

M.A.J.

A French limited company (société anonyme) with share capital of €142,515,408
31 Chemin Latéral au Chemin de Fer, 93500 Pantin, France
775 733 835 R.C.S. Bobigny

**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS AT THE ORDINARY
GENERAL MEETING OF JUNE 30, 2017**

We have invited you to this Ordinary General Meeting for the purpose of submitting for your review and approval the financial statements for the 12-month fiscal year beginning January 1 and ending on December 31, 2016.

We inform you that no change in the presentation method of the financial statements or in other valuation methods was made during the fiscal year.

It should be noted that, in order to provide better information, over the course of the current fiscal year the Company has implemented ANC recommendation no. 2015-02 of 11/23/2015 relating to accounting rules for merger losses. This change in presentation method is described below and in the accounting appendix for the fiscal year.

I – COMPANY SITUATION

M.A.J. is the main operating company for the multi-service group ELIS, a leader in the rental, laundry and maintenance of textile, hygiene and well-being items (HWB) in France, Europe and Latin America. The Group itself or its subsidiaries directly serve hundreds of thousands of customers of all sizes in France, belonging to various professional customer segments: Hospitality, Healthcare, Industry, Trade and Services.

The hospitality market was impacted differently across France – the south-east was affected in the middle of the summer period by the attacks in Nice, the Paris region was still suffering from the impact of the events of November 2015, while the Aquitaine region benefited from the UEFA EURO 2016. Furthermore, flat linen business benefitted from the arrival of several significant clients.

The healthcare sector was exposed to severe pressure on prices, imposed by major clients regrouping and by a turn towards integrated laundry. Changes in medical practices (outpatients and use of disposable clothing) had an impact on business.

The clothing business grew slightly in 2016.

In the ultra-clean sector, the semiconductor sub-sector, which represents approximately 15% of this business (against 25% last year), continued its decline. The pharmaceutical industry continued its restructuring (reductions in headcount or in activity). Nevertheless, the addition of major new clients helped to maintain growth in this business.

The sanitary market was dominated by cleaning service companies and facilities management companies, with strong pressure on prices, as clients' online business activities were declining. Beverage activity was marked by the slowdown in consumption of extras in addition to cylinders. DASRI (potentially infectious healthcare waste) activity remained stable and marginal.

The Company continued developing its very promising “3D” business – a technical network across France developed by creating regional technical centers, supported by the increase in technical, logistics and commercial skills among staff.

Furthermore, the fiscal year ended December 31, 2016 was marked by:

- financing purchases in Brazil (Lavebras), through three capital increases of the Brazilian subsidiary Atmosfera for a total amount of €32.5 million, and in Spain (acquisition of Indusal to double the Spanish turnover);
- the first investment in Colombia involving the acquisition of a company specializing in rental and maintenance of linen (SIL);
- the acquisition of the 3D specialist companies in the Paris region: BMF and Hygiène Traitement et Protection de l'Environnement (H.T.P.E.);
- the subscription to capital increases of the foreign subsidiaries: Elis Italia, Elis Manomatic, Lavotel, and Elis Chile;
- the sale of the property complex in Puteaux for a value of €60.5 million;
- the amendment to the corporate purpose with the aim of developing 3D services.

INCOME STATEMENT

The **key figures** for the fiscal year ended 12/31/2016, compared to those for the fiscal year ended 12/31/2015, are as follows:

(in thousands of euros)	<u>12/31/2015</u> (12 months)	%	<u>12/31/2016</u> (12 months)	%
Revenue excl. tax (including other income)	590,411	100.00	593,881	100.00
Amortizations	98,741	16.72	99,976	16.83
Personnel costs	192,309	32.57	192,104	32.35
Operating income	90,031	15.25	97,824	16.47
Net financial income	(10,165)	(1.72)	12,398	2.08
<i>o/w indiv. financial income</i>	<i>21,175</i>	<i>3.59</i>	<i>1,568</i>	<i>0.26</i>
Net recurring income before	79,866	13.53	110,222	18.56
Net non-recurring income	(26,650)	(4.51)	45,542	7.67
Employee profit-sharing	4,252	0.72	12,383	2.08
Income tax	17,164	2.91	43,182	7.27
Net income (loss)	31,800	5.39	100,199	16.87
Gross cash flow	130,541	22.11	200,175	33.71

Sales (including other income) for the fiscal year ended 12/31/2016 amounted to €593,881,000 against €590,411,000 for the year ended 12/31/2015, an increase of 0.6%.

The **operating income** resulted in a net income of €97,824,000 against €90,031,000 in 12/31/2015. The operating expenses decreased as a percentage of revenue compared to the fiscal year ended 12/31/2015 (85.47% against 87.01%), which is explained in particular by the decrease in purchases, external costs and provision allowances.

The average workforce as of 12/31/2016 was 6,172 persons, distributed over 62 centers, compared to 6,240 persons as of 12/31/2015 on an identical scope basis.

The profit sharing premium for productivity over the fiscal year (excluding general social contribution [C.S.G.] and social debt repayment contribution [C.R.D.S.]) stood at €4,297,000. It was €4,224,000 on 12/31/2015.

Financial transactions

Financial income specifically includes:

- the income from subsidiaries and other equity investments (€1,568,000),

- the interest received on advances granted within the framework of the cash pooling agreement (€4,014,000),
- a reversal of the provision for depreciation of equities securities for the subsidiaries Elis Italia (-€2,985,000), Atmosphaera (-€13,676,000), Le Jacquard Français (€156,000), Pro Service Environnement (-€747,000) and Lovetra (-€1,339,000), as well as the cancellation of the provision for the subsidiary Suisse Hedena due to its dissolution in 2016 (-€9,000)

Financial expenses specifically include:

- the interest paid to advances granted by the subsidiaries in the context of the cash pooling agreement and by the company Elis SA (€5,260,000), as well as to the intra-Group loan of the company Elis SA (€2,766,000),
- the provision allowances for depreciation of equities securities of the S.O.C. subsidiary (+€60,000), and debt write-off on the subsidiary Switzerland Lavotcl (€7,398,000)
- the interest paid in respect of loans (€2,333,000) and interest swaps (€1,512,000).

Ultimately, the **net financial income** is a profit of €12,398,000 against a loss of €10,165,000 as of 12/31/2015.

Extraordinary transactions

Extraordinary income resulted in a net income of €45,542,000 against a loss of €26,650,000 as of 12/31/2015. It specifically includes:

- movements (reversals and allocations) in the provision for accelerated amortizations.
- movements (income and NBV) in sales of assets, in particular the Puteaux site
- costs related to restructuring and site closures, or environmental risks
- actuarial spreads on employee benefit obligations,
- costs related to the acquisition of interests,

The **net profit**, after creating a provision for:

- employee profit-sharing	€12,383,000
- income tax	€43,182,000

resulted in a net income of **€100,199,000**. As of 12/31/2015, the net income was €31,800,000.

TRANSACTIONS CONCERNING THE BALANCE SHEET

The transactions concerning the balance sheet during the fiscal year ended are the following:

- 1) Intangible assets: it is stated that the Company amended the presentation method regarding accounting merger losses for the 2016 fiscal year, in order to implement the ANC recommendation no. 2015-06 of 11/23/2015. To this end, the Company reclassified the merger losses of €23,547,251, previously recorded under “Business goodwill”, to “Merger losses on financial assets” under “Other financial assets”.
- 2) In tangible assets, it should be noted that the property complex in Puteaux was sold after the company Elis Services, tenant to Saint-Cloud, was relocated. Furthermore, new production units in Aix les Bains, France, (73) and Lisses, France, (91) are under construction.
- 3) The gross value of investment securities amounted to €552,755,000 against €464,509,000 as of 12/31/2015. The movements of the fiscal year involved in particular:
 - the subscription to capital increases of the subsidiaries Atmosphaera (+€32,560,000), Elis Italia (+€3,300,000), Elis Chile (+€1,300,000), Elis Manomatic (+€18,500,000) and Lavotel (+€20,210,000),

- the acquisition of the company BMF (+€1,810,000), the company H.T.P.E. (+€4,920,000) and the Colombian company SIL (+€3,980,000), and the payment of a price supplement for the company Hygiène Contrôle IDF (+€340,000).

- 4) Other receivables: The advances granted by M.A.J. within the framework of the cash pooling agreement at the end of the fiscal year stood at €351,661,000. Please note the following subsidiaries were granted advances: Pierrette-TBA (€100,751,000), RLST (€12,044,000), Le Jacquard Français (€6,132,000), SPCI (€5,535,000), Elis Manomatic (€136,273,000) et Lavotel (€81,743,000).
- 5) The provisions for risks, totaling €8,694,000 at the end of the fiscal year, include, in particular, a provision linked to environmental risks (€5,431,000), a provision for litigation (€1,874,000), and a provision for long-service commitments (€1,389,000).
- 5) Provision for post-employment benefits: This stood at €14,631,000 against €13,299,000 as of 12/31/2015.
- 6) Payables and other loans:
At the end of the fiscal year, the amount of the loans for the credit agreement (*Senior facilities agreements*), to which M.A.J. is party for a maximum amount of €508,000,000, stood at €108,000,000 for refinancing credit (Term Facility). There is no commitment for renewable credit (Revolving Facility) as of 12/31/2016.

At the end of the fiscal year, Group debts amounted to €407,754,000, of which €88,874,000 was for the cash pooling agreement and €318,880,000 was for the current account advance granted by the parent company ELIS.

Furthermore, the intra-Group loan with the company ELIS amounted to €88,448,000 at the end of the fiscal year (with capitalized interest).

Ultimately, the debts came to a total of €807,324,000 as of 12/31/2016, of which €708,841,000 was within one year. The debts came to €605,633,000 as of 12/31/2015.

7) Financial instruments

The company entered into an interest rate hedging contract for outstanding borrowings amounting to €108,000,000 for the current period until 10/04/2017. The value of these swaps in the market conditions as of 12/31/2016 was a loss of €4,854,000.

II – ACTIVITIES OF SUBSIDIARIES AND EQUITY INVESTMENTS

The company directly or indirectly controls subsidiaries and equity investments in Europe (including France) and in Latin America, whose activity for the majority of them is identical to that of the company (rental and maintenance services). Other subsidiaries (“Manufacturing Entities”) have a manufacturing business (Le Jacquard Français et Kennedy Hygiène Product Ltd).

All financial data for these subsidiaries and equity investments is consolidated in the ELIS SA holding and, for specific details, reference is made in the Registration Document 2016 for the company ELIS SA, available on the website: www.corporate-elis.com/rubrique_investisseur.

A – Comments on activity

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

These regions are included in the breakdown of revenue for the four operating segments: France, Europe, Latin America, and Manufacturing Entities.

The table below presents the breakdown of consolidated revenue by business during the year ended December 31, 2016.

In € million	2015	2016
Flat linen	659.5	741.4
Workwear	433.9	449.1
Hygiene and Wellness	319.6	321.5
Other	2.4	0.7
Total	1415.4	1512.8

Breakdown of 2016 consolidated revenues by geographical area:

In € million	2015			2016		
	Revenue	%	EBITDA	Revenue	%	EBITDA
France	978.1	69.1	346.5	984.2	65.1	344.5
Europe	327.7	23.2	80.9	376.8	24.9	94.3
Latin America	92.2	6.5	19.8	132.9	8.8	30.2
Manufacturing Entities	17.5	1.2	2.5	18.9	1.2	3.7
Total	1415.4	100.0		1,512.8	100.0	

1) Business activity in rental, laundry and maintenance of textile and hygiene items, and in pest control (3D)

France

In France, the Group (including the Company) generated a consolidated revenue of €984.2 million for the fiscal year ended December 31, 2016 (excluding the Manufacturing Entities), or 65.1% of the Group's consolidated revenue for the period. In France, the Group serves customers in four main end markets: Hospitality, Healthcare, Industry, and Trade and Services.

In 2016, revenue growth of +0.6% in France was driven entirely by organic growth.

- Revenue for Trade and Services was up by 1.0%. However, the economic climate is still challenging and growth is limited despite robust commercial performance in the services segment;
- Revenue for the Hospitality segment was up by 1.3%. The year was marked by the July 14 attack in Nice, which had a major impact on the markets in Paris and the South of France in the third quarter. The rollout of large hotel contracts in 2016 was nevertheless in line with expectations.
- Revenue for the Industry segment was down by 0.9%. The year was impacted by the loss of a number of contracts, while the challenging economic environment continued to have a negative effect on our customers' business.
- Revenue for the Healthcare segment grew by 3.3%, driven by the rollout of large contracts for short and long stays.

Europe (excluding France)

In Europe (which comprises of Germany, Belgium, Luxembourg, Spain, Andorra, Italy, Portugal, Switzerland and the Czech Republic), the Group posted consolidated revenue of €376.8 million for the year ended December 31, 2016 (excluding Manufacturing Entities), or 24.9% of the Group's consolidated revenue for the period. The Group serves customers in all its end markets in Europe.

As a result of the acquisition of Indusal in Spain, the Group will be able to double its Spanish revenue to approximately €180 million (Indusal and the Group's existing Spanish business combined, prior to the acquisition).

The strong growth in revenue in Northern Europe (+18.1%) was driven by external growth in

Germany and Switzerland. Organic performance, while limited (+1.1%), was nevertheless up by +1.8% excluding the base effect (for the record, Belgium sold €1.6 million of Ultra-Clean workwear in 2015 versus just €0.4 million in 2016). Switzerland and Germany, our main markets in the region, showed satisfactory organic growth, despite a lukewarm end of year for the hospitality sector.

Revenue for Southern Europe was also up sharply (+10.9%, of which +9.9% in organic growth), in an economic climate that was still favorable. This performance was again driven by Spain, which posted double-digit organic growth. In addition to high tourism figures in the Iberian Peninsula, this performance reflects the Elis Group's strong business momentum as it takes advantage of the region's recovery to open up new markets.

In Spain, the companies Azelab Productos, S.L.U. and Explotadora de Lavanderias, S.A.U. were absorbed by Elis Manomatic.

Latin America

In Latin America, the Group launched its activities in Brazil in December 2012, with the opening of a sales office in São Paulo. Expansion continued with the acquisition of the Atmosfera Group in February 2014. The Group strengthened its presence in Brazil with the acquisition in July 2015 of Teclav, a laundry company in Fortaleza (State of Ceará) on the country's northeastern coast, and the acquisition in December 2015 of Martins & Lococo.

The Group also announced on December 21, 2016 the signing of an agreement to acquire the Lavebras Group, which will allow for it to consolidate its position among the major players in Brazil, with a market share that should exceed 25% in 2017.

Elis has also become the leader in Chile, with the September 2015 acquisition of the country's number one player, Albia, which enjoys a market share of around 25%. The Group operates eight laundries across the country which mainly serve customers in the Healthcare, Hospitality and Industry (mining industry) sectors.

Lastly, in 2016 Elis acquired Servicios Industriales de Lavado SIL S.A.S ("SIL") in Colombia, with a view to quickly becoming number one in the market. SIL operates two laundries in Bogotá and has one of the sector's finest industrial facilities, mainly serving private sector players in the Healthcare end market.

The Group serves customers in Latin America in the Hospitality, Healthcare and Industry end markets. In Latin America, the Group posted consolidated revenue of €132.9 million for the year ended December 31, 2016, or 8.8% of its consolidated revenue for the period.

Revenue growth for Latin America was 44.2%, for the most part driven by acquisitions in Brazil in July 2015 and December 2015, and the acquisition of Albia in Chile in September 2015. Organic growth was 15.0% as a result of a very good year in Brazil. This was the result of four main factors: (i) new contracts with key accounts that adopted our rental/laundry/maintenance model for the first time, (ii) price increases, (iii) high volume of business from hospitals, laboratories and medical practices due to epidemics in Brazil in the first quarter, and (iv) a number of contracts related to the Olympic Games for a total revenue of approximately €2 million. Although the economic context in Brazil continues to be challenging, this solid organic performance underscores the market's strong potential. In addition, we posted a negative foreign exchange impact of -4.5% for the year, but the currency effect was reversed in the second half.

2) Manufacturing activities

The Group also has a manufacturing business carried out by two of the Company's subsidiaries: Le Jacquard Français and Kennedy Hygiene Product ("Manufacturing Entities").

Le Jacquard Français, acquired by the Group in 1968, designs and manufactures high-end flat linen and damask linen products. It has a weaving plant in Gérardmer, in the Vosges mountains in Eastern France, and its own sales, marketing and distribution departments. Le Jacquard Français mainly sells its products to consumers through third-party distribution networks, such as department stores, retailers, private online sales and specialist shops. Le Jacquard Français also has five shops, including

two in Paris. Le Jacquard Français exports its products to 50 countries and aims to increase its export sales.

Kennedy Hygiene Products Ltd (Great Britain), acquired in 1987, is one of Europe's leading designers and manufacturers of hygiene appliances, such as cotton and paper towel dispensers, no-touch hand dryers, soap and toilet paper dispensers, feminine hygiene disposal bins, and fragrance dispensers. Kennedy Hygiene Products is based in the United Kingdom and exports its products to some 44 countries.

Kennedy Hygiene Products has its own sales, marketing, distribution and R&D departments, but also works closely with the Elis Group's marketing team to design products to meet the specific requirements of the Group's customers.

The Group's manufacturing business generated consolidated revenue of €18.9 million for the fiscal year ended December 31, 2016 (after elimination of intercompany transactions).

B – New acquisitions in 2016

In January 2016, Elis Holding GmbH acquired four companies in Germany, including the companies Wismarer Wäscherei GmbH and Textilpflege Stralsund GmbH & Co. KG, which own two laundries primarily serving customers in the Hospitality and Healthcare end markets in the North of the country.

In July 2016, Lavotel acquired the company Wäscherei Mariano AG, a laundry mostly geared toward catering customers in Zurich and surrounding area. This acquisition represents a total annual revenue of around €5 million.

In December 2016, Elis Holding GmbH acquired 100% of the Puschendorf Textilservice group in Germany. Puschendorf is a family business with five laundries in Germany and revenue of approximately €40 million in 2016.

In December 2016, Elis Manomatic acquired the group Indusal in Spain, and Atmosfera signed a memorandum of understanding to acquire Lavebras in Brazil.

A family-owned company founded in 1981, Indusal is the second largest operator in the market in Spain, slightly ahead of Elis. Indusal operates in the textile rental and laundry sector and serves the Hospitality, Healthcare and Industry end markets. In 2016, Indusal generated revenue of approximately €90 million.

Lavebras, ranked second in the Brazilian market behind Elis, operates in 17 states in Brazil. This family-owned company, established in 1997, has the densest industrial laundry complex in Brazil. The Lavebras Group operates in the healthcare, industry (especially agri-food) and hospitality segments. The Lavebras Group's revenue was around 370 million reais (€103 million) in 2016. The acquisition of Lavebras is still subject to approval from the Brazilian competition authority.

On December 29, 2016, M.A.J. acquired 100% of the shareholding of Servicios Industriales de Lavado SIL S.A.S. in Colombia. This gives the Group a foothold in a third country in the region, in addition to Brazil and Chile. SIL, which operates two laundries in Bogotá and Cali, has one of the sector's finest industrial facilities. Its total revenue in 2016 was expected to be COP 10 billion which is around €3 million.

III– BRANCH OFFICES

The company operates its business in France in 62 centers (production units and service centers) as of 12/31/2016.

IV – RESEARCH AND DEVELOPMENT

Within the framework of implementing the ISO 9001 certification, the Company is committed to protecting the environment while operating its laundry business. In particular, production sites are subject to French ICPE laws.

V – OUTLOOK

The outlook must remain cautious, especially for the Hospitality market. There has been a slight recovery at the beginning of 2017.

In 2017, the emphasis will be on improving the quality of service and customer satisfaction, as well as controlling stolen laundry.

The objective is to continue developing our 3D services, thanks to the new organizational structure for both commercial and operational activities.

A planned merger of the subsidiaries Lovetra and Grenelle Service is underway.

VI – SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR

No significant event occurred since the end of the fiscal year on December 31, 2016.

VII– CHARGES AND EXPENSES THAT ARE NOT DEDUCTIBLE FOR TAX PURPOSES

During the fiscal year ended December 31, 2016, the Company:

- * did not recognize any sumptuary expenses that were not deductible from taxable income within the meaning of Article 39-4 of the French Tax Code (Code général des impôts).
- * did not exclude any general expenses from tax deductible expenses in the income taxable pursuant to Articles 39-5 and 223 quinquies of the French Tax Code.

VIII – TAX INFORMATION

Since March 1, 2008 the Company has been integrated in a tax group established by the parent company ELIS. A tax consolidation agreement was signed on October 30, 2009 with effect from July 1, 2009.

IX – LEGAL INFORMATION

1) Employees do not hold shares of the company M.A.J. No company stock options have been granted to corporate officers or company employees.

The last Extraordinary General Meeting, which was consulted to approve a planned capital increase reserved for employees in accordance with Articles L. 3332-18 and seq. of the French Labor Code, was held on October 27, 2015.

The details of compensation, referred to in Article L. 225-102-1 of the French Commercial Code,

regarding Mr. Xavier Martiré, Director of the Company and a member of the Executive Board of Elis SA, which the Company controls within the meaning of Article L. 233-16 of the French Commercial Code, are recorded in the hereto attached appendix.

Furthermore, we are also providing you in the Appendix with a list of all the offices and positions held in any company by each director over the fiscal period under review.

2) Information about payment terms for suppliers

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, the breakdown of the balance of trade payables for the fiscal year ended on December 31, 2016 (excluding accrued expenses) was the following:

TABLE OF PAYMENT TERMS FOR SUPPLIERS
(amount including VAT)

M.A.J.	Article D. 441-4 I. section 1: Outstanding invoices <i>received</i> at the end of the reporting period whose payment is due					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
	Not due	Due in between 1 and 30 days	Due in between 31 and 60 days	Due in between 61 and 90 days	Due in 91 days and more	
	(A) Instalments of late payment					
401,000,000	7,083	278	49	16	35	378
402,000,000	45,075	177	13	0	0	190
Number of invoices concerned	52,158					568
401,000,000	12,475,207	312,302	113,482	14,295	33,553	473,633
402,000,000	20,639,559	2,910,556	54,936	18,373	0	2,983,864
Total amount of invoices concerned	33,114,766	3,222,858	168,418	32,667	33,553	3,457,497
Total purchases during the fiscal year						326,608,974
Percentage of the total amount of purchases during the fiscal year	10.14%	0.99%	0.05%	0.01%	0.01%	1.06%
(B) Invoices excluded from (A) relating to disputed or non-recognized debts						
Number of invoices excluded						31
Total amount of invoices excluded						121,458

3) Environmental and social information (CSR)

In accordance with Article L. 225-102-1 paragraph 6 of the French Commercial Code, the Company is exempt, as a company controlled by the company ELIS SA, from publishing environmental and social information, and information relating to its social commitments as stipulated in paragraph 5. This information relating to the company is presented in Chapter 3 of the Elis Registration Document 2016, which contains the annual financial report available on the Elis Group website: www.corporate-elis.com/rubrique_investisseur.

4) Information on the agreements concluded during 2016 in accordance with Article L. 225-102-1 last paragraph of the French Commercial Code.

During the 2016 fiscal year, we hereby inform you that no agreement was concluded in accordance with Article L. 225-102-1 last paragraph of the French Commercial Code.

X – PROPOSED RESOLUTIONS

A – Approval of the financial statements – discharge

We kindly ask you to approve the financial statements for the fiscal year ended December 31, 2016 as they are presented to you, and to discharge the members of the Board of Directors from their management.

B – Allocation of income

After noting that the fiscal year ended December 31, 2016 showed net income of €100,199,035.37, we ask you to allocate this amount as follows:

Net income for the fiscal year:	€100,199,035.37
Retained earnings	+ €577,697.64
Distributable amount:	€100,776,733.01
a) a special reserve account for an amount at least equivalent to CICE	€7,851,000.00
b) “Other reserves”, the balance being	€92,925,733.01
Total equal to the distributable amount	€100,776,733.01

In accordance with the law, it is noted that the distributed dividends in respect of the last three fiscal years were:

Fiscal year	Total amount of distributed dividends	Amount of distributed income eligible for tax relief	Amount of distributed income not eligible for tax relief
12/31/2015	€22,357,104.63	€7.53*	€22,357,097.10
12/31/2014	€64,363,095.42	€23.06*	€64,363,072.35
12/31/2013	€86,819,220.80	€31.20*	€86,819,186.60

**it is specified that for individual shareholders benefitting from consumer loans, the dividend was only based on the income distributed in the fiscal year.*

The dividends paid are subject to the parent company/subsidiaries' tax scheme when they are paid to shareholders who are legal entities of the company, and are eligible for tax relief of 40% for individuals subject to income tax in accordance with the provisions of Article 158.3.2° of the French Tax Code (C.G.I.).

C – Regulated agreements

You will be required to approve agreements falling within the scope of Article L. 225-38 of the French Commercial Code, subject to the special report by your Statutory Auditors.

D – Situation regarding the terms of offices of Directors

1) Noting that Mr. Didier Lachaud's term of office will expire at the end of this General Shareholder's Meeting, you are asked to reappoint Mr. Didier Lachaud for a further six years.

2) In accordance with Article L. 225-18-1 of the French Commercial Code, you are asked to submit to your vote the appointment of two new directors for a term of six years:

- Ms. Anne Bailly-Dupas, born on December 22, 1965 in Poitiers, of French nationality, residing at 4 rue Saint-Laurent, 78490 Montfort L'Amaury, France;
- Ms. Marie-Laure Gouaze, born on June 8, 1978 in Toulouse, of French nationality, residing at 123 rue de la Croix-Nivert, 75015 Paris, France.

X X X

We kindly ask you to vote in favor of the resolutions proposed to you.

We think that you will enjoy joining us in thanking the employees of the company and its subsidiaries for their dedicated collaboration.

The Board of Directors

INCL.:

- list of offices held by corporate officers
- list of the details of compensation referred to in Article L. 225-102-1 of the French Commercial Code
- table of financial results for the last five fiscal years
- list of agreements falling within the scope of Article L. 225-102-1 last paragraph of the French Commercial Code

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INFORMATION ABOUT THE DIRECTORS

Xavier Martiré

Chairman and Chief Executive Officer

- Chairman of the Management Board of ELIS S.A.
- Chairman and Chief Executive Officer of ELIS SERVICES S.A.
- Director of PIERRETTE-T.B.A. S.A.
- Chairman of ELIS LUXEMBOURG S.A. (company under Luxembourg law)
- Director of ELIS MANOMATIC S.A. (company under Spanish law)
- Director of LAVALIA BALEARS SERVICIOS Y RENTING TEXTIL (company under Spanish law)
- Director of LAVALIA SUR SERVICIOS Y RENTING TEXTIL (company under Spanish law)
- Director of COMPAÑA NAVARRA DE SERVICIOS INTEGRALES SL (company under Spanish law)
- Director of ELIS ITALIA SpA (company under Italian law)
- Director of S.P.A.S.T. S.A. (company under Portuguese law)
- Director of GAFIDES S.A. (company under Portuguese law)
- Director of WÄSCHEREI MARIANO AG (company under Swiss law)
- Chairman of the Supervisory Board of ATMOSFERA GESTÃO E HIGIENIZAÇÃO DE TÊXTEIS S.A. (company under Brazilian law)
- Director of ALBIA S.A. (company under Chilean law)
- Director of SERVICIOS HOSPITALARIOS S.A. (company under Chilean law)

Didier Lachaud

Director

- Chairman and Chief Executive Officer of SHF HOLDING S.A.
- Chairman of LES LAVANDIERES S.A.S.
- Chairman of MAISON DE BLANC BERROGAIN S.A.S.
- Chairman of GRENELLE SERVICE S.A.S.
- Chairman of AQUITAINE SERVICES DEVELOPPEMENT S.A.S.
- Chairman of HYGIENE TECHNIQUE ET PROTECTION DE L'ENVIRONNEMENT S.A.S.
- Manager of S.C.I. DU CHATEAU DE JANVILLE
- Director of M.A.J. S.A.
- Permanent representative of the company LES LAVANDIERES on the Board of Directors of BLANCHISSERIE MODERNE S.A.

Barthélémy Morin

Director

- Chairman and Chief Executive Officer of PIERRETTE – T.B.A. S.A.
- Chairman of THIMEAU S.A.S.
- Chairman of LOVETRA S.A.S.
- Chairman of REGIONALE DE LOCATION ET SERVICES TEXTILES S.A.S.
- Chairman of SHF S.A.S.
- Chairman of HTE SANITATION
- Chairman of LSP S.A.S.

- Manager of SOCIETE DES OREILLERS ET COUVERTURES DES GRANDS RESEAUX DE CHEMINS DE FER (S.O.C.) S.A.R.L.
- Manager of S.C.I. DE LA FORGE
- Manager of S.C.I. MAINE BEAUSEJOUR
- Manager of S.C.I. LES GAILLETROUS
- Director of SHF HOLDING S.A.
- Member of the Management Board of KENNEDY HYGIENE PRODUCTS Ltd (company under UK law) Member of the Management Board of KENNEDY EXPORTS Ltd (company under UK law)
- Director of InoTex Bern AG (company under Swiss law)
- Director of WÄSCHEREI MARIANO AG (company under Swiss law)
- Director of ON MY WAY SA (company under Swiss law)
- Director of SERVICIOS HOSPITALARIOS S.A. (company under Chilean law)

PRINCIPAL STATUTORY AUDITOR

Company **MAZARS**
61 rue Henri Regnault, Tour Exaltis,
92400 Courbevoie, France

ALTERNATE STATUTORY AUDITORS

Company **CBA**
61 rue Henri Regnault, Tour Exaltis,
92400 Courbevoie, France

March 2017

Notes – Compensation of Top Executives at ELIS SA

Compensation due and paid to the members of the Management Board		
	<i>Fiscal year ended 12/31/2016</i>	
	Amount due (1)	Amount paid (2)
Xavier Martiré		
Fixed compensation	550,000	550,000
Annual variable compensation	809,160 (a)	420,803 (a)
Multi-year variable compensation	0	0
Special compensation	0	0
Directors' fees	0	0
Benefits in kind	5,836 (b)	5,836 (b)
TOTAL	1,364,996	976,639

(1) Fixed compensation due to the members of the Management Board during the fiscal year under consideration.

(2) Total compensation paid during the fiscal year, i.e. after application of the achievement condition to the basis of variable compensation.

(a) The variable component of the 2016 compensation for Xavier Martiré is based on ambitious targets and pre-defined performance criteria. 70% the variable component (that can go from 0 to 140% in the event of outperformance) is based on financial indicators, and 30% (this percentage being a maximum) of the variable compensation is based on non-financial criteria defined by the Supervisory Board on March 9, 2016 based on the proposal of the Appointments and Compensation Committee. The rate of satisfaction corresponding to the 2016 targets approved by the Supervisory Board on March 14, 2017 stood at 147% for Xavier Martiré, Chairman of the Management Board.

(b) The benefits in kind correspond to a company car made available to Xavier Martiré.

Notes – Compensation of Top Executives at ELIS SA

Bonus shares granted to each corporate officer for the fiscal year 2016						
	No. of plan and date of grant	Number of shares granted in the 2016 fiscal year (e)	Value of options based on the method used for consolidated financial statements (a) – <i>in euros</i>	Vesting date (b)	Availability date (c)	Performance conditions
Xavier Martiré, Chairman of the Management Board	Plan no. 3 June 15, 2016	207,520	2,827,647	June 15, 2019	June 15, 2019	(d)

- a) The value of the performance-related bonus shares is equal to that used to prepare the consolidated financial statements for the year ended December 31, 2016, calculated in accordance with the requirements of IFRS 2 by an independent appraiser. The valuation model applied is based on the underlying price of the portion not subject to market conditions and on the Monte Carlo method for the portion that is subject to market conditions. It takes account of data and assumptions prevailing at the grant date.
- b) The performance-related bonus shares vest at the end of a period of three years starting from the grant date (vesting period) under the combined conditions of continued employment and of performance targets.
- c) At the end of the vesting period, members of the Management Board are subject to an obligation to retain a certain number of shares for the duration of their term of office.
- d) The final acquisition of shares at the end of the vesting period is subject to fulfilling, by the end of this period, performance conditions and conditions of continued employment with reference to economic criteria (see the Elis Group Registration Document 2016, section 4.5 and notes to the consolidated financial statements contained in Chapter 6 of the Registration Document 2016).
- e) Before adjustment

RESULTS OVER THE LAST FIVE FISCAL YEARS

(and other significant items)

In euros

TYPE OF INDICATION	01/01/2012 12/31/2012 (1) (12 months)	01/01/2013 12/31/2013 (12 months)	01/01/2014 12/31/2014 (2) (12 months)	01/01/2015 12/31/2015 (3) (12 months)	01/01/2016 12/31/2016 (12 months)
I. Capital at the end of the fiscal year					
* share capital	568,032	568,032	133,568,032*	142,515,408*	142,515,408
* number of existing ordinary shares	35,502	35,502	8,348,002	8,907,213	8,907,213
* number of existing preferred dividend shares (without voting rights)					
* maximum number of future shares to create:					
. In bond conversions					
. In exercising subscription rights					
II. Transactions and results for the fiscal year					
* revenue excl. tax	555,411,889**	568,849,577***	576,324,436****	590,410,626*****	593,880,954
* income before tax, employee profit-sharing, amortization, depreciation and provisions	226,735,955	227,057,588	232,114,710	179,219,936	230,601,831
* income tax benefit (expense)	27,554,000	29,580,570	29,333,080	17,163,670	43,182,204
* employee profit-sharing	8,129,559	8,571,187	7,615,142	4,252,113	12,382,550
* income after tax, employee profit-sharing, amortization, depreciation and provisions	90,543,399	91,838,416	88,495,547	31,800,179	100,199,035
* distributed income	84,413,105	86,819,221	59,019,893	22,357,105	0
III. Earnings per share					
* income after tax and employee profit-sharing, but before amortization, depreciation and provisions	5,381.45	5,320.99	23.38	17.72	19.65
* income after tax, employee profit-sharing, amortization, depreciation and provisions	2,550.37	2,586.85	10.60	3.57	11.25
* net dividend per share	2,377.70	2,445.47	7.07	2.51	0.00
IV. Employees					
* average number of employees during the fiscal year	5,833	5,868	6,191	6,240	6,172
* payroll expenses for the fiscal year	136,200,367	139,909,228	143,234,328	149,976,953	149,744,731
* employee benefits paid during the fiscal year (social security, etc.)	46,424,758	43,423,405	42,251,025	42,332,123	42,358,536

* capital increase of €133 million in 2014 and of €8,947,376 in 2015

** revenue includes that of S.N.D.I customers (starting retroactively from 01/01/2012) and that of Pole Services customers (from 06/01/2012)

*** revenue includes that of the customers Sud-Ouest Hygiène Service (from 02/01/2013), RLD1 – Toulon (from 05/01/2013) and Districlean Service (from 10/01/2013)

**** revenue includes that of the customers Blanchisserie Mazamétaine et Castraise (from 04/01/2014) and Blanchisserie Poulard (from 09/30/2014)

***** revenue includes that of the customers Hytop (from 04/01/2015) and Le Grand Blanc via BPA (from 12/01/2015)

(1) the 2012 financial statements include the contributions/merger of the companies S.N.D.I. and Cassiopée

(2) the 2014 financial statements include the contributions/merger of the company Blanchisserie Poulard

(3) the 2015 financial statements include the contributions/merger of the companies Poulard 1836 and Districlean Service

**AGREEMENTS FALLING WITHIN THE SCOPE OF ARTICLE L. 225-102-1 OF
THE FRENCH COMMERCIAL CODE**

NB: excluding current transactions concluded under normal conditions

- 1. Agreements between the shareholder holding more than 10% shares and a subsidiary in which the company has a 50% stake (directly or through an intermediary) during the 2016 fiscal year**

Management services agreement concluded between the company ELIS SA and the company ELIS SERVICES on 10/04/2007, is automatically renewed annually.

Annual amount paid: €1,500,000

Management services agreement (intra-Group agreement) between the company ELIS SERVICES and the company ELIS SA dated 12/06/2011, is renewed annually on January 1.

- 2. Agreements between a member of the Board of Directors and a subsidiary in which the company has a 50% stake (directly or through an intermediary) during the 2016 fiscal year**

None