Financial risks" of the Registration Document.

To manage the interest-rate risk related to the Senior Syndicated Credit Facilities Agreement, the Group has amended its existing swap contracts to hedge part of the Senior Syndicated Credit Facilities Agreement and has entered into new derivatives contracts covering the extension of part of that Senior Syndicated Credit Facilities Agreement until January 2022 (as compared to February 2020 for the Company's previous senior credit facility).

2.3 LEGAL, REGULATORY, TAX AND INSURANCE RISKS

The Group is exposed to various legal, regulatory, tax and insurance risks, which are described in Section 2.1.4 of the Registration Document, subject to the following update:

Risks related to disputes and litigation

At the date of this Registration Document Update, in connection with the public civil action brought by the public prosecutor for the Republic following the inspection carried out in February 2014 by the Brazilian federal police of the premises of Maiguá (a minor supplier of Atmosfera), Atmosfera has been informed by its counsels that the public prosecutor filed in December 2016 a public civil action seeking, among other things, to compel Atmosfera not to use contractors to perform its main activities, in particular concerning the production of textile goods used in its activities, and to comply with certain provisions of Brazilian law with respect to labor, hygiene, and safety in connection with the findings made by the federal police during the inspection mentioned in Section 2.1.4 of the Registration Document. The action brought by the public prosecutor also seeks to have Atmosfera ordered to pay damages amounting to BRL3 million (approximately €830,000) for collective moral damages. At this time, Atmosfera no longer uses contractors in connection with the above mentioned activities. Although Atmosfera has been informed of the filing of the aforementioned action by its legal counsels as a result of their legal monitoring of Brazilian public court records, as of the date of this Registration Document Update, Atmosfera has not received official notice of the action brought by the public prosecutor.

3 Corporate governance

Information concerning this Chapter is provided in Chapter 4 of the Registration Document. At of the date of the Registration Document Update, that information remains accurate, subject to the updates set out below.

3.1 MANAGEMENT AND SUPERVISORY BODIES

3.1.1 PERSONAL INFORMATION AND DETAILS ABOUT THE MEMBERS OF THE MANAGEMENT BOARD

Personal information and details about the members of the Management Board are provided in Chapter 4 of the Registration Document. As of the date of the Registration Document Update, that information has been updated as follows:

<table>
<tr><td>XAVIER MARTIRÉ
CHAIRMAN OF THE MANAGEMENT BOARD</td><td>Business address:
5, boulevard Louis Loucheur – 92210 Saint-Cloud</td></tr>
<tr><td>Date of birth: January 18, 1971
Nationality: French
Date of first appointment: October 21, 2008 (Chairman of the Company under its former structure as a French simplified limited liability company)</td><td>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</td></tr>
<tr><td colspan="2">BIOGRAPHY: Xavier Martiré began his career at SNCF in 1997 as foreman of a TGV (high-speed train) maintenance workshop. He then joined the Elis Group in 1999 as Profit Center Director and subsequently held positions as Regional Manager and Deputy CEO in charge of business in France, before being appointed the Company's Chairman in 2008. Xavier Martiré holds degrees from the École polytechnique and the École nationale des ponts et chaussées.</td></tr>
<tr><td colspan="2">MAIN OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS</td></tr>
<tr><td>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
- Chairman of Elis Luxembourg SA (Luxembourg)
- Director of Elis Manomatic SA (Spain)
- Director of Lavanderia Hotelera Del Mediterraneo (Spain)
- Director of Lavalia Balears Servicios y Renting Textil (Spain)
- Director of Lavalia Sur Servicios y Renting Textil (Spain)
- Director of Elis Italia SpA (Italy)
- Director of SPAST SA (Portugal)
- Director of Gafides SA (Portugal)
- Chairman of the Supervisory Board (contractual) of Atmosfera (Brazil)
- Director of Albia SA (Chile)
- Director of Servicios Hospitalarios SA (Chile)
- Director of Wäscherei Mariano AG (Switzerland)</td><td>OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
None
OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:
- Chairman of Quasarélis SAS
- Chairman of Novalis SAS
- Director of Blanchatel SA (Switzerland)
- Director of Wäscherei Papritz AG (Switzerland)
- Director of Grosswäscherei Domeisen AG (Switzerland)</td></tr>
</table>

LOUIS GUYOT **MEMBER OF THE MANAGEMENT BOARD**	Business address: 5, boulevard Louis Loucheur – 92210 Saint-Cloud
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. He 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 Information Officerand Chief Information 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 OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:

- Chairman of Pro Services Environnement SAS
- Chairman of Pro Services Environnement SAS
- Director of Elis Services SA
- Director of Pierrette-TBA SA
- Chairman of Hygiène Contrôle Île de France (SAS)
- Manager of Blanchisserie Professionelle d'Aquitaine SARL
- Chairman of BMF SAS
- 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 Gafides SA (Portugal)
- Director of InoTex Bern AG (Switzerland)
- 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
- Legal Manager of Compagnie Foncière Vermeille SARL
- Legal Manager of Bonaparte SARL
- Legal Manager of Le Belvedere Dune SARL

(*) Public listed company.

MATTHIEU LECHARNY **MEMBER OF THE MANAGEMENT BOARD**	Business address: 5, boulevard Louis Loucheur – 92210 Saint-Cloud
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, working 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 de Paris* (ESCP Europe).

MAIN POSITIONS HELD DURING THE LAST FIVE YEARS	
OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP: - Member of the Supervisory Board (contractual) of Atmosfera (Brazil) - Director of Albia SA (Chile) - Director of Servicios Hospitalarios SA (Chile) - Director of Elis Manomatic SA (Spain) - Director of Lavanderia Hotelera Del Mediterraneo SA (Spain) - Director of Lavalia Balears Servicios y Renting Textil SA (Spain) - Director of Lavalia Sur Servicios y Renting Textil SA (Spain) - Director of SPAST SA (Portugal) (in the process of being appointed) - Director of Servicios Hospitalarios (Chile)	**OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:** None **OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:** - Chairman/Sole Director of GIE Eurocall Partners - Chairman of Kennedy Hygiene Products Limited (United Kingdom) - Chairman of Kennedy Exports Limited (United Kingdom) - *General Manager of Le Jacquard Français SARL (resigned October 27, 2016)*

3.1.2 THE SUPERVISORY BOARD

Information and details about the members of the Supervisory Board

Personal information and details about the members of the Supervisory Board are provided in Chapter 4 of the Registration Document. As of the date of the Registration Document Update, that information has been updated as follows:

During the combined general meeting of shareholders of May 27, 2016, the shareholders approved the Supervisory Board's recommendation to renew the terms of office of Michel Datchary and Marc Frappier as Supervisory Board members for a four-year term and ratified the appointment of Maxime de Bentzmann as new member of the Supervisory Board for the remainder of his predecessor's term of office. The Supervisory Board also renewed Michel Datchary and Marc Frappier's respective roles in the Appointments and Compensation Committee.

On June 1, 2016, the Supervisory Board co-opted Magali Chesse as a new member of the Supervisory Board, to replace Virginie Morgon, who had resigned. On the same date, Philippe Audouin announced his decision to resign from his position in the Audit Committee, without affecting his term of office as member of the Supervisory Board. Magali Chesse was selected by the Supervisory Board to replace him on the Audit Committee.

The table below provides personal details Magali Chesse and the main offices and positions she held as of the date of the Registration Document Update:

MAGALI CHESSE **MEMBER OF THE SUPERVISORY BOARD**	Business address: 16/18 Boulevard de Vaugirard - 75724 Paris Cedex 15
Date of birth: September 19, 1974 Nationality: French Date of first appointment: June 1, 2016 Number of Elis shares held: 500 Member of a committee: Member of the Audit Committee	Date of current appointment to office: June 1, 2016 Date of expiration of current term of office: Ordinary general meeting called to approve the financial statements for the year ending December 31, 2018 Main activity: Head of equity investment strategy at Crédit Agricole Assurances

BIOGRAPHY: Magali Chesse has been head of equity investment strategy at Crédit Agricole Assurances since 2010. She started her career in private equity (venture capital and development capital) in 1999. She was head of investment at Credit Agricole Private Equity before joining Predica, where she was in charge of coordinating and monitoring the equity, private equity and infrastructure asset classes. Ms. Chesse has degrees in economics and management (from Strasbourg and Paris Dauphine universities) and holds a diploma from the *Société Française des Analystes Financiers*.
MAIN OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

OTHER OFFICES AND POSITIONS HELD WITHIN THE GROUP:	OFFICES AND POSITIONS HELD OUTSIDE THE GROUP:
None **OFFICES AND POSITIONS HAVING ENDED OVER THE PAST FIVE YEARS:** **THE PAST FIVE YEARS:** - Director of SA Predica Infrastructure - Director of SA Ramsay Santé* - Director of SA Mezzanis Fund	- Member of the Supervisory Board of SAS Infrapark - Member of the Supervisory Board of SAS Infra Foch Topco - Member of the Supervisory Board of SAS Arcapark (Indigo group) - Director of SA Frey - Director of SA Ramsay Générale de Santé - Permanent representative: SCA Effi Invest I (representing Predica on the Supervisory Board) SCA Effi Invest II (representing Predica on the Supervisory Board), Siparex Associés SA (representing Predica as a non-voting director on the Board of Directors) - SAS Tivana France Holdings (TDF group) (representing Predica as a non-voting director on the Supervisory Board) - Director: SPA 2i AEROPORTI

(*) Listed company.

3.2 COMPENSATION AND BENEFITS GRANTED TO THE MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

See Section 4.2.4.4 "Compensation of members of the Management Board" in the Registration Document Update concerning performance share grants to members of Elis's Management Board.

3.3 SHARE-BASED COMPENSATION

In the year ended December 31, 2016, the Company granted 1,041,311 performance shares, it being specified that:

- the grant of performance shares by the Management Board on June 15, 2016 involved the actual distribution of 986,845 shares; the number of shares stated in the half-year financial report included in Section 4.2.4.4 of the Registration Document Update has been adjusted to take into account the non-acceptance of rights by certain beneficiaries because of their departure from the Group; and
- during December 2016, the Management Board carried out an additional grant of 54,466 performance shares (class A and B) to 43 employees, and defined the terms of the related plan. The performance shares will only be granted at the end of a two-year period starting on the grant date. The vesting of performance

shares is subject to conditions of continued employment and achievement of performance targets. The performance conditions were defined, as regards shares in category A, with respect to three criteria linked to the Group's consolidated revenue and consolidated EBIT and to the Company's share price performance relative to the SBF 120, and as regards shares in category B, with respect to two criteria linked to the Group's consolidated revenue and consolidated EBIT. The final number of shares that vest at the end of the vesting period will be determined over a performance period of two financial years for all beneficiaries of the grant decided in December 2016.

4
Financial and accounting information

Information concerning this Chapter is provided in Chapter 6 of the Registration Document. As of date of the Registration Document Update, that information remains accurate, subject to the updates set out below.

4.1 SELECTED FINANCIAL INFORMATION

4.1.1 UNAUDITED ESTIMATED FINANCIAL DATA FOR THE YEAR ENDED DECEMBER 31, 2016

The Group's estimated financial data relating to the year ended December 31, 2016 and presented below were prepared using an accounting process similar to the one usually used in preparing the Group's consolidated financial statements for the first 11 months of the year, and using a budget process for December 2016.

The data were examined by the Company's Management Board on January 17, 2017, and have not been audited by the Company's statutory auditors. The report of the Company's statutory auditors with respect to the profit estimates (EBITDA) is included in Section 4.1.2 "Report by the statutory auditors on the earnings estimates" in the Registration Document Update.

The IFRS consolidated financial statements for the year ended December 31, 2016, which will be the subject of an audit report by the Company's statutory auditors, will be published on March 15, 2017 according to the Company's anticipated timetable.

The accounting policies used in preparing the estimated financial data comply with IFRS and IFRIC interpretations as adopted for use in the European Union as at December 31, 2016 and available on the website: ec.europa.eu/finance/company-reporting/index_en.htm.

The accounting policies adopted are identical to those used in preparing the consolidated financial statements for the year ended December 31, 2015 except for the following standards and amendments effective for annual periods beginning on or after January 1, 2016:

- amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities – Applying the Consolidation Exception",
- amendments to IAS 27 "Equity Method in Separate Financial Statements",
- amendments to IAS 1 "Disclosure Initiative",
- annual improvements to IFRSs, 2012-2014 cycle,
- amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization",
- amendments to IFRS 11 "'Accounting for Acquisitions of Interests in Joint Operations",
- amendments to IAS 19R "Defined Benefit Plans: Employee Contributions", and
- annual improvements to IFRSs, 2010-2012 cycle.

These new standards and amendments have no impact on the Group's estimated financial data relating to the financial year ended December 31, 2016. The Group has not opted for the early adoption of any standards, amendments or interpretations that have been issued but are not yet mandatory at December 31, 2016.

All figures presented in Section 4.1.1 "Unaudited estimated financial data for the year ended December 31, 2016" of the Registration Document Update concerning the financial year ended December 31, 2016 are estimated financial data.

The Group estimates that its consolidated revenue for the year ended December 31, 2016 will be approximately €1,510 million, representing an increase of 6.7% compared to the previous financial year, including 2.5% from organic growth. During the fourth quarter of 2016, the hospitality industry remained depressed, despite a slight improvement in late December. However, Southern Europe and Brazil carried on with their very good dynamics.

The estimated EBITDA for the financial year ended December 31, 2016 is approximately €465 million, which represents an increase of 4.2% compared to the EBITDA generated in the previous financial year and which amounted to €446.1 million. The EBITDA margin rate for France is expected to decrease by an estimated 45 basis points.

4.1.2 STATUTORY AUDITORS' REPORT ON THE EARNINGS ESTIMATES

[***INTENTIONALLY OMITTED***]

4.1.3 OUTLOOK FOR 2017

The Group expects the dynamics in each of its markets in 2017 to be similar to the ones observed in 2016. As a result, the organic growth in revenue for the year 2017 in each geographic area is expected to be more or less equivalent to what was observed in 2016.

With the impact of the acquisitions finalized in 2016, the Group's total revenue growth is expected to exceed 10% in 2017 (excluding Lavebras's contribution).

The consolidation date for Lavebras will depend on the closing date of the acquisition, which date will depend on the date on which clearance from the Brazilian antitrust authority is received.

In 2017, the Group aims to maintain its EBITDA margin rate in France and to improve its gross margin in the other geographic areas.

4.2. 2016 HALF YEAR FINANCIAL REPORT AS OF JUNE 30, 2016

4.2.1 STATEMENT FROM THE PERSON RESPONSIBLE FOR THE PROSPECTUS

Xavier Martiré, Chairman of the Management Board, is responsible for this document.

"I hereby declare that, to the best of my knowledge, the condensed half-year consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all companies in the Group, and that the accompanying half-year management report gives a true and fair view of significant events occurring during the first six months of 2016, their impact on the financial statements, the main related party transactions for the period, as well as a description of the major risks and uncertainties faced by those companies during the remaining six months of the year."

Puteaux, July 29, 2016

Chairman of the Management Board,

Xavier Martiré

4.2.2 PRESENTATION OF THE GROUP

4.2.2.1 Company profile and financial highlights of the first half of 2016

Elis is a leading multi-service group in the rental, laundry and maintenance of flat linen, workwear and hygiene and well-being appliances in Europe and Latin America. With more than 21,000 employees spread across 13 countries, in 2015 Elis's consolidated revenue was €1,415.4 million with consolidated EBITDA of €446.1 million. Drawing on more than a century of expertise, Elis today makes deliveries to more than 240 000 businesses of all sizes in the Hospitality, Healthcare, Industry, and Trade and Services sectors, thanks to its network of 305 processing and dispatching centers and 13 clean rooms, which guarantees it an unrivaled proximity to its clients.

- **FINANCIAL HIGHLIGHTS OF THE FIRST HALF OF 2016**

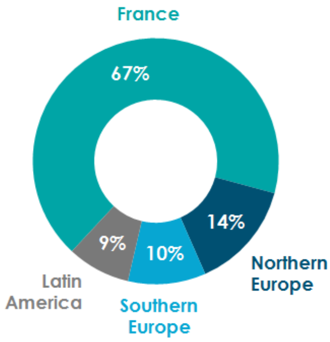
(EUR million)	H1 2016	H1 2015	Change
Revenues	**730.2**	**682.4**	**+7.0%**
EBITDA	**216.1**	**204.6**	**+5.6%**
% of revenues	29.6%	30.0%	
EBIT	92.5	87.7	+5.5%
% of revenues	12.7%	12.9%	
Headline net result *	**38.9**	**15.7**	x2.5
Headline free cash flow **	**6.7**	**(22.9)**	n/a
Adjusted net debt at end of period ***	**1,506.4**	**1,440.7**	
Adjusted net debt / EBITDA ***	3.2x	3.1x	

** After elimination of PPA amortization and 2015 IPO and refinancing expenses (net of tax)*

*** After elimination of 2015 IPO and refinancing expenses (net of tax)*

**** EBITDA for the last twelve months adjusted for the full-year impact of acquisitions. Basis for comparison is the financial year 2015.*

- **BREAKDOWN OF REVENUE FOR THE FIRST-HALF OF 2016 BY REGION**

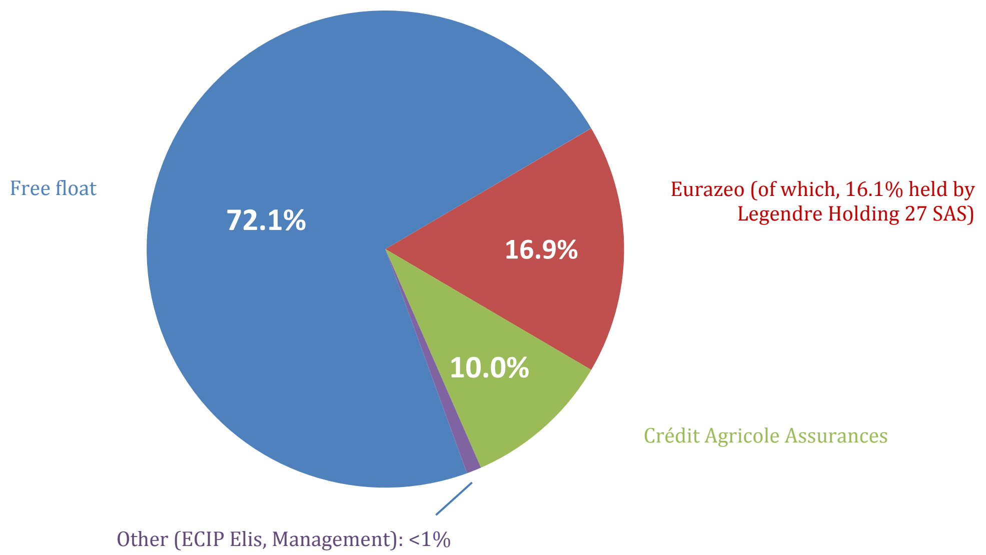


- **DETAIL OF CHANGES IN REVENUE**

(EUR million)	2016			2015			Change		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Trade & Services	84.8	85.8	170.6	83.1	85.5	168.6	+2.1%	+0.4%	+1.2%
Hospitality	66.9	82.9	149.7	62.2	83.3	145.5	+7.4%	-0.5%	+2.9%
Industry	47.1	46.9	94.1	46.7	47.2	94.0	+0.9%	-0.6%	+0.1%
Healthcare	41.3	41.2	82.5	39.4	39.9	79.3	+4.8%	+3.3%	+4.0%
France*	**234.0**	**250.7**	**484.7**	**228.2**	**250.5**	**478.6**	**+2.6%**	**+0.1%**	**+1.3%**
Northern Europe	50.3	52.2	102.5	38.2	46.1	84.2	+31.7%	+13.3%	+21.6%
Southern Europe	33.5	40.3	73.8	28.9	37.1	66.0	+16.0%	+8.7%	+11.9%
Europe**	**83.8**	**92.5**	**176.3**	**67.0**	**83.2**	**150.2**	**+25.0%**	**+11.3%**	**+17.4%**
Latin America	**28.1**	**31.7**	**59.8**	**22.3**	**22.8**	**45.1**	**+26.1%**	**+38.9%**	**+32.6%**
Manufacturing entities	**4.7**	**4.8**	**9.5**	**4.5**	**3.9**	**8.5**	**+4.2%**	**+20.9%**	**+12.0%**
TOTAL	**350.6**	**379.7**	**730.2**	**322.0**	**360.4**	**682.4**	**+8.9%**	**+5.4%**	**+7.0%**

Percentage change calculations are based on actual figures
** After other items including rebates*
*** Europe excluding France*

- **ELIS'S SHARE CAPITAL AS AT JUNE 30, 2016**



4.2.2.2 Risks factors and transactions with related parties

Risk factors

The main risk factors that the Group could face during the second half of 2016 are similar to those described in chapter 2 of the 2015 Registration Document, section 2.1 "Risk factors" on pages 42 to 60 of said document.

Related-party transactions

The main related-party transactions are set out in notes 5.2 and 12] to the condensed half-year consolidated financial statements on pages 39 and 47 of this 2016 half year financial report.

4.2.3 MANAGEMENT REPORT FOR THE FIRST HALF OF 2016

4.2.3.1 Key highlights of the first half of 2016

Acquisitions

On January 7, 2016, Elis announced it had closed two transactions in Germany and Brazil. In Germany, the Group acquired two laundries serving mainly Hospitality and Healthcare customers in the northern part of the country. This acquisition strengthens Elis's presence in the strategic region of Hamburg, Germany's second largest city in terms of population. Elis, which is determined to continue its industrial and commercial development in Germany, now has a network of 11 laundries in the country following this acquisition.

In Brazil, the Group acquired a laundry near Sao Paulo exclusively serving high-end Healthcare customers, with a brand, Martins & Lococo, that is well recognized for quality. With this acquisition, Elis further expanded its operations in the Brazilian region with the highest GDP per capita.

On June 20, 2016, the Group acquired On My Way, a Swiss startup offering innovative linen cleaning solutions to private individuals (www.on-my-way.ch).

On My Way provides private individuals with a linen-cleaning service, by gathering their linen in pickup points located on their everyday route (gas stations, supermarkets) as well as at their offices. This new activity is a natural extension of the Group's services, adding to its indisputable industrial know-how and close proximity to customers thanks to a network of more than 300 processing centers in the world.

Changes in the governance

The Combined General Meeting of Elis, convened on May 27, 2016, ratified the Supervisory Board's decision of March 9, 2016 to co-opt Maxime de Bentzmann as a new member of the Supervisory Board, replacing Eric Schaefer who had resigned. This General Meeting also reappointed Marc Frappier and Michel Datchary as members of the Supervisory Board for another four-year period, and in their respective functions at the Appointments and Compensation Committee.

On June 1, 2016, the Supervisory Board of Elis decided to co-opt Magali Chesse as a new member of the Supervisory Board, replacing Virginie Morgon who had resigned. This co-optation followed Eurazeo's sale of 11,400,617 shares to Crédit Agricole Assurances, via its subsidiary Predica.

4.2.3.2 Analysis of Group results for the first half of 2016

- Revenue growth and EBITDA margin in line with expectations despite a difficult environment in France and Brazil
  - ◊ Revenue: €730.2m (+7.0% of which +3.1% organic growth)
  - ◊ EBITDA: €216.1m (29.6% of revenue)
  - ◊ Slight decrease in EBITDA margin in France (-27bps), in line with expectations
  - ◊ EBITDA margin improvement of +71bps in Europe (excluding France) and +176bps in Latin America

- Further M&A activity
  - ◊ Two significant acquisitions in the first half, in Germany and in Brazil
  - ◊ Another significant acquisition in July in Switzerland
  - ◊ Successful integration of the Chilean subsidiary
- 2016 outlook confirmed
  - ◊ Revenue: €1.5bn with +3% organic and +4% M&A
  - ◊ EBITDA margin: -30 bps in France and further improvement in Europe and Latin America

(EUR million)	**H1 2016**	H1 2015	Change
Revenue	730.2	682.4	+7.0%
EBITDA	216.1	204.6	+5.6%
EBIT	92.5	87.7	+5.5%
Net income (loss)	23.1	(80.6)	n/a
Headline net income*	38.9	15.7	+148.5%
Headline free cash-flow**	6.7	(22.9)	n/a
Adjusted net debt (as of end of period)***	1,506.4	1,440.7	

Percentage change calculations are based on actual figures

** After elimination of PPA amortization and 2015 IPO and refinancing expenses (net of tax)*

*** After elimination of 2015 IPO and refinancing expenses (net of tax)*

**** The basis of comparison is as of 31 December 2015*

The definitions of organic revenue growth, EBITDA, EBITDA margin, EBIT, headline free cash-flow and adjusted net debt are in the "Financial definitions" section below

Puteaux, July 26, 2016 – Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of flat linen, professional clothing, hygiene and well-being appliances, today announces its first half 2016 financial results.

The accounts were approved by the Management Board and examined by the Supervisory Board on July 25, 2016. They have been the subject of a limited review by the company's auditors.

Commenting on the first half 2016 results, **Xavier Martiré, CEO of Elis,** said:

« We are pleased to announce today results for the first half in line with full-year targets. Despite an environment that remains sluggish, especially in France and Brazil, Group organic revenue growth was +3.1% and EBITDA margin was in line with our expectations.

In France, organic revenue growth in the first half was +1.3%. In a market already impacted by the November 2015 terrorist attacks, several protests and strikes in the second quarter had a further negative effect on our activity, especially in Hospitality. The initiatives we put in place partially offset the persisting tough condition of the French market and we contained the EBITDA margin decrease to less than 30 basis points, in line with our full-year expectations.

In Europe, acquisitions and organic growth of almost 6% helped strengthen our market share. EBITDA margin improved 70 basis points, thanks notably to the achievement of synergies.

In Latin America, despite a difficult environment in Brazil, our commercial momentum allowed us to post organic growth of above +10%, which confirms the market's strong *potential. In addition, the transfer of Elis' know-how led to a 180 basis point improvement in margin.*

In the first half, the Group continued its strategy and consolidated its positions in Europe and Latin America with acquisitions in Switzerland and Brazil. These acquisitions will contribute to further accelerating Elis's development.

On the back of the first-half results, we confirm our full-year objectives: we target revenues of €1.5bn driven by 3% organic growth and external growth of 4%. As far as margins are concerned, we expect a decrease of 30 basis points in France but aim to achieve further margin improvement in Europe and in Latin America.»

Revenues

- **REPORTED REVENUE GROWTH**

	2016			2015			Change		
(EUR million)	**Q1**	**Q2**	**H1**	Q1	Q2	H1	Q1	Q2	H1
Trade & Services	**84.8**	**85.8**	**170.6**	**83.1**	**85.5**	**168.6**	**+2.1%**	**+0.4%**	**+1.2%**
Hospitality	66.9	82.9	149.7	62.2	83.3	145.5	+7.4%	-0.5%	+2.9%
Industry	47.1	46.9	94.1	46.7	47.2	94.0	+0.9%	-0.6%	+0.1%
Healthcare	41.3	41.2	82.5	39.4	39.9	79.3	+4.8%	+3.3%	+4.0%
France*	234.0	250.7	484.7	228.2	250.5	478.6	+2.6%	+0.1%	+1.3%
Northern Europe	50.3	52.2	102.5	38.2	46.1	84.2	+31.7%	+13.3%	+21.6%
Southern Europe	33.5	40.3	73.8	28.9	37.1	66.0	+16.0%	+8.7%	+11.9%
Europe**	**83.8**	**92.5**	**176.3**	**67.0**	**83.2**	**150.2**	**+25.0%**	**+11.3%**	**+17.4%**
Latin America	**28.1**	**31.7**	**59.8**	**22.3**	**22.8**	**45.1**	**+26.1%**	**+38.9%**	**+32.6%**
Manufacturing	**4.7**	**4.8**	**9.5**	**4.5**	**3.9**	**8.5**	**+4.2%**	**+20.9%**	**+12.0%**
TOTAL	**350.6**	**379.7**	**730.2**	**322.0**	**360.4**	**682.4**	**+8.9%**	**+5.4%**	**+7.0%**

Percentage change calculations are based on actual figures
** After other items including Rebates*
*** Europe excluding France*

- **ORGANIC REVENUE GROWTH**

(EUR million)	Q1 organic growth	Q2 organic growth	H1 2016 organic growth
Trade & Services	+2.1%	+0.4%	+1.2%
Hospitality	+7.4%	-0.5%	+2.9%
Industry	+0.9%	-0.6%	+0.1%
Healthcare	+4.8%	+3.3%	+4.0%
France*	**+2.6%**	**+0.1%**	**+1.3%**
Northern Europe	+2.6%	+2.6%	+2.6%
Southern Europe	+11.0%	+8.7%	+9.7%
Europe**	**+6.2%**	**+5.3%**	**+5.7%**
Latin America	**+13.9%**	**+10.0%**	**+11.9%**
Manufacturing entities	**+5.6%**	**+25.4%**	**+14.8%**
TOTAL	**+4.1%**	**+2.2%**	**+3.1%**

Percentage change calculations are based on actual figures
** After other items including Rebates*
*** Europe excluding France*

In the first half of 2016, Group revenues increased by 7.0% to €730.2mn. Organic growth of +3.1% and the +5.6% impact of acquisitions were partially offset by a 1.7% negative impact from exchange rates.

France

In the first half of 2016, the +1.3% revenue growth in France was entirely organic. The very favorable, non-recurring calendar effects in Q1 (Easter week in March vs April in 2015 and the impact of an additional day in February as 2016 is a leap year) led to a mechanical growth slowdown in Q2 (+0.1% vs +2.6% in Q1). Additionally:

- Revenues for the Trade & Services segment increased by +1.2%. The economic environment remained difficult, leading to sluggish growth despite good commercial dynamism in the services segment during the first quarter.
- Revenue growth for the Hospitality segment was at +2.9%. On the top of the above-mentioned calendar effects, the second quarter was negatively impacted by bad weather and by several strikes and protests in the country. However, the roll-out of large contracts with hotels is in line with our expectations.
- Revenues for the Industry segment were virtually flat. The activity with existing clients was generally weak and the tough environment negatively impacted the second quarter.
- Revenues for the Healthcare segment grew by 4.0%, helped by the roll-out of large contracts for both short-stay and long-stay.

Europe (excluding France)

In the first half, revenue growth in Northern Europe (+21.6%) was largely driven by the acquisitions completed in April 2015, July 2015 and January 2016. Organic revenue growth was up +2.6% with Switzerland and Germany, our main markets in the region, being well oriented.

Revenue in Southern Europe continued to be dynamic (+11.9%) in a favorable economic environment with organic growth at almost +10%. This performance was again driven by Spain ; the intrinsic growth of the market and our very good commercial momentum in all segments confirm the strong potential of the country, where we continue to gain market share.

Latin America

Revenue growth in Latin America increased +32.6%, largely due to acquisitions we completed in Brazil in July 2015 and in January 2016, and the acquisition of Albia in Chile (consolidated since October 1st 2015). Organic growth was +11.9% in the first half and was achieved entirely in Brazil. This was due to three main effects: (i) price increases, (ii) strong activity from hospitals, laboratories and medical centers as a consequence of epidemics that impacted Brazil during its summer in Q1 and (iii) gains of new contracts with large clients which chose the rental and maintenance model for the first time. In a difficult environment in Brazil, this good organic performance confirms the market's strong potential. The depreciation of the Brazilian Real strongly impacted our reported revenue growth with a -22.4% impact on revenues in the region. That said, the FX effect should reverse in the second half.

EBITDA

(EUR million)	**H1 2016**	H1 2015	Change
France	**163.3**	**162.7**	**+0.4%**
As a % of revenues	*33.7%*	*33.9%*	*-27bps*
Europe*	**40.7**	**33.6**	**+21.2%**
As a % of revenues	*23.1%*	*22.3%*	*+71bps*
Latin America	**12.5**	**8.6**	**+44.8%**

As a % of revenues	*20.8%*	*19.1%*	*+176bps*
Manufacturing entities	**1.7**	**1.4**	**+21.0%**
As a % of revenues	*12.1%*	*10.1%*	*+196bps*
Holdings	**(2.1)**	**(1.6)**	**n/a**
TOTAL	**216.1**	**204.6**	**+5.6%**
As a % of revenues	*29.6%*	*30.0%*	*-39bps*

Percentage change calculations are based on actual figures

** Europe excluding France*

In H1 2016, Group EBITDA increased +5.6% to €216.1m EBITDA as a percentage of revenues fell 39bps due to the decrease in French EBITDA margin (-27bps) and to a negative mix effect as Europe and Latin America, which have lower margins, have higher revenue growth rates.

In France, EBITDA as a percentage of revenues fell nearly 30bps as expected, mainly due to market conditions which remain tough but which were partially compensated for by the productivity initiatives we put in place.

In Europe (excluding France), the consolidation of our footprint and the transfer of know-how continued to bear fruit with EBITDA margin up 71bps.

In Latin America, transfer of know-how and the successful integration of the Chilean subsidiary led to a +176bps EBITDA margin improvement.

From EBITDA to Net income

(EUR million)	**H1 2016**	H1 2015
EBITDA	**216.1**	**204.6**
As a % of revenues	*29.6%*	*30.0%*
Depreciation & amortization	(123.6)	(116.9)
EBIT	**92.5**	**87.7**
As a % of revenues	*12.7%*	*12.9%*
Banking charges	(0.7)	(0.8)
PPA amortization	(22.0)	(21.8)
Goodwill impairment	-	-
Other operating income and expenses	(2.5)	(4.8)
Operating income	**67.3**	**60.4**
As a % of revenues	*9.2%*	*8.8%*
Financial expense	(27.0)	(42.5)
IPO & refinancing expenses	-	(123.3)
Income (loss) before tax	**40.2**	**(105.4)**
Tax	(17.1)	24.8
Reported net income (loss)	**23.1**	**(80.6)**
Headline net income*	**38.9**	**15.7**

Percentage change calculations are based on actual figures

** After elimination of PPA amortization and 2015 IPO and refinancing expenses*

EBIT

As a percentage of revenues, EBIT was down 19bps in the first half. The decrease in EBITDA margin is partially offset by a lower amount of Depreciation & amortization as a percentage of revenues than in H1 2015. This highlights the better discipline with regard to purchase of linen.

Operating income

Operating income increased both in value and as a percentage of revenues.

PPA amortization was mainly accounted for in 2007 and the amortization period will end in October 2018.

Financial result

Financial expense shows a strong improvement. As a reminder, Elis completely refinanced its debt in February 2015 and then in April 2015. The H1 2015 financial expense was therefore not normative, but is in H1 2016.

Net result

Net result amounted to €23.1mn. In the first half of 2015, it included €123.3mn of non-recurring expenses related to the IPO and various debt refinancing charges.

Headline net result

After the elimination of PPA depreciation (net of tax), Headline net result amounted to €38.9m in H1 2016, significantly up relative to H1 2015.

Other financial items

Investments

Group net investments amounted to €133.9m in H1 2016 (18.3% of revenues), compared to €141.1m in H1 2015 (20.7% of revenues). As a reminder, H1 2015 was impacted by linen purchases and by some industrial investments in order to absorb additional volumes linked to large contracts signed at the end of 2014.

Headline free cash-flow

Headline free cash-flow amounted to €6.7m, compared to -€22.9m in H1 2015. This improvement is due to the increase of operating cash-flow and to the decline in interest expenses. For the record, due to the seasonality of the business, almost all full-year Headline Free cash is generated during the second half of the year.

Adjusted net financial debt

Group adjusted net financial debt as of 30th June 2016 was €1,506.4m or 3.2x trailing 12 month EBITDA (proforma for the full year impact of acquisitions).

In addition to the elements mentioned above, the net financial debt is impacted by the acquisitions completed at the beginning of the year and by the payment made to shareholders of €39.9m for the 2015 financial year.

Distribution for the 2015 financial year

The Annual General Meeting held on May 27, 2016 approved the cash payment of €0.35 per share for the 2015 financial year. This payment was made on June 7, 2016, for a total amount of €39.9 million. In 2015, a similar payment was made on July 2, 2015.

Financial definitions

- 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.

- EBITDA is defined as EBIT before depreciation and amortization net of the portion of grants transferred to income.
- EBITDA margin is defined as EBITDA divided by revenues.
- EBIT is defined as net income (loss) before net financial expense, income tax, share in income of equity-accounted companies, amortization of customer relationships, goodwill impairment, other operating income and expenses, miscellaneous financial items (bank fees recognized in operating income) and expenses related to IFRS 2 (share-based payments).
- Headline free cash-flow is defined as cash EBITDA minus non cash-items items and after (i) business-related changes in working capital, (ii) linen purchases and (iii) manufacturing capital expenditures, net of proceeds, minus interests payments and minus tax paid.
- The concept of Adjusted net debt used by the Group consists of the sum of non-current financial liabilities, current financial liabilities and cash and cash equivalents adjusted by capitalized debt arrangement costs, the impact of applying the effective interest rate method, and the loan from employee profit-sharing fund.

4.2.3.3 Events after the reporting period

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

4.2.4 CORPORATE GOVERNANCE

The Combined General Shareholders' Meeting was held on May 27, 2016, achieving a quorum of 74.01%, representing 242 shareholders and 84,317,482 shares representing 104,493,082 voting rights. This General Meeting approved all resolutions included on the agenda.

As mentioned above in the section 3.1.2, during this General Meeting, the shareholders notably approved the Supervisory Board's recommendation to reappoint Michel Datchary and Marc Frappier as members of the Supervisory Board for another four years, and the ratification of the co-optation of Maxime de Bentzmann as a new member of the Supervisory Board for the remaining term of office of his predecessor. The Supervisory Board also extended the terms of office of Michel Datchary and Marc Frappier on the Appointments and Compensation Committee.

On June 1, 2016, the Supervisory Board co-opted Magali Chesse as a new member of the Supervisory Board, replacing Virginie Morgon who had resigned. At the same date, Philippe Audouin resigned from his duties in the Audit Committee without consequence on his membership of the Supervisory Board, and Magali Chesse was appointed by the Supervisory Board to succeed him on this committee.

4.2.4.1 Composition of the Supervisory Board as at June 30, 2016

As at June 30, 2016, the Elis Supervisory Board was composed of nine members, three of whom were women and five independent, i.e. 56% of the members of the Supervisory Board:

Full name or company name	Position	Expiration of term of office
Thierry Morin	Chairman of the Supervisory Board	■ General Meeting called to approve the financial statements for the year that will end on December 31, 2018, to be held in 2019
Marc Frappier	Vice-Chairman of the Supervisory Board	General Meeting called to approve the financial statements for the year that will end on December 31, 2019, to be held in 2019
Michel Datchary	Member of the Supervisory Board	■ General Meeting called to approve the financial statements for the year that will end on December 31, 2019, to be held in 2019
Magali Chesse	Member of the Supervisory Board	General Meeting called to approve the financial statements for the year that will end on December 31, 2018, to be held in 2019
Philippe Delleur	Member of the Supervisory Board	■ General Meeting called to approve the financial statements for the year that will end on December 31, 2018, to be held in 2019
Florence Noblot	Member of the Supervisory Board	■ General Meeting called to approve the financial statements for the year that will end on December 31, 2016, to be held in 2019
Agnès Pannier-Runacher	Member of the Supervisory Board	■ General Meeting called to approve the financial statements for the year that will end on December 31, 2017, to be held in 2019
Philippe Audouin	Member of the Supervisory Board	General Meeting called to approve the financial statements for the year that will end on December 31, 2016, to be held in 2019
Maxime de Bentzmann	Member of the Supervisory Board	General Meeting called to approve the financial statements for the year that will end on December 31, 2017, to be held in 2019

■ Independent member.

4.2.4.2. Composition of the Supervisory Board's committees as at June 30, 2016

As at June 30, 2016, the Supervisory Board's committees were composed as follows:

- The Audit Committee was compoed of the following three members (two of which were deemed independent) appointed for a term coincident with their terms of office as members of the Supervisory Board:
  - ◊ Agnès-Pannier-Runacher, Chairman of the Audit Committee;
  - ◊ Thierry Morin, member of the Audit Committee;
  - ◊ Magali Chesse, member of the Audit Committee;
- The Appointments and Compensation Committee was composed of the following three members (two of whom were deemed independent), appointed for a term coincident with their terms of office as members of the Supervisory Board:
  - ◊ Michel Datchary, Chairman of the Appointments and Compensation Committee;
  - ◊ Florence Noblot, member of the Appointments and Compensation Committee;
  - ◊ Marc Frappier, member of the Appointments and Compensation Committee.

4.2.4.3. Composition of the Management Board

As at June 30, 2016, the Management Board was composed of the following three members:

Full name	Position	Expiration 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

4.2.4.4 Compensation of the members of the Management Board

In accordance with the authorization granted by the 22nd resolution of the General Meeting of May 27, 2016 and the authorization of the Supervisory Board, upon the recommendation of the Appointments and Compensation Committee, a new performance share plan was set up during the first half of 2016. It benefits from the new provisions of the Macron Law of August 6, 2015.

On 15 June 2016, as part of the new plan, 207,520 performance shares were granted to Xavier Martiré in his capacity as Chairman of the Management Board, and 35,071 performance shares were granted to each of the other members of the Management Board, Louis Guyot and Matthieu Lecharny, in their respective capacities as Chief Financial Officer and Chief Operating Officer. This grant was part of an overall plan for more than 200 Group executives and senior managers totaling 998,636 shares (representing 0.875% of the Company’s share capital as it stood on the date of the grant decision, including 0.243% for the members of the Management Board).

Two classes of shares (A and B) were granted in 2016.

Each of these classes of shares granted to the Executive Committee (including the members of the Management Board) shall only vest at the end of a vesting period of three years from their grant date. The vesting is subject to combined conditions of continued presence and achievement of performance targets. The performance conditions were defined based on three quantitative criteria linked to consolidated revenue, consolidated EBIT and the Company's share price performance relative to the SBF 120 index for class A performance shares, and based on two criteria linked to consolidated revenue and consolidated EBIT for class B performance shares.

The performance will be evaluated at the end of a two-year period (i.e. at the end of the 2017 financial year) for 67% of the performance shares granted for each class, and at the end of a three-year period (i.e. at the end of the 2018 financial year) for 33% of the performance shares granted for each class.

The number of vested shares will depend on the number of targets achieved with the understanding that, for each share class, the achievement of performance targets is binary, so that if a target is not met, the number of rights linked to that target is not due and the corresponding shares do not vest.

On this basis, 20% of the class A shares thus granted shall vest if one criterion is satisfied, 50% if two targets are met and 100% if all three targets are met. Class B performance shares shall vest if at least one target is met with the understanding that the achievement of a single criterion gives the right to vest 50% of the performance shares.

The plan requires no lock-up period, but each member of the Management Board is required to hold a certain number of shares until they step down from their duties.

4.2.5 STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

For the period from January 1, 2016 to June 30, 2016

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

Elis SA

33, rue Voltaire

92800 Puteaux

To the Shareholders

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

- the review of the accompanying condensed half-year consolidated financial statements of Elis, for the period from January 1, 2016 to June 30, 2016,
- the verification of the information presented in the half-year management report.

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

I - Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

II - Specific verification

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

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

Neuillly Sur Seine and Courbevoie, July 26, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Bruno TESNIERE	Isabelle MASSA

4.2.6 CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2016

4.2.6.1 Interim consolidated income statement

(In thousands of euros)	Notes	H1-2016	H1-2015
(unaudited)			
Revenue	3.1	730,233	682,396
Cost of linen, equipment and other consumables		(121,083)	(114,700)
Processing costs		(276,906)	(255,210)
Distribution costs		(116,482)	(110,830)
Gross margin		215,762	201,656
Selling, general and administrative expenses		(123,919)	(114,752)
Operating income before other income and expense and amortization of customer relationships	3.2	91,843	86,904
Amortization of customer relationships	4.1	(22,017)	(21,769)
Goodwill impairment		0	0
Other income and expense	4.2	(2,550)	(25,970)
Operating income		67,275	39,165
Net financial expense	8.1	(27,003)	(144,556)
Income (loss) before tax		40,272	(105,391)
Income tax benefit (expense)	9	(17,145)	24,751
Share of net income of equity-accounted companies		0	0
Net income (loss)		23,127	(80,640)
Attributable to:			
- owners of the parent		23,119	(80,638)
- non-controlling interests		8	(2)
Earnings (loss) per share (EPS):			
- basic, attributable to owners of the parent	10.3	€0.20	€(0.82)
- diluted, attributable to owners of the parent	10.3	€0.20	€(0.82)

4.2.6.2 Interim consolidated statement of comprehensive income

(In thousands of euros)	Notes	H1-2016	H1-2015
Net income (loss)		23,127	(80,640)
Gains (losses) on change in fair value of hedging instruments		(5,399)	961
Hedging reserve reclassified to income		402	5,887
Total change in hedging reserve		**(4,997)**	**6,848**
Related tax		1,716	(2,358)
Translation reserve		**28,642**	**3,945**
Other comprehensive income (loss) which may be subsequently reclassified to income		**25,361**	**8,435**
Actuarial gains and losses recognized in equity		**(3,740)**	**0**
Related tax		1,288	0
Other comprehensive income (loss) which may not be subsequently reclassified to income		**(2,452)**	**0**
Other comprehensive income		**22,909**	**8,435**
TOTAL COMPREHENSIVE INCOME (LOSS)		46,037	(72,205)
Attributable to:			
- owners of the parent		46,027	(72,107)
- non-controlling interests		10	(98)

4.2.6.3 Interim consolidated statement of financial position – assets

(In thousands of euros)	Notes	June 30, 2016 net	Dec. 31, 2015 net
(unaudited)			
Goodwill	6.1	1,616,759	1,586,889
Intangible assets		354,681	370,965
Property, plant and equipment		800,876	775,214
Equity-accounted companies		0	0
Available-for-sale financial assets		180	146
Other non-current assets		4,811	6,270
Deferred tax assets		14,131	12,444
TOTAL NON-CURRENT ASSETS		2,791,437	2,751,927
Inventories		55,779	52,464
Trade and other receivables		395,957	358,339
Current tax assets		3,280	4,099
Other assets		14,868	12,780
Cash and cash equivalents	8.3	136,302	56,594
Assets held for sale	2.4	8,364	0
TOTAL CURRENT ASSETS		614,550	484,276
TOTAL ASSETS		**3,405,987**	**3,236,203**

4.2.6.4 Interim consolidated statement of financial position – equity and liabilities

(In thousands of euros)	Notes	June 30, 2016	Dec. 31, 2015
Share capital	10.1	1,140,062	1,140,062
Additional paid-in capital		280,874	320,777
Other reserves		724	724
Retained earnings (accumulated deficit)		(341,753)	(361,531)
Other components of equity		(21,712)	(45,610)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,058,195	1,054,420
NON-CONTROLLING INTERESTS		603	(338)
TOTAL EQUITY		1,058,798	1,054,083
Non-current provisions	7.1	23,514	23,820
Employee benefit liabilities		62,642	58,259
Non-current borrowings	8.2	1,267,226	1,267,386
Deferred tax liabilities		187,322	181,770
Other non-current liabilities		44,088	39,810
TOTAL NON-CURRENT LIABILITIES		1,584,792	1,571,045
Current provisions	7.1	5,576	5,766
Current tax liabilities		1,190	1,787
Trade and other payables		128,768	135,034
Other liabilities		244,853	232,546
Bank overdrafts and current borrowings	8.2	379,408	235,942
Liabilities directly associated with assets held for sale	2.4	2,603	0
TOTAL CURRENT LIABILITIES		762,398	611,076
TOTAL EQUITY AND LIABILITIES		**3,405,987**	**3,236,203**

4.2.6.5 Interim consolidated statement of cash flows

(In thousands of euros)	Note	H1-2016	H1-2015
(unaudited)			
CASH FLOWS FROM OPERATING ACTIVITIES			
CONSOLIDATED NET INCOME (LOSS)		**23,127**	**(80,640)**
Depreciation, amortization and provisions	4.1	144,060	137,613
Portion of grants transferred to income	4.1	(58)	(59)
Goodwill impairment		0	0
Share-based payments		654	345
Discounting adjustment on provisions and retirement benefits	8.1	502	466
Net gains and losses on disposal of assets		903	274
Share of net income of equity-accounted companies		0	0
Other		(817)	(1,141)
Dividends received (from non-consolidated entities)		(12)	(12)
CASH FLOWS AFTER FINANCE COSTS AND TAX		**168,359**	**56,846**
Net finance costs	8.1	26,787	75,206
Income tax expense		17,145	(24,751)
CASH FLOWS BEFORE FINANCE COSTS AND TAX		**212,292**	**107,301**
Income tax paid		(7,120)	(11,563)
Change in inventories		(2,636)	1,090
Change in trade and other receivables		(31,383)	(17,565)
Change in other assets		(2,702)	1,239
Change in trade and other payables		(7,339)	(14,126)
Change in other liabilities		7,856	3,037
Other changes		(103)	(37)
Employee benefits		204	289
NET CASH FROM OPERATING ACTIVITIES		**169,070**	**69,665**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets		(4,879)	(3,143)
Proceeds from sale of intangible assets		0	0
Acquisition of property, plant and equipment		(129,239)	(138,334)
Proceeds from sale of property, plant and equipment		185	386
Acquisition of subsidiaries, net of cash acquired	2.1	(32,122)	(52,377)
Proceeds from disposal of subsidiaries, net of cash transferred		1,000	1,000
Changes in loans and advances		461	300
Dividends from equity-accounted companies		12	12
Investment grants		54	11
NET CASH USED IN INVESTING ACTIVITIES		**(164,528)**	**(192,145)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase		457	689,418
Treasury shares		449	(1,002)
Dividends paid			
- to owners of the parent		(39,871)	0
- to non-controlling interests		0	0
Change in borrowings (1)		136,210	(472,059)
- Proceeds from new borrowings		*866,865*	*2,088,639*
- Repayment of borrowings		*(730,655)*	*(2,560,698)*
Net interest paid		(22,790)	(52,466)
Other flows related to financing activities		(331)	1,231
NET CASH FROM FINANCING ACTIVITIES		**74,125**	**165,122**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**78,666**	**42,642**
Cash and cash equivalents at beginning of period		55,697	58,523
Effect of changes in foreign exchange rates on cash and cash equivalents		1,123	309
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8.3	**135,486**	**101,475**

(1) Net change in credit lines

4.2.6.6 Interim consolidated statement of changes in equity for the six months ended June 30, 2016

(In thousands of euros)	Share capital	Additional paid-in capital	Other reserves	Retained earnings (accumulated deficit)	Hedging reserves	Translation reserve	Share-based payment reserve	Treasury share reserve	Actuarial gains and losses	Deferred taxes	**Owners of the parent**	Non-controlling interests	**Total equity**
(unaudited)													
Balance as at December 31, 2015	**1,140,062**	**320,777**	**724**	**(361,531)**	**(9,984)**	**(33,340)**	**981**	**(2,175)**	**(6,502)**	**5,410**	**1,054,420**	**(338)**	**1,054,083**
Increase in share capital		0									0	457	457
Decrease in share capital											0		0
Amounts paid to shareholders		(39,902)	0	31	0	0			0	0	(39,871)		(39,871)
Changes in consolidation scope				(3,360)	0	0			(117)	5	(3,472)	474	(2,998)
Other movements				(12)	0	0	654	449	0	0	1,091	0	1,091
Net income (loss) for the period				23,119							23,119	8	23,127
Other comprehensive income					(4,997)	28,641			(3,740)	3,004	22,908	2	22,909
Total comprehensive income				23,119	(4,997)	28,641	0	0	(3,740)	3,004	46,027	10	46,037
Balance as at June 30, 2016	**1,140,062**	**280,874**	**724**	**(341,753)**	**(14,981)**	**(4,699)**	**1,635**	**(1,726)**	**(10,359)**	**8,419**	**1,058,195**	**603**	**1,058,798**

(21,712)

4.2.6.7 Interim consolidated statement of changes in equity for the six months ended June 30, 2015

(In thousands of euros)	Share capital	Additional paid-in capital	Other reserves	Retained earnings	Hedging reserves (1)	Translation reserve	Share payment reserve	Treasury share reserve	Actuarial gains and losses	Deferred taxes	Owners of parent company	Non-controlling interests	Total equity
(unaudited)													
Balance as at December 31, 2014	**497,610**	**175,853**	**7,224**	**(302,305)**	**(13,238)**	**574**	**0**	**0**	**(3,273)**	**5,832**	**368,277**	**(125)**	**368,152**
Increase in share capital	658,805	181,801									840,606		840,606
Decrease in share capital	(16,354)	(3,463)		(1,410)							(21,227)		(21,227)
Amounts paid to shareholders		(33,402)	(6,500)	21	0	0			0	0	(39,881)		(39,881)
Changes in consolidation scope					0	0			0	0	0		0
Other changes				(8)	0	0	345	(1,002)	0	0	(665)	0	(665)
Net income (loss) for the period				(80,638)							(80,638)	(2)	(80,640)
Other comprehensive income					6,848	4,042			0	(2,358)	8,532	(97)	8,436
Total comprehensive income				(80,638)	6,848	4,042	0	0	0	(2,358)	(72,106)	(98)	(72,204)
Balance as at June 30, 2015	**1,140,062**	**320,789**	**724**	**(384,334)**	**(6,390)**	**4,610**	**345**	**(1,002)**	**(3,273)**	**3,475**	**1,075,004**	**(224)**	**1,074,780**
					(2,235)								

4.2.6.8 Notes to the condensed half-year consolidated financial statements

The Elis Group is a leader in the textile rental, laundry and maintenance of textiles and hygiene services in Continental Europe and Brazil. Elis is a French legal entity listed on Euronext Paris having its registered office at 33, rue Voltaire, 92800 Puteaux, France.

The condensed half-year consolidated financial statements were approved by the Management Board on July 25, 2016 and were reviewed by the Audit Committee on July 22, 2016 and by the Supervisory Board on July 25, 2016. They have also been reviewed by the Statutory Auditors.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

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

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

The condensed half-year 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 condensed half-year consolidated financial statements of Elis for the six months ended June 30, 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, notably IAS 34 "Interim Financial Reporting". As they are condensed financial statements, they do not include all of the information required by IFRS for a complete set of financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2015.

The condensed half-year consolidated interim financial statements have been prepared in accordance with the international standards issued by the IASB, which include IFRS and International Accounting Standards (IAS), interpretations issued by the former International Financial Committee (IFRIC), now referred to as the IFRS Interpretations Committee and by the former Standing Interpretations Committee (SIC), endorsed by the European Union and applicable as at the reporting date. As at June 30, 2016, the Group had not opted for the early adoption of any other standards, amendments or interpretations that have been issued but are not yet mandatory.

The financial statements comprise:

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

The amounts are shown with comparative figures from the consolidated financial statements for the year ended December 31, 2015 and with the condensed half-year consolidated financial statements for the six months ended June 30, 2015.

1.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

In preparing these condensed half-year consolidated financial statements, the judgments and significant estimates made by management in applying the Group's accounting policies were the same as those made for the consolidated financial statements for the year ended December 31, 2015, with the exception of:

- estimates made to determine the income tax expense for interim periods;
- provisions for the French business tax (cotisation sur la valeur ajoutée – CVAE) and profit-sharing expenses, which are set aside on the basis of 50% of the estimated expense for a full-year;
- retirement benefit liabilities were not remeasured using actuarial methods for the purposes of the condensed half-year consolidated financial statements. The retirement benefit expense for the period corresponds to 50% of the estimated expense for full-year 2016, based on data used as at December 31, 2015, extrapoled for any significant changes in assumptions (discount rate in France). In Switzerland, particularly, the discount rate of provisions for retirement indemnities decreased by around 50 basis points compared to December 31, 2015. Such a drop would entail an increase in employee-benefit liabilities of €6.5 million and a decrease in consolidated equity. Pension plan assets related to employee benefits of Switzerland have also not been revalued as at June 30, 2016. The impact of these changes has not been recognized in the condensed consolidated financial statements as at 30 June 2016.

1.4 SEASONALITY OF OPERATIONS

Revenue, recurring operating income (before other income and expense) and all operating indicators are subjects to low seasonal fluctuations, with the exception of tourism and summer vacation periods which impact activity at certain centers. The extent of the seasonal impact varies in the countries in which the Group operates. Consequently, the half-year results for the six months ended June 30, 2016 are not necessarily representative of those that may be expected for full-year 2016.

1.5 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, 2015, as the standards, amendments and improvements published by the IASB that are mandatory for financial periods beginning on or after January 1, 2016 have no impact on the Group's consolidated financial statements for the six months ended June 30, 2016.

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 the acquisitions of the past 12 months, the amount of allocated goodwill shown in the condensed half-year consolidated financial statements differs from that presented in the consolidated financial statements for the year ended December 31, 2015 published in the 2015 Registration Document by an amount of €2,452 thousand.

The following tables show the impacts of this allocation on the statement of financial position as at December 31, 2015 approved in March 2016.

(In thousands of euros)	Dec. 31, 2015 published	IFRS 3	Dec. 31, 2015 restated
(unaudited)			
Goodwill	1,589,340	(2,452)	1,586,889
Intangible assets	368,778	2,188	370,965
Property, plant and equipment	774,923	290	775,214
Equity-accounted companies	0	0	0
Available-for-sale financial assets	146	0	146
Other non-current assets	6,270	0	6,270
Deferred tax assets	12,118	326	12,444
TOTAL NON-CURRENT ASSETS	2,751,575	352	2,751,927
Inventories	52,547	(83)	52,464
Trade and other receivables	358,341	(2)	358,339
Current tax assets	4,099	0	4,099
Other assets	12,780	0	12,780
Cash and cash equivalents	56,594	0	56,594
Assets held for sale	0	0	0
TOTAL CURRENT ASSETS	484,361	(85)	484,276
TOTAL ASSETS	**3,235,936**	**267**	**3,236,203**

(In thousands of euros)	Dec. 31, 2015 published	IFRS 3	Dec. 31, 2015 restated
(unaudited)			
Share capital	1,140,062	0	1,140,062
Additional paid-in capital	320,777	0	320,777
Other reserves	724	0	724
Retained earnings (accumulated deficit)	(361,142)	(389)	(361,531)
Other components of equity	(45,616)	6	(45,610)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,054,804	(383)	1,054,420
NON-CONTROLLING INTERESTS	(338)	0	(338)
TOTAL EQUITY	1,054,466	(383)	1,054,083
Non-current provisions	22,918	902	23,820
Employee benefit liabilities	58,259	0	58,259
Non-current borrowings	1,267,386	0	1,267,386
Deferred tax liabilities	182,131	(360)	181,770
Other non-current liabilities	39,639	171	39,810
TOTAL NON-CURRENT LIABILITIES	1,570,332	712	1,571,045
Current provisions	5,766	0	5,766
Current tax liabilities	1,848	(60)	1,787
Trade and other payables	135,059	(25)	135,034
Other liabilities	232,546	0	232,546
Bank overdrafts and current borrowings	235,919	23	235,942
Liabilities directly associated with assets held for sale	0	0	0
TOTAL CURRENT LIABILITIES	611,138	(62)	611,076
TOTAL EQUITY AND LIABILITIES	**3,235,936**	**267**	**3,236,203**

NOTE 2 KEY HIGHLIGHTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

2.1 ACQUISITIONS CARRIED OUT IN FIRST-HALF 2016

The Group made the following investments during the period:

In Germany:

On January 7, 2016, the Group acquired two laundries in Wismar and Stralsund, employing 340 people. This first acquisition of 2016 has strengthened Elis's 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.

In Brazil:

On June 15, 2016, the Group acquired Uniforme Lavanderia e Locação Eireli operating a laundry in Camaçari and providing services mainly to the industry in the Bahia region (2015 revenue of €0.6 million). This company employed some 26 people.

In Spain:

On June 2, 2016, Elis Manomatic acquired the assets of Servicios Hosteleros Textill Rent (in liquidation) operating a laundry in Almansa (Albacete) and providing services mainly to hospitality customers in the region of Valence, Alicante and Murcia. This company employed 40 people and its 2015 revenue was €1.5 million.

In France:

On April 1, 2016, the Group acquired BMF, located in Yerres (department 91, France). Active in the 3D pest control market and employing 16 people, BMF posted total revenue of €1.1 million in 2015.

In Switzerland:

On June 9, 2016, the Group acquired On My Way, a Swiss startup offering innovative linen cleaning solutions to private individuals (www.on-my-way.ch). On My Way provides private individuals with a linen-cleaning service, by gathering their linen in pickup points located on their everyday route (gas stations, supermarkets) as well as at their offices. This new activity is the natural extension of the Group's 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 France	of which Germany	of which Spain	of which Switzerland	of which Brazil
Statement of financial position						
Intangible assets	385	0	361	0	24	0
Property, plant and equipment	19,329	938	12,828	5,245	14	304
Available-for-sale financial assets	47	0	47	0	0	0
Other non-current assets	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0
Inventories	96	2	76	0	18	0
Trade and other receivables	1,440	320	1,043	0	30	47
Current tax assets	54	0	54	0	0	0
Other assets	164	7	114	0	11	32
Other financial assets	0	0	0	0	0	0
Cash and cash equivalents	1,252	364	898	0	(10)	0
Non-current provisions	(67)	(67)	0	0	0	0
Employee benefit liabilities - non-current portion	(27)	0	(27)	0	0	0
Non-current borrowings	(3,057)	(6)	(2,923)	0	(128)	0
Deferred tax liabilities	(566)	0	(566)	0	0	0
Other non-current liabilities	0	0	0	0	0	0
Current provisions	(4)	0	(4)	0	0	0
Employee benefit liabilities - current portion	0	0	0	0	0	0
Current tax payables	1	25	(24)	0	0	0
Trade and other payables	(824)	(42)	(718)	0	(13)	(52)
Other liabilities	(3,852)	(163)	(3,173)	(100)	(21)	(396)
Bank overdrafts and current borrowings	(104)	0	0	0	(103)	(1)
Total identifiable net assets at fair value	**14,265**	**1,378**	**7,986**	**5,145**	**(177)**	**(66)**
Non-controlling interests measured at fair value	(1,820)	0	0	0	(1,820)	0
Goodwill	12,753	533	8,326	0	3,361	533
Purchase price	**25,199**	**1,911**	**16,312**	**5,145**	**1,365**	**467**

Cash flows from acquisitions

(In thousands of euros)	June 30, 2016	of which France	of which Germany	of which Spain	of which Switzerland	of which Brazil
Net cash acquired	1,251	364	898	0	(10)	0
Amount paid	(33,373)	(2,453)	(16,919)	(4,148)	(4,004)	(5,849)
Net cash flow	**(32,122)**	**(2,089)**	**(16,021)**	**(4,148)**	**(4,014)**	**(5,849)**

As at June 30, 2016, due to these recent acquisitions, the initial accounting for the business combinations acquired during the last 12 months had not been completed and the amounts recognized were therefore provisional.

Since the acquisition date, the acquired subsidiaries have contributed €7.9 million in revenue and €0.4 million in operating income (before amortization of customer relationships).

Residual goodwill

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

2.2 ACQUISITION OF NON-CONTROLLING INTERESTS

In February 2016, the Group acquired in cash all non-controlling interests in the InoTex sub-group. The impact of this acquisition is presented under the line item "Changes in consolidation scope" of the statement of changes in equity for the six months ended June 30, 2016.

2.3 CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes in the scope of consolidation occurred during the first half of 2016:

Company name	Registered office	Principal Activity	% interest 2016	% interest 2015
France				
BMF	Yerres	Textile & hygiene services	100	-
Germany				
Wismarer Wäscherei GmbH	Wismar	Textile & hygiene services	100	-
KlinTex GmbH	Waren/Müritz	Other activity	100	-
Textilpflege Stralsund GmbH & Co. KG	Stralsund	Textile & hygiene services	100	-
Textilpflege Stralsund Verwaltungs GmbH	Stralsund	Other activity	100	-
Brazil				
AJS Industria e Comercio de Confeccoes Ltda	Eusébio	Other activity	Liquidation	100
Uniforme Lavanderia e Locação Eireli EPP	Camaçari	Textile & hygiene services	100	-
Spain				
Elis Indusal UTE	Parets del Vallès (Barcelona)	Textile & hygiene services	90	-
Switzerland				
Blanchisserie des Epinettes, Acacias S.A.	Nyon	Other activity	Merger	100
Hedena S.A.	Nyon	Other activity	Merger	100
InoTex Bern AG	Bern	Textile & hygiene services	100	84
Lavopital S.A.	Plan-les-Ouates	Dormant	Merger	100
Lavotel Textilleasing GmbH	Rüdtligen-Alchenflüh	Textile & hygiene services	Merger	100
On my Way	Lausanne	Textile & hygiene services	50	-
Picsou Management AG	Muri Bei Bern	Other activity	100	51
SiRo Holding AG	Muri Bei Bern	Other activity	100	51
Wäscheria Textil Service AG	Ilanz	Textile & hygiene services	100	84
Wäscheria Textil Service Bad Ragaz AG	Bad Ragaz	Textile & hygiene services	100	84
WashTex Holding AG	Bern	Other activity	100	84

2.4 NON-CURRENT ASSETS HELD FOR SALE

As at June 30, 2016, non-current assets held for sale net of related liabilities broke down as follows:

(In thousands of euros)	June 30, 2016
Non-current assets	
Goodwill	0
Intangible assets	0
Property, plant and equipment	8,364
Equity-accounted companies	0
Current assets	
Inventories	0
Trade and other receivables	0
Other assets	0
Cash and cash equivalents	0
Assets held for sale	**8,364**
Non-current liabilities	
Provisions	687
Employee benefit liabilities	0
Deferred tax liabilities	1,916
Current liabilities	
Trade and other payables	0
Other liabilities	0
Liabilities directly related to assets held for sale	**2,603**

The Group reclassified, to non-current assets held for sale, the assets of the Puteaux site, hosting the Group's headquarters and a former processing center. On July 15, 2015, M.A.J. signed a sale agreement for the site with a property developer group for a maximum amount of €54 million. This transaction is still subject to conditions precedent and, in particular, to the obtaining of building permits for a residential program. The sale agreement will expire on March 30, 2017.

2.5 EVENTS AFTER THE REPORTING PERIOD RELATED TO CHANGES IN THE CONSOLIDATION SCOPE

In early July 2016, the Group completed two acquisitions in Switzerland:

- Hygiene SA in Geneva, specialized in disinfection and pest control (3D pest control). Hygiene SA generated revenue of CHF2.2 million in 2015 and employs 12 people;
- Wäscherei Mariano, a laundry close to Zurich, mainly serving customers in the catering sector. The company employs 45 people and generated annual revenue of CHF7 million in 2015. With this transaction, Elis strengthens his coverage in the Canton of Zurich which is the largest market for hospitality services in Switzerland. The Group now operates 18 processing plants in this country, constituting an unrivaled network for serving historical customers in the hospitality and healthcare segments, but also manufacturers with Elis professional workwear offering.

NOTE 3 OPERATING SEGMENTS

The definition of segments and the rules for assessing the performance of each segment as at June 30, 2016 are the same as those used to prepare the annual financial statements.

3.1 REVENUE

(In millions of euros) H1-2016	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
External customers	484.7	176.3	59.8	9.5	0.0	730.2
Inter-segment	0.6	0.3	(0.0)	4.7	(5.7)	0.0
Segment revenue	**485.3**	**176.6**	**59.8**	**14.2**	**(5.7)**	**730.2**

(In millions of euros) H1-2015	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
France	478.6	150.2	45.1	8.5	0.0	682.4
Foreign countries	0.9	0.2	(0.0)	5.5	(6.6)	0.0
Segment revenue	**479.5**	**150.4**	**45.1**	**14.0**	**(6.6)**	**682.4**

3.2 EARNINGS

(In millions of euros) H1-2016	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
Operating income before other income and expense and amortization of customer relationships	**83.1**	**7.3**	**2.6**	**1.0**	**(2.2)**	**91.8**
Miscellaneous financial items	*0.2*	*0.1*	*0.1*	*0.0*	*0.1*	*0.7*
EBIT	83.3	7.4	2.8	1.1	(2.1)	92.5
Depreciation and amortization including portion of grants transferred to income	*80.0*	*33.3*	*9.7*	*0.6*	*0.0*	*123.6*
EBITDA	**163.3**	**40.7**	**12.5**	**1.7**	**(2.1)**	**216.1**
	33.7%	*23.1%*	*20.8%*	*12.1%*		*29.6%*

(In millions of euros) H1-2015	France	Europe	Brazil	Manufacturing entities	Eliminations & holding companies	Total
Operating income before other income and expense and amortization of customer relationships	**83.8**	**4.1**	**(0.1)**	**0.7**	**(1.7)**	**86.9**
Miscellaneous financial items	*0.3*	*0.2*	*0.2*	*0.0*	*0.0*	*0.8*
EBIT	84.2	4.3	0.2	0.8	(1.6)	87.7
Depreciation and amortization including portion of grants transferred to income	*78.5*	*29.3*	*8.4*	*0.7*	*0.0*	*116.9*
EBITDA	**162.7**	**33.6**	**8.6**	**1.4**	**(1.6)**	**204.6**
	33.9%	*22.3%*	*19.1%*	*10.1%*		*30.0%*

Non-IFRS indicators

EBIT is defined as net income (loss) before net financial expense, income tax, shareof net income of equity-accounted companies, amortization of customer relationships, goodwill impairment losses, other income and expense, miscellaneous financial items (bank fees recognized in operating income) and expenses related to IFRS 2 (share-based payments).

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

3.3 INFORMATION BY COUNTRY AND CUSTOMER SEGMENT

(In millions of euros)	H1-2016	H1-2015
Hospitality	*149.7*	*145.5*
Industry	*94.1*	*94.0*
Trade & Services	*170.6*	*168.6*
Healthcare	*82.5*	*79.3*
Other	*- 12.2*	*- 8.8*
France	484.7	478.6
Germany	*36.6*	*25.7*
Belgium & Luxembourg	*14.7*	*15.0*
Czech Republic	*0.9*	*0.9*
Switzerland	*50.3*	*42.6*
Northern Europe	*102.5*	*84.2*
Spain & Andorra	*40.0*	*33.7*
Italy	*13.6*	*13.4*
Portugal	*20.3*	*18.8*
Southern Europe	*73.8*	*66.0*
Europe	176.3	150.2
Brazil	*50.2*	*45.1*
Chile	*9.6*	*-*
Latin America	59.8	45.1
Manufacturing entities	9.5	8.5
Revenue	**730.2**	**682.4**

NOTE 4 OTHER OPERATING DATA

4.1 DEPRECIATION, AMORTIZATION, PROVISIONS AND OTHER COSTS BY NATURE

(In thousands of euros)	H1-2016	H1-2015
Depreciation and amortization		
- included in "Operating income before other income and expense and amortization of customer relationships"		
Property, plant and equipment and intangible assets	(34,692)	(32,041)
Linen and mats	(80,649)	(76,590)
Other leased items	(8,325)	(8,339)
Portion of grants transferred to income	58	59
- included in "Other income and expense"	0	0
- amortization of customer relationships	(22,017)	(21,769)
Total depreciation and amortization including portion of grants transferred to income	**(145,625)**	**(138,681)**
Additions to or reversal of provisions		
- included in "Operating income before other income and expense and amortization of customer relationships"	1,398	859
- included in "Other income and expense"	226	268
Total additions to or reversals of provisions	**1,624**	**1,126**
Operating lease expense	**(17,563)**	**(16,883)**

4.2 OTHER OPERATING INCOME AND EXPENSE

(In thousands of euros)	H1-2016	H1-2015
Transaction costs	(681)	(1,367)
Put option over non controlling interests - liability adjustment	0	1,141
Restructuring costs	(1,104)	(1,291)
Uncapitalizable costs for change in IT systems	(183)	(1,198)
Contingencies	(387)	0
Expenses relating to site disposal	(95)	(353)
IPO expenses & related non recurring compensation	0	(21,210)
Expense associated with free shares granted, post IPO	(654)	(979)
Badwill	817	0
Other	(263)	(713)
Other income and expense	**(2,550)**	**(25,970)**

NOTE 5 EMPLOYEE BENEFITS EXPENSE

5.1 SHARE-BASED PAYMENTS

In accordance with IFRS 2, Elis estimated the fair value of services received in return for bonus shares granted, based on the fair value of the equity instruments granted measured using the Monte-Carlo model, which is conditioned on the variation of the share price, weighted by a reasonable assumption of meeting the share grant criteria. The expense, recognized together with a corresponding entry to equity, is spread over the vesting period starting from the date of the Management Board's approval of the plan and is recorded under operating income.

The details of the performance shares plan granted free of charge in 2015 are presented in the 2015 Registration Document including the annual financial report, on page 197. As at June 30, 2016, the number of remaining rights to be vested as part of these plans amounted to 495,678 performance shares for the April 7, 2015 plan and 42,693 performance shares for the December 21, 2015 plan.

During June 2016, a new performance share plan was granted. This plan covered 998,636 performance shares of two classes (A and B) granted to slightly more than 200 Group executives and senior managers (including the members of the Management Board).

These shares vest at the end of a two-year vesting period, except for the members of the Executive Committee (including the members of the Management Board), for whom the shares vest at the end of a three-year vesting period. The vesting of the shares of both classes is subject to combined conditions of continued presence 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 for class A shares, and based on two criteria linked to consolidated revenue and consolidated EBIT for class B performance shares.

The performance will be evaluated over a two-year period for all beneficiaries, except for the members of the Executive Committee (including the members of the Management Board), for whom the performance will be evaluated over a two-year period (2016 and 2017) for 67% of the performance shares granted, and over a three-year period (2016, 2017 and 2018) for 33% of the performance shares granted.

5.2 EXECUTIVE COMPENSATION (RELATED PARTY TRANSACTIONS)

As at June 30, 2016, executives comprise the eight members and the Chairman of the Management Board. Total compensation (paid or payable) of the main executives is as follows:

(In thousands of euros)	H1-2016	H1-2015
Short-term employee benefits	3,330	8,169
Post-employment benefits	18	29
Termination benefits	-	74
Share-based payments	251	726

NOTE 6 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

6.1 GOODWILL

(In thousands of euros)	June 30, 2016
Gross value	1,654,576
Accumulated impairment	(67,687)
Carrying amount at beginning of period	**1,586,889**
Acquisitions	12,753
Disposals	0
Translation adjustments	15,984
Other changes	39
Changes in gross carrying amount	**28,776**
Impairment	0
Translation adjustments	1,094
Reclassification as assets held for sale	0
Changes in impairment	**1,094**
Carrying amount at end of period	**1,616,759**
Gross value	1,683,352
Accumulated impairment	(66,593)

6.2 IMPAIRMENT TESTS AS AT JUNE 30, 2016

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

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

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

Given the economic environment, the Group regularly reviews the performance of each cash-generating unit (CGU) before deciding whether to perform impairment tests. After reviewing both internal and external sources of information, management concluded that there was no indication of impairment as at June 30, 2016.

NOTE 7 PROVISIONS AND CONTINGENT LIABILITIES

7.1 PROVISIONS

(in thousands of euros)	Compliance	Litigation	Other	Total
As at December 31, 2015	16,161	9,072	4,353	**29,586**
Increases/additions for the year		750	318	1,068
Changes in consolidation scope			71	71
Decreases/reversals of provisions used	(519)	(2,109)	(59)	-2,687
Reclassification/translation adjustments	(365)	840	578	1,053
As at June 30, 2016	15,277	8,553	5,260	**29,090**
Current portion		4,055	1,522	**5,576**
Non-current portion	15,277	4,498	3,738	**23,514**
France	*10,537*	*3,434*	*1,019*	*14,990*
Europe	*2,799*	*374*	*186*	*3,360*
Brazil	*1,940*	*4,746*	*4,055*	*10,741*
Manufacturing Entities				

7.2 CONTINGENT LIABILITIES

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

- 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 June 30, 2016, 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

At the end of 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.

Regarding the decision on the substance of the case to be rendered by the Labor Court, a next hearing is expected to take place 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, which was published on May 16, 2016 making the publication of a blacklist possible again. However, previously, 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 June 30, 2016 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

8.1 NET FINANCIAL EXPENSE

(In thousands of euros)	H1-2016	H1-2015
Interest expense on borrowings and employee profit-sharing fund	(26,560)	(69,657)
Gross finance costs	**(26,560)**	**(69,657)**
Gains (losses) on traded derivatives	(281)	(5,887)
Other financial income	54	338
Net finance costs	**(26,787)**	**(75,206)**
Foreign exchange gains	198	344
Foreign exchange losses	(153)	(427)
Interest expense on provisions and retirement benefits	(502)	(466)
Other	241	(68,801)
Total other financial income and expenses	**(216)**	**(69,350)**
Net financial expense	**(27,003)**	**(144,556)**

The main changes were mainly due to:

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

8.2 GROSS DEBT

As at June 30, 2016, consolidated debt mainly comprised the following:

(in thousands of euros)	June 30, 2016	Fixed	Floating hedged	Floating unhedged	Maturities
High-Yield Bond 3%	**804,067**	804,067	0	0	2022
Senior Credit Facilities Agreement EURIBOR +2.125%	**582,676**	0	452,076	130,600	2020
Commercial paper	**234,900**	234,900	0	0	less than 12 months
Unamortized loan costs	**(25,062)**	(8,645)	(12,737)	(3,680)	
Loan from employee profit-sharing fund	**28,965**	28,965	0	0	
Finance leases	**8,187**	8,187	0	0	
Other	**12,086**	9,583	955	1,548	
Overdrafts	**816**	0	0	816	
Borrowings	**1,646,634**	**1,077,056**	**440,294**	**129,284**	

- Senior Credit Facilities Agreement

Within the framework of the revolving credit facility (Swingline and Revolving Facility), the Group proceeded to 4 drawdowns totaling €280 million over maximum periods of one month (€55, €95, €60 and €70 million, respectively) and repayments for a total principal amount of €200 million in the first half of 2016 (the last drawdown of €70 million will be paid at the end of July).

As at June 30, 2016, the Group had an undrawn credit line in the amount of approximately €270 million, with €35.1 million available.

- Commercial paper

As at June 30, 2016, outstandings of the commercial paper program amounted to €234.9 million, versus an outstanding amount of €169.5 million as at December 31, 2015, up €65.4 million.

8.3 CASH AND CASH EQUIVALENTS

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

(In thousands of euros)	June 30, 2016	Dec. 31, 2015
Demand deposits	128,603	21,891
Term deposits and marketable securities	7,699	34,703
Cash and cash equivalents	**136,302**	**56,594**
Cash classified as assets held for sale	0	0
Bank overdrafts	(816)	(897)
Cash and cash equivalents, net	**135,486**	**55,697**

In Brazil, where exchange control restrictions may exist, cash and cash equivalents totaled €7.9 million as at June 30, 2016, compared with €4.0 million as at December 31, 2015.

In France, cash allocated to the Elis liquidity agreement amounted to €1.2 million as at June 30, 2016, compared with €0.8 million as at December 31, 2015.

8.4 NET DEBT

(In thousands of euros)	June 30, 2016	Dec. 31, 2015
Bond debt	800,000	800,000
Structured facilities	580,000	500,000
Commercial paper	234,900	169,500
Finance lease liabilities	8,187	8,646
Other loans and overdrafts	12,902	12,561
Loan from employee profit-sharing fund	28,965	33,864
Loans	864,953	724,571
Accrued interest	6,743	6,619
Unamortized loan costs	(25,062)	(27,862)
Borrowings	**1,646,634**	**1,503,328**
Of which maturing in less than one year	379,408	235,942
Of which maturing in more than one year	1,267,226	1,267,386
Cash and cash equivalents (assets)	**136,302**	**56,594**
Net debt	**1,510,333**	**1,446,734**
Loans and borrowings by currency		
EUR	1,641,538	1,497,847
GBP		
CHF	3,704	4,151
CZK		
BRL	1,392	1,330
CLP	3,169	4,325
Reconciliation to adjusted net debt		
Net debt	**1,510,333**	**1,446,734**
Unamortized loan costs	25,062	27,862
Loan from employee profit-sharing fund	(28,965)	(33,864)
Adjusted net debt	**1,506,429**	**1,440,732**

8.5 FINANCIAL ASSETS AND LIABILITIES

(In thousands of euros)	June 30, 2016 Carrying amount	June 30, 2016 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)	180	180		180			
Other non-current assets	4,811	4,811			4,811		0
Trade and other receivables	395,957	395,957			395,957		
Other current assets	14,868	14,868			13,642		1,226
Cash and cash equivalents	136,302	136,302	136,302				
Financial assets	**552,117**	**552,117**	**136,302**	**180**	**414,410**	**0**	**1,226**
Loans and borrowings	1,267,226	1,272,576				1,267,226	
Other non-current liabilities	44,088	44,088			20,374		23,714
Trade and other payables	128,768	128,768			128,768		
Other liabilities	244,853	244,853			244,853		0
Bank overdrafts and portions of loans due in less than one year	379,408	385,133				379,408	
Financial liabilities	**2,064,343**	**2,075,418**	**0**	**0**	**393,995**	**1,646,634**	**23,714**

(In thousands of euros)	Dec. 31, 2015 Carrying amount	Dec. 31, 2015 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)	146	146		146			
Other non-current assets	6,270	6,270			6,270		0
Trade and other receivables	358,339	358,339			358,339		
Other current assets	12,780	12,780			10,727		2,053
Cash and cash equivalents	56,594	56,594	56,594				
Financial assets	**434,128**	**434,128**	**56,594**	**146**	**375,335**	**0**	**2,053**
Loans and borrowings	1,947,291	1,992,484				1,947,291	
Other non-current liabilities	39,810	39,810			20,550		19,260
Trade and other payables	135,034	135,034			135,034		
Other liabilities	232,546	232,546			232,546		0
Bank overdrafts and portions of loans due in less than one year	235,942	241,584				235,942	
Financial liabilities	**1,910,718**	**1,924,561**	**0**	**0**	**388,130**	**1,503,328**	**19,260**

The table below shows the level at which each fair value is ranked in the fair value hierarchy:

(In thousands of euros)	June 30, 2016 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Current asset derivatives (currency forward USD/EUR)	1,226		1,226	
Assets measured at fair value	**1,226**	**0**	**1,226**	**0**
Non-current derivatives - liabilities (interest rate swap)	23,714		23,714	
Liabilities measured at fair value	**23,714**	**0**	**23,714**	**0**
High-Yield Bonds 3%	790,080	790,080		
Liabilities for which fair value is disclosed	**790,080**	**790,080**	**0**	**0**

(In thousands of euros)	Dec. 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**
High-Yield Bonds 3%	780,800	780,800		
Liabilities for which fair value is disclosed	**780,800**	**780,800**	**0**	**0**

NOTE 9 INCOME TAX EXPENSE

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

NOTE 10 STOCKHOLDERS' EQUITY AND EARNINGS PER SHARE

10.1 CHANGES IN SHARE CAPITAL

Number of shares as at December 31, 2015	**114,006,167**
Number of shares as at June 30, 2016	**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	129,158
Shares reserved for issue under options and sales agreements	-

10.2 DIVIDENDS AND DISTRIBUTIONS PAID AND PROPOSED

The General Meeting of May 27, 2016 approved the payment of a dividend in the amount of €0.35 per share, representing an aggregate amount of €39,871 thousand (versus €39,881 thousand for the previous year, paid on July 2, 2015).

10.3 EARNINGS PER SHARE

The weighted average number of ordinary shares outstanding during the period is disclosed below:

(in thousands of euros)	H1-2016	H1-2015
Net income or loss attributable to owners of the parent	**23,119**	(80,638)
Weighted average number of shares	113,896,758	98,926,168
Weighted average number of shares used for diluted EPS	114,145,451	98,926,168

NOTE 11 OFF-BALANCE SHEET COMMITMENTS

(In thousands of euros)	June 30, 2016	Dec. 31, 2015
Commitments given		
Assignment and pledge of receivables as collateral		
Pledges, mortgages and sureties		
Pledges, endorsements and guarantees given	10,442	24,229
Liability guarantees	2,150	2,150
Other commitments given		
Operating leases		
-Future minimum lease payments under not-cancellable operating leases (within one year)	25,923	23,761
-Future minimum lease payments under not-cancellable operating leases (between 1 and 5 years)	75,008	67,281
-Future minimum lease payments under not-cancellable operating leases (after five years)	122,080	121,002
Commitments received		
Pledges, mortages and sureties		
Pledges, endorsements and guarantees received	12,254	9,694
Liability guarantees	116,589	103,393
Other commitments received		

NOTE 12 RELATED PARTY DISCLOSURES

(In thousands of euros)	H1-2016	H1-2015	June 30, 2016	Dec. 31, 2015
	Expense	Expense	Payables 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)	-	-

In the first half of 2015, as agreed 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.

NOTE 13 EVENTS AFTER THE REPORTING PERIOD

No other events have occurred since the condensed half-year consolidated financial statements were prepared as at June 30, 2016 that are likely to have a material impact on the financial position of the Elis Group, except for the events specified in note 2.5 to the condensed half-year consolidated financial statements.

4.2.7 INFORMATION ABOUT SHARE CAPITAL

4.2.7.1 Share capital structure

As at June 30, 2016, the Company's share capital was €1,140,061,670, divided into 114,006,167 shares with a par value of €10.00 each.

Each share comes with voting rights, except for the 129,158 treasury shares held by the Company as at June 30, 2016.

4.2.7.2 Share capital and shareholding structure

The latest ownership structure of the Company's share capital is available on the Group's website at http://www.corporate-elis.com.

It is reminded that in accordance with the provisions of Article 9 of the Company's articles of incorporation, since April 3, 2016, a double voting right is granted to the shares held in registered form for at least two years. As at June 30, 2016, 9,263,389 shares had double voting rights.

Based on statutory disclosures establishing an interest of more than 5% of share capital or voting rights, and disclosures by parties related to the Group, the ownership structure is as follows as at June 30, 2016:

	December 31, 2015			June 30, 2016					
Shareholders	Number of shares	% of share capital and theoretical voting rights	% of share capital and exercisable voting rights	Number of shares	Number of theoretical voting rights	Number of exercisable voting rights	% of share capital	% of theoretical voting rights	% of exercisable voting rights
Legendre Holding 27 SAS	43,853,538	38.46	38.51	18,351,303	27,109,817	27,109,817	16.1	21.97	22
Eurazeo SA[(a)]	3,467,774	3.04	3.04	906,864	1,330,179	1,330,179	0.8	1.07	1.08
Subtotal	**47,321,312**	**41.50**	**41.55%**	**19,258,167**	**28,439,996**	**28,439,996**	**16.9**	**23.05**	**23.08**
ECIP Elis SARL[(a)]	592,849	0.52	0.52	154,952	309,904	309,904	0.14	0.24	0.25
Predica	-	-	-	11,400,617	11,400,617	11,400,617	10	9.24	9.24
Franklin Resources, Inc.	4,615,992	4.05	4.05	6,505,788	6,505,788		5.71	5.27	5.27
Deutsche Bank AG	-	-	-	10,805,746	10,805,746	10,805,746	9.47	8.75	8.76
Ameriprise Financial, Inc.	5,752,999	5,04	5,05	5,752,999	5,752,999	5,752,999	5.04	4.66	4.66
Executives and employees	375,377	0.32	0.32	58,116	113,882	113,882	0.05	0.09	0.09
Treasury stock	148,147	0.12	0	129,158	129,158	0	0.11	0.10	
Free float	60,952,470	53.46	53.53	76,499,369	76,499,369	76,499,369	67.10	61.99	67.33
TOTAL	**114,006,167**	**100%**	**113,858,020**	**114,006,167**	**123,398,714**	**123,269,556**	**100**	**100**	**100**

(a) Shareholders who have disclosed that they are bound by a shareholder's agreement (see section 4.2.7.7 below and section 8.5.10 of the 2015 Registration Document).

Since the beginning of the 2016 financial year, Eurazeo has reduced its stake in the capital of the Company by approximately 25% following the completion of the following transactions:

- The sale on April 14, 2016, via its subsidiary Legendre Holding 27, of 17,100,925 shares of the Company representing 15% of the share capital and 12,74% of the voting rights as part of an accelerated book building with institutional investors. This book building has notably allowed to increase the liquidity of the Elis shares due to a significant rise in Elis's free float;
- The sale on May 30, 2016 to Crédit Agricole Assurances (via its subsidiary Predica) of 11,400,617 shares of the Company representing 10% of the share capital and 9.2% of the voting rights. As part of this transaction, under the non-concert agreement with Eurazeo detailed below in section 6.7 of this report and section 8.5.10 of the 2015 Registration Document, ECIP Elis sold 437,897 shares to Crédit Agricole Assurances and held 0.14% of the share capital and 0.25% of the voting rights of the Company as at 30 June 2016.

Following the completion of the above mentioned transactions, Eurazeo remains one of the major shareholders in the Company and holds directly and indirectly via its subsidiary Legendre Holding 27, 19,257,667 shares representing 28,439,996 voting rights, i.e. respectively 16.9% of the share capital and 23.05% of the theoretical voting rights as at June 30, 2016. It is reminded that Eurazeo and Legendre Holding 27 have acquired double voting rights, in accordance with the provisions of Article 9 of the articles of incorporation, and they were exempt from the requirement to file a pprposed tender offer pursuant to Articles 234-8 and 234-9,10° of the AMF General Regulations (AMF Opinion 2016C0886).

4.2.7.3 Crossing of shareholding thresholds

Since January 1, 2016, the following notices of the crossing of shareholding thresholds were filed with the AMF:

- By letter dated June 14, 2016, Franklin Resources Inc. disclosed that on June 1, 2016, its holding had exceeded the threshold of 1% of Elis's voting rights due to a decrease in the total number of voting rights on June 1, 2016, and had also exceeded the threshold of 5% of Elis's voting rights, and that it had held 6,505,788 Elis shares as at that date, representing 5.70% of the share capital and 5.27% of the voting rights.
- By letter dated June 2, 2016, Crédit Agricole SA disclosed that on May 30, 2016 its indirect holding through its subsidiary Predica (a company controlled by Crédit Agricole Assurances, which is in turn controlled by Crédit Agricole SA) had exceeded the thresholds of 5% and 10% of Elis's share capital and the threshold of 5% of Elis's voting rights, following the off-market purchase of 11,400,617 Elis shares on that date, and that its indirectly held 11,400,617 Elis shares as at that date, representing the same number of voting rights.
- By letter dated June 2, 2016, Predica Prévoyance Dialogue du Crédit Agricole disclosed that on May 30, 2016, its holding had exceeded the thresholds of 5% and 10% of Elis's share capital and the threshold of 5% of Elis's voting rights, following the off-market acquisition of 11,400,617 Elis shares on that date, and that it directly held 11,400,617 Elis shares at that date, representing the same number of voting rights.
- By letter dated June 2, 2016, Eurazeo disclosed that on May 30, 2016, in concert with its subsidiary Legendre Holding 27, its holding had fallen below the thresholds of 25% and 20% of Elis's share capital and the thresholds of 1/3, 30% and 25% of Elis's voting rights, following the off-market sale of 10,962,720 shares (8,401,310 of those shares were sold by Legendre Holding 27 and 2,561,410 were sold by Eurazeo) and that it had held directly and indirectly 19,257,667 shares and 28,439,496 voting rights as at that date, i.e. respectively, 16.89% of the share capital and 23.05 of the voting rights (908,367 shares held by Eurazeo, representing 0.80% of the share capital and 1.08% of the voting rights, and 18,351,303 shares held by Legendre Holding 27, representing 16.10% of the share capital and 21.97% of the voting rights).
- By letter dated May 6, 2016, Deutsche Bank AG disclosed that on May 4, 2016, its holding had fallen below the threshold of 10% of Elis's share capital and voting rights, and that it held 10,805,746 Elis shares and voting rights as at that date, representing 9.48% of the share capital and 8.05% of the voting rights.
- By letter dated April 20, 2016, Deutsche Bank AG disclosed that on April 15, 2016, its holding had exceeded the thresholds of 5% and 10% of Elis's share capital and voting rights, and that it held 13,730,950 Elis shares as at that date, representing 12.04% of the share capital and 10.23% of the voting rights.
- By letter dated April 19, 2016, Eurazeo disclosed that on April 14, 2016 directly or indirectly via its subsidiary Legendre Holding 27, its holding had fallen below the thresholds of 1/3 and 30% of Elis's share capital following the sale by Legendre Holding 27 of 17,100,925 Elis shares representing 15% of Elis's share capital and 12.74% of Elis's voting rights as part of an accelerated book building with institutional investors, and that it held 30,220,387 shares (i.e 26.51% of the share capital) and 49,765,861 voting rights (i.e. 37.08% of the voting rights). By the same letter dated April 19, 2016, Legendre Holding 27 disclosed that

its holding had fallen below the thresholds of 1/3, 30% and 25% of Elis's share capital and the threshold of 1/3 of Elis's voting rights, and that it held as at that date 26,752,613 shares and 43,313,362 voting rights, i.e. 23.47% of the share capital and 32.27% of the voting rights.

- By letter dated April 19, 2016 Franklin Resources Inc. disclosed that on April 12, 2016, its holding had fallen below the threshold of 5% of Elis's voting rights and that it held as at that date 6,505,788 Elis shares, representing 5.71% of the share capital and 4.85% of the voting rights.
- By letter dated January 27, 2016, Franklin Resources Inc. disclosed that on January 22, 2016 its holding had exceeded the threshold of 5% of the share capital and voting rights of the Company, and that it held 5,843,514 Company shares as at that date, representing the same number of voting rights, i.e. 5.13% of the Company's share capital and voting rights.

To the best of the Company's knowledge, as at June 30, 2016 no shareholder other than those mentioned above held, directly or indirectly, 5% or more of the Company's share capital and voting rights.

4.2.7.4 Share buyback

On May 27, 2016, the General Shareholders' Meeting voting as an Ordinary General Meeting renewed, for a period of 18 months, the authorization granted to the Company by the Combined General Shareholders' meeting of June 24, 2015 to trade in its own shares. The description of the share buyback program is available on the Company's website at http://www.corporate-elis.com.

The only use made of the share buyback program during the first half of 2016 was in the context of the liquidity agreement managed by Kepler Cheuvreux. The half-year report on the liquidity agreement is available on the Group's website at http://www.corporate-elis.com

4.2.7.5 Unissued authorized capital

To allow the Company to raise funds on the financial markets and as necessary to further the Group's development, if necessary, the General Meeting of May 27, 2016 renewed the financial delegations granted to the Management Board and authorized the latter to grant free 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, and were valid as at June 30, 2016, are listed below:

Type of delegation or authorization granted to the Management Board by the General Meeting	Maximum amount authorized *(In euros)*	Authorization date	Expiration date	Duration of validity	Use in 2016
Capital increase through the issue of shares and/or any other securities giving access to the share capital					
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(1)	May 27, 2016	July 27, 2018	26 months	-
Capital increase through the capitalization of reserves, profits or share premiums, or other	130 million	May 27, 2016	July 27, 2018	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 a public exchange offer**	114 million(2)(3)	May 27, 2016	July 27, 2018	26 months	-
Share capital increase through the issue of shares and/or any other securities giving	5% of the Company's	May 27, 2016	July 27, 2018	26 months	-

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**	existing share capital as at the date of the transaction per 12-month period[3][4]				
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	May 27, 2016	July 27, 2018	26 months	-
Capital increase through the issue of share and/or securities giving access, immediately or in the future, to the Company's share capital, **in consideration for contributions in kind** granted to the Company	10% of the Company's share capital at the time of the issue	May 27, 2016	July 27, 2018	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	May 27, 2016	July 27, 2018	26 months	-
Share buyback program					
Share buyback	10% of the share capital Maximum purchase price per share: €30 Maximum amount of purchases: 350 million	May 27, 2016	November 27, 2017	18 months	Use excluding liquidity agreement: None As at June 30, 2016, 129,158 shares were included in the liquidity agreement[5]
Capital reduction through the cancellation of treasury shares	10% of the share capital per 24-month period	May 27, 2016	July 27, 2018	26 months	-
Transactions reserved for employees and executive corporate officers					
Grant of bonus shares, existing or to be issued, to Group employees and/or executive corporate officers	2.5% of total shares of the Company at the grant date (0.55% for the corporate officers)	May 27, 2016	July 27, 2019	38 months	June 15, 2016
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	May 27, 2016	July 27, 2018	26 months	

(1) Overall limit of capital increases with and without preferential subscription rights that may be carried out under the thirteenth to eighteenth resolutions of the General Shareholders' Meeting of May 27, 2016.

(2) Overall limit applicable to capital increases without preferential subscription rights that may be carried out under the fourteenth, fifteenth and seventeenth resolutions of the General Shareholders' Meeting of May 27, 2016.

(3) Deducted from the overall limit of €500 million set by the twentieth resolution of the General Shareholders' Meeting of May 27, 2016.

(4) Deducted from the limit of €114 million set by the fourteenth resolution of the General Shareholders' Meeting of May 27, 2016.

(5) See details in the Management Board's report included in section 8.4.1 of the 2015 Registration Document.

Pursuant to the above authorizations, 998,636 performance shares were granted by the Management Board on June 15, 2016.

4.2.7.6 Potential shares

As at June 30, 2016, there is no potentially dilutive instrument outstanding.

4.2.7.7 Shareholders' agreements and settlements

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

The 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). The parties to the Agreement have declared that the Agreement does not constitute acting in concert within the meaning of Article L. 233-10 of the French Commercial Code.

By letter dated May 30, 2016, Eurazeo, Legendre Holding and Predica entered into a five-year agreement, tacitly renewable, on the Company's corporate governance, whereby they notably undertake some commitments related to the composition of the Elis Supervisory Board based on their respective holding in the Company. Legendre Holding 27 and Predica undertook (i) that the members of the Supervisory Board appointed on their proposal vote in favor of a majority of independent members on the Company's Supervisory Board, and that (ii) they exercise their voting rights in the General Shareholders' Meetings in favor of maintaining a majority of independent members on the Company's Supervisory Board (except in the event of a significant change in Elis's shareholding structure). In addition, subject to Predica holding at least 5% of Elis's share capital, Eurazeo and Legendre Holding 27 have undertaken that (i) the Supervisory Board members appointed on their proposal vote in favor of any resolution allowing Predica to have a member on the Company's Supervisory Board and that (ii) they exercise their voting rights at any General Shareholders' Meeting in favor of such a resolution.

Eurazeo and Legendre Holding 27 have also undertaken to ensure that, within six months from the date their direct or indirect holdings fall below:

- 15% of Elis's voting rights, they will be represented by only two representatives on the Company's Supervisory Board; and
- 10% of Elis's voting rights, they will be represented by only one representative on the Company's Supervisory Board.

The parties declared that this agreement related to corporate governance does not constitute acting in concert within the meaning of the Article L.233-10 of the French Commercial Code.

To the best of 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.

4.3. ADDITIONAL INFORMATION: LEGAL PROCEEDINGS

Following an accident at the Carcassonne site in March 2012, which resulted in the death of an employee of one of the Group's laundry products supplier who was working on site, M.A.J., a subsidiary of the Company, was summoned to appear before the Carcassonne criminal court, on the grounds of having involuntarily caused the death of a person by carelessness, recklessness, inattention, negligence or breach of a duty of safety or care resulting from in statutory and regulatory provisions. M.A.J. is exposed to a maximum fine of up to €225,000, together with additional sanctions such as publication of the decision and its dissemination in newspapers. The hearing is scheduled for May 2017.

5

Information about the Company and its capital

Information concerning this Chapter is provided in Chapter 8 of the Registration Document. As of the date of the Registration Document Update, that information remains accurate, subject to the updates and additional information set out below.

5.1 INFORMATION ABOUT THE COMPANY

Information concerning the Company is provided in Section 8.1 of the Registration Document, subject to the following updates:

Since November 28, 2016, the Company's registered office has been located at 5, boulevard Louis Loucheur, Saint-Cloud (92210), France.

Legal documents regarding the Company and in particular its articles of incorporation (*statuts*), 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 5, boulevard Louis Loucheur, Saint-Cloud (92210) (telephone: +33 (0)1 75 49 94 00).

5.2 ARTICLES OF INCORPORATION (*STATUTS*)

Information concerning the Company's articles of incorporation (*statuts*) is provided in Section 8.2 of the Registration Document, subject to the following update:

The articles of incorporation (*statuts*) were amended on November 28, 2016, subsequent to the change of address of the Company's registered office, located since that date at 5, boulevard Louis Loucheur, Saint-Cloud (92210).

5.3 INFORMATION ABOUT THE COMPANY'S CAPITAL

5.3.1 OWN SHARES HELD BY THE COMPANY OR ITS SUBSIDIARIES AND PURCHASES OF OWN SHARES

As of date of the Registration Document Update, the Company holds 119,000 treasury shares accounting for 0.1% of the Company's capital, all held under the liquidity agreement. These shares have no voting rights.

5.3.2 INFORMATION ABOUT THE POTENTIAL DILUTION OF SHARE CAPITAL

Since performance share grants are likely to be covered by new shares, as of the date of the Registration Document Update, there are 1,549,469 outstanding performance shares currently vesting that are not covered by treasury shares, representing an overall potential dilutive impact of approximately 1.35% of the share capital.

5.4 SHAREHOLDER STRUCTURE

5.4.1 OWNERSHIP OF SHARE CAPITAL AND VOTING RIGHTS

The latest ownership structure of the Company's share capital is available on the Group's website at http://www.corporate-elis.com. The ownership structure at December 31, 2016 is presented in the table below, based on statutory disclosures establishing an interest of more than 5% of the 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 on disclosures by executives and individuals related to the Group.

In accordance with Article 223-11 of the AMF's General Regulation (*Règlement général*), the theoretical voting rights shown in the table below take into account all voting rights attached to shares, including shares stripped of voting rights because they are held in treasury.

This number of theoretical voting rights therefore differs from the number of voting rights that can effectively be exercised at general meetings.

	December 31, 2016					
Shareholders	**Number of shares**	**Number of theoretical voting rights**	**Number of exercisable voting rights**	**% of share capital**	**% of theoretical voting rights**	**% of exercisable voting rights**
Legendre Holding 27 SAS [a]	18,351,303	27,109,817	27,109,817	16.1	21.97	21.99
Eurazeo SA [a]	906,864	1,330,179	1,330,179	0.8	1.08	1.08
Sub-total	**19,258,167**	**28,439,996**	**28,439,996**	**16.9**	**23.05**	**23.07**
Crédit Agricole Assurances [a]	11,400,617	11,400,617	11,400,617	10	9.24	9.25
ECIP Elis SARL [a]	154,952	309,904	309,904	0.14	0.25	0.25
Executives and employees	58,116	113,882	113,882	0.05	0.09	0.09
Treasury shares	119,000	119,000	0	0.10	0.10	0
Free float	**83,015,315**	**83,015,315**	**83,015,315**	**72.81**	**67.27**	**67.34**
Of which:						
Franklin Resources, Inc.	5,895,968	5,895,968	5,895,968	5.17	4.78	4.78
Ameriprise Financial, Inc.	5,752,999	5,752,999	5,752,999	5.04	4.66	4.67
TOTAL	**114,006,167**	**123,398,714**	**123,279,714**	**100**	**100**	**100**

(a) Shareholders having disclosed that they are bound by a shareholders' agreement (see Section 4.2.7.7 of the Registration Document Update and Section 8.5.10 of the 2015 Registration Document).

To the Company's knowledge, as at December 31, 2016 no shareholder other than those mentioned above held, directly or indirectly, 5% or more of the Company's share capital and voting rights.

5.4.2 DOUBLE VOTING RIGHTS

At December 31, 2016, 9,392,547 shares were eligible for double voting rights in accordance with Article 9 of the Company's *statuts*, the stipulations of which are described in Section 8.2.4 "Shareholder rights" of the Registration Document.

5.4.3 SHARE TRANSACTIONS CARRIED OUT BY EXECUTIVES AND SIMILAR PERSONS

The table below shows the transactions carried out by executives and similar persons since April 13, 2016, the date on which the Registration Document was filed, and disclosed to the AMF pursuant to articles 223-22-A *et seq.* of the AMF's General Regulation:

Date of transaction	Disclosed by	Type of transaction	Number of shares	Unit price (in euros)	Transaction amount (in euros)
May 18, 2016	Michel Datchary	Purchase	1,000	16,295	16,295
June 10, 2016	Xavier Martiré	Purchase	2,350	16.50	38,795.68
June 22, 2016	Magali Chesse	Purchase	500	16.59	8,295

As of the date of the Registration Document Update, no other executive or corporate officer had disclosed that they had carried out transactions in Company shares since April 13, 2016.

5.4.4 CROSSING OF SHAREHOLDING THRESHOLDS SINCE JUNE 30, 2016

Since June 30, 2016, the following disclosures have been made to the AMF regarding the crossing of ownership disclosure thresholds:

- by a letter received on September 16, 2016 (AMF notice 216C2078), Franklin Resources, Inc., acting on its own behalf and on behalf of its affiliates, announced that on September 13, 2016 its ownership of the Company's voting rights had fallen below 5% and that it held 5,895,968 shares representing the same number of voting rights, *i.e.* 5.17% of the capital and 4.78% of the voting rights;
- by a letter received on August 11, 2016 (AMF notice 216C1860), Deutsche Bank AG announced that on August 5, 2016 its ownership of the Company's capital had fallen below 5% and that it held 5,499,171 Elis shares representing the same number of voting rights, *i.e.* 4.82% of the capital and 4.45% of the voting rights; and
- by a letter received on July 22, 2016 (AMF notice 216C1716), Deutsche Bank AG announced that on July 19, 2016 its ownership of the Company's voting rights had fallen below 5% and that it held 6,101,000 Elis shares representing the same number of voting rights, *i.e.* 5.35% of the capital and 4.94% of the voting rights.

5.4.5 EVENTS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER (ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

Information on events likely to have an impact in the event of a public offer is contained in Section 8.5.10 of the Registration Document, subject to the following update:

Agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company

Under the terms of the Bridge Loan Agreement, described in Section 1.5.1 "Bridge Loan Agreement" of the Registration Document Update, and Senior Syndicated Credit Facilities Agreement,, described in Section 1.5.2 "Senior Syndicated Credit Facilities Agreement", it is stipulated that in the event of a change in control of the Company, each lender may request the early repayment of all amounts owed to said lender by the Company (particularly accrued interest), subject to certain terms and conditions.

5.5 DIVIDEND POLICY

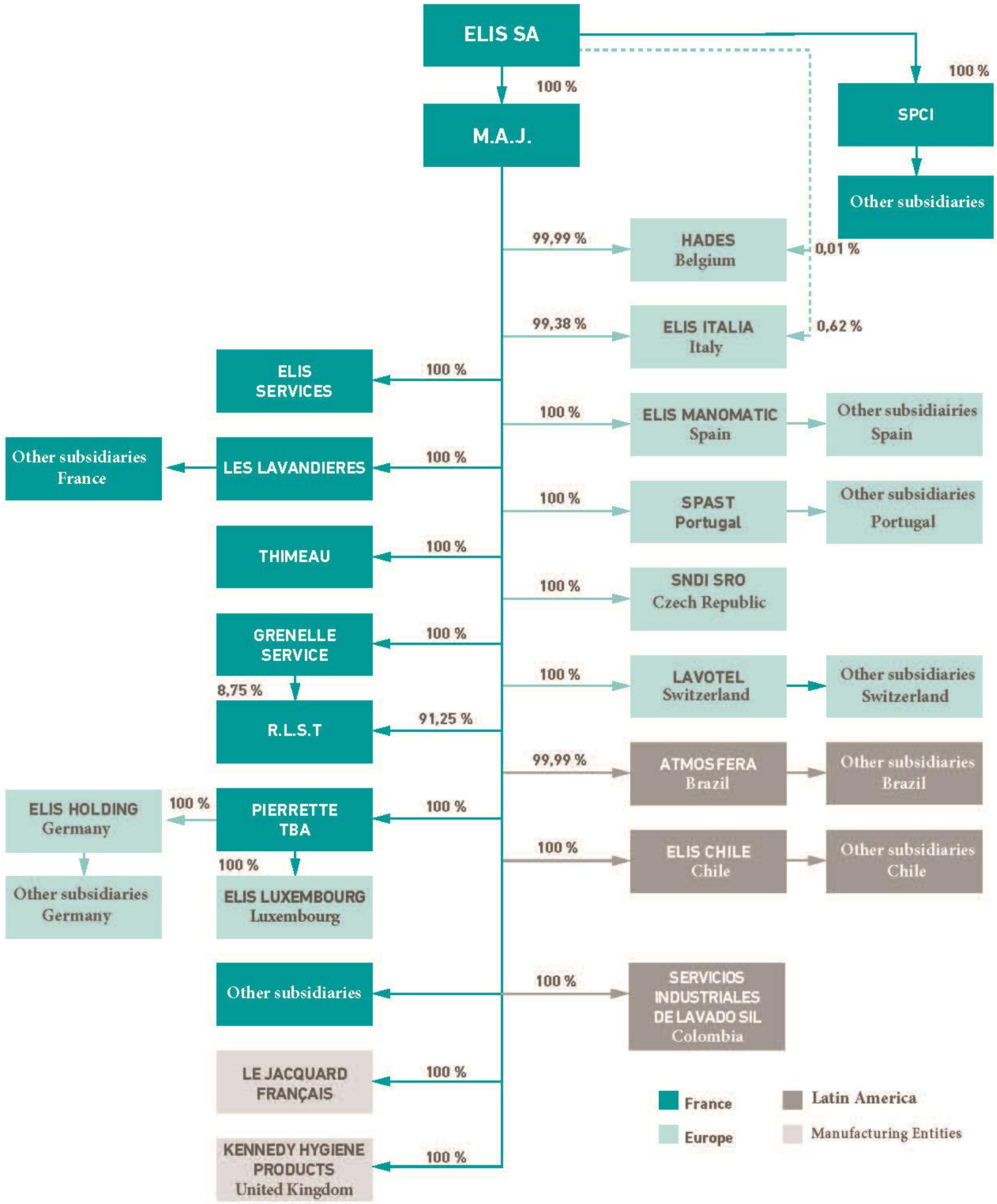
The Company did not pay any dividends in the three years ended December 31, 2013, 2014 and 2015.

However, the Company made a special distribution of €0.35 per share, deducted from additional paid-in capital, with respect to the year ended December 31, 2015, and a special distribution of €0.35 per share, deducted from additional paid-in capital and reserves, with respect to the year ended December 31, 2014.

The Company will determine the amount of any distributions during 2017 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.

5.6 SIMPLIFIED GROUP ORGANIZATIONAL CHART

The simplified organizational chart below shows the Group's legal organization as at January 1, 2017:



** The indicated percentages represent the share of capital and voting rights held by the parent company in a given subsidiary.*

5.7 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. None of Elis's subsidiaries is a public listed company.

- **M.A.J.** is a French corporation (*société anonyme*) with share capital of €142,515,408, with its registered office at 31 Chemin Latéral au Chemin de fer, 93500 Pantin, 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, garment and HWB rental and maintenance services.

- **Elis Services** is a French corporation (*société anonyme*) with share capital of €16,000,075, with its registered office at 5, boulevard Louis Loucheur, 92210 Saint Cloud, 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 and resale transactions).

- **Les Lavandières** is a French simplified limited liability company (*société par actions simplifiée*) with share capital of €448,544, with its registered office at Zone Industrielle les Carrières, 49240 Avrillé, 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, garment and HWB rental and maintenance services.

- **Lavotel** is a Swiss corporation *(société anonyme)* with share capital of CHF5,000,000, with its registered office at 35 chemin de la Vuarpillière, 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 garment rental and laundry services.

- **Grenelle Service** is a French simplified limited liability company (*société par actions simplifiée*) with share capital of €15,900,000, with its registered office at 10 route des Champs Fourgons Port de Gennevilliers, 92230 Gennevilliers, 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, garment 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, with its registered office at 7, rue Alfred-Mongy, 59700 Marcq-en-Baroeul, France, and registered with the Lille Metropole 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, garment and HWB rental and maintenance services.

- **Pierrette – T.B.A.** is a French corporation (*société anonyme*) with share capital of €278,768, with its registered office at Zone d'Activités Commerciales des Savlons, 54220 Malzéville, 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, garment and HWB rental and maintenance services.

- **Thimeau** is a French simplified limited liability company (*société par actions simplifiée*) with share capital of €160,000, with its registered office at 13, rue Isaac Newton, 77100

Meaux, France, and registered with the Meaux Trade and Companies Register under number 383 277 233. M.A.J. holds 100% of the share capital and voting rights of Thimeau. Thimeau's main activity is the rental and maintenance of textiles for high-end hospitality/restaurant establishments and the maintenance and laundry of clothing and costumes for Disneyland Paris.

- **Elis Manomatic SA** is a Spanish corporation with share capital of €72,232,490, with its registered office at Calle Diesel 5-7, P.I. Sector Autopista – Parets del Valles, 08150 Barcelona, Spain and registered with the Barcelona Trade Register under number Hoja B 39922, Tomo 37909, Folio 122. M.A.J. holds 100% of the share capital and voting rights of Elis Manomatic SA. The main activity of Elis Manomatic SA is flat linen, garment and HWB rental and maintenance services. Elis Manomatic SA is the head company of the Spanish subsidiaries.

- **Sociedade Portuguesa de Aluguer e Serviço de Texteis SA** is a Portuguese joint stock corporation with capital of €1,400,000, with its registered office at Avenida Nações Unidas 81, Porto Alto, Samora Correia, 2135-503 Portugal and registered with the Benavente Trade Register under number 301 - Contribuinte no. 502 095 857. M.A.J. holds 100% of the share capital and voting rights of Sociedade Portuguesa de Aluguer e Serviço de Texteis SA. The main activity of Sociedade Portuguesa de Aluguer e Serviço de Texteis SA is flat linen, garment and HWB rental and maintenance services. Sociedade Portuguesa de Aluguer e Serviço de Texteis SA is the head company of the Portuguese subsidiaries.

- **Atmosfera Gestão e Higienização de Têxteis SA** is a Brazilian corporation with share capital of BRL640,108,359.15, with its registered office at Av. Antonieta Piva Barranqueiros, S/N, Chácara Aeroporto – Jundiai, SP, 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 SA is flat linen and garment rental and laundry services. Atmosfera Gestão e Higienização de Têxteis S.A. is the head company of the Brazilian subsidiaries.

6

Additional information

6.1 PERSONS RESPONSIBLE

6.1.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT UPDATE INCLUDING THE HALF-YEAR FINANCIAL REPORT

Xavier Martiré, Chairman of the Company's Management Board.

6.1.2 DECLARATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT UPDATE

"I hereby certify that, having taken all reasonable care to ensure that such is the case, the information contained in this update to the registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

[INTENTIONALLY OMITTED]"

January 18, 2017

Xavier Martiré

Chairman of the Management Board

6.2 STATUTORY AUDITORS

6.2.1 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
Appointed Principal Statutory Auditor in 2007 when the Company was incorporated, the term of office of PricewaterhouseCoopers Audit was renewed at the June 26, 2013 shareholders' general meeting for a period of six financial years, *i.e.* until the end of the general meeting called to approve the financial statements for the financial 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

Appointed Principal Statutory Auditor on June 29, 2011, the term of office of Mazars was renewed at the June 26, 2013 shareholders' general meeting for a period of six financial years, *i.e.* until the end of the general meeting called to approve the financial statements for the financial year ending December 31, 2018.

6.2.2 ALTERNATE STATUTORY AUDITORS

Anik Chaumartin

Member of the Association of the Statutory Auditors of Versailles (*Compagnie Régionale des Commissaires aux Comptes de Versailles*)

63, rue de Villiers
92200 Neuilly-sur-Seine

Appointed Alternate Statutory Auditor on June 26, 2013 for a period of six financial years expiring at the end of the general meeting called to approve the financial statements for the financial year ending December 31, 2018.

CBA

Member of the Association of the Statutory Auditors of Versailles (*Compagnie Régionale des Commissaires aux Comptes de Versailles*)

61, rue Henri Regnault
Tour Exaltis
92400 Courbevoie

Appointed Alternate Statutory Auditor on June 29, 2011, the term of office of CBA was renewed at the June 26, 2013 general meeting for a period of six financial years, *i.e.* until the end general meeting called to approve the financial statements for the financial year ending December 31, 2018.

6.3 CONTACTS AND AVAILABLE FINANCIAL INFORMATION

Investor relations contact

Nicolas Buron

Director of Investor Relations

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www.corporate-elis.com

[*INTENTIONALLY OMITTED*]