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ELIOR SA

Interim Financial Report

October 1, 2015 - December 31, 2015

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1.1 ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

(in € millions)	Three months ended December 31,	
	2015	2014
Revenue	**1,483.2**	**1,419.8**
Purchase of raw materials and consumables	(464.0)	(439.9)
Personnel costs	(674.0)	(649.1)
Other operating expenses	(219.2)	(210.8)
Taxes other than on income	(12.7)	(14.0)
Share of profit of equity-accounted investees	0.2	0.2
EBITDA	**113.5**	**106.2**
Depreciation, amortization and provisions for recurring operating items	(38.8)	(38.9)
Recurring operating profit including share of profit of equity-accounted investees	**74.7**	**67.3**
Other income and expenses, net (*)	(13.2)	(1.7)
Operating profit including share of profit of equity-accounted investees (EBITA)	**61.5**	**65.6**
Net financial expense (*)	(14.4)	(31.9)
Profit before income tax	**47.1**	**33.7**
Income tax	(18.8)	(14.1)
Loss for the period from discontinued operations	(0.3)	0
Profit for the period	**28.0**	**19.6**
Attributable to non-controlling interests	0.3	(0.1)
Attributable to owners of the parent	**27.7**	**19.7**
Earnings per share (in €)	0.16	0.12
Adjusted attributable profit for the period	36.4	20.8
Adjusted earnings per share (in €)	0.21	0.12

(*) The figures recorded under these items for the three months ended December 31, 2014 are presented after a pro forma reclassification to financial expenses of the amortization of debt issuance costs (see the related note in the consolidated financial statements).

1.1.1 CHANGES IN SCOPE OF CONSOLIDATION

In October and November 2015 respectively, Elior North America (formerly TrustHouse Services) – an Elior contract catering subsidiary operating in the United States – purchased Cura Hospitality (based in Pittsburg, Pennsylvania) and ABL Management (based in Baton Rouge, Louisiana). Cura Hospitality and the Philadelphia-based Starr Restaurant Catering Group – which was acquired in August 2015 and operates primarily in New York and Miami – have been consolidated since October 1, 2015, and ABL Management since December 1, 2015. These three companies generate combined contract catering revenue of around USD 150 million a year, in the business & industry market for Starr, the senior living and healthcare market for Cura and the education and corrections sectors for ABL. For the three months ended December 31, 2015, they contributed €30.1 million to consolidated revenue and €2.2 million to consolidated EBITDA.

In the first quarter of 2014-2015 (i.e. the three months ended December 31, 2014, the only change in the Group's scope of consolidation was the acquisition of the UK-based contract caterer, Lexington. Lexington generates annual revenue of around £30 million and operates primarily in the business & industry market in the City of London. For the three months ended December 31, 2014, Lexington contributed €12.4 million to consolidated revenue and €0.8 million to consolidated EBITDA.

1.1.2 PARTNERSHIP BETWEEN ELIOR AND ALAIN DUCASSE

On October 5, 2015, Elior signed a strategic and culinary partnership agreement with the master chef, Alain Ducasse, pursuant to which it has undertaken to acquire a 10% ownership interest in Ducasse Développement. In accordance with this agreement, Elior subscribed to a convertible bond issue in the first quarter of FY 2015-2016 and then on February 19, 2016 it completed its investment by taking up new shares issued by Ducasse Développement.

1.1.3 CHANGES IN THE PRESENTATION OF OPERATING SEGMENT INFORMATION, EFFECTIVE FROM FY 2015-2016

As a result of (i) Elior's buyout of the non-controlling interest in Areas in July 2015, which raised its stake in the company to 100%, and (ii) the reorganization of the Group's businesses, operating segment reporting has been changed, effective from FY 2015-2016. The new presentation of information by operating segment is as follows:

- The two reporting segments corresponding to the Group's business lines – i.e. contract catering & services and concession catering – remain unchanged.
- Information for each business line is now presented based on two geographic segments – France and International.

The new presentation has been used for the first time for the release of the Group's consolidated results for the first quarter of FY 2015-2016 (i.e. the three-month period ended December 31, 2015). The comparative figures for first-quarter FY 2014-2015 have been restated accordingly, including in the comments below.

1.1.4 REVENUE

Consolidated revenue increased by €63.4 million, or 4.5%, to €1,483.2 million for the first quarter of FY 2015-2016 from €1,419.8 million for the equivalent prior-year period. For information purposes, the newly-acquired companies ABL Management, Cura Hospitality and Starr Restaurant Catering Group, were all consolidated for the first time during the three months ended December 31, 2015.

The following table shows a breakdown of consolidated revenue by business line as well as a breakdown of revenue growth between organic growth, changes in scope of consolidation and foreign currency effect for each business line and segment individually and for the Group as a whole.

(in € millions)	3 months 2015-2016	3 months 2014-2015	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	560.7	555.3	1.0%	0.0%	0.0%	1.0%
International	535.1	487.3	(0.9)%	6.2%	4.6%	9.8%
Contract catering & services	1,095.9	1,042.6	0.2%	2.9%	2.1%	5.1%
France	161.9	168.3	(3.8)%	0.0%	0.0%	(3.8)%
International	225.4	208.9	9.2%	(3.9)%	2.6%	7.9%
Concessions Catering	387.3	377.2	3.4%	(2.2)%	1.4%	2.7%
GROUP TOTAL	1,483.2	1,419.8	1.0%	1.5%	1.9%	4.5%

The 4.5% year-on-year increase in consolidated revenue reflects (i) organic growth of 1.0% (taking into account the 2.1% negative effect of voluntary contract exits), and (ii) positive impacts of 1.5% and 1.9% respectively from acquisition-led growth and changes in exchange rates.

The portion of revenue generated by international operations rose to 51% in the first quarter of FY 2015-2016 from 49% in the comparable prior-year period.

The following table shows a revenue breakdown between the Group's six main markets and the growth rates by market for the first three months of FY 2015-2016 and FY 2014-2015:

(in € millions)	3 months 2015-2016	3 months 2014-2015	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	500.3	473.7	(0.3)%	3.9%	2.0%	5.6%
Education	307.2	305.0	(1.1)%	0.2%	1.5%	0.7%
Healthcare	288.4	263.9	2.3%	4.1%	2.9%	9.3%
Contract catering & services	1,095.9	1,042.6	0.2%	2.9%	2.1%	5.1%
Motorways	132.3	130.6	1.1%	(1.7)%	1.8%	1.3%
Airports	164.9	151.1	8.6%	(1.6)%	2.3%	9.2%
City sites & leisure	90.1	95.5	(1.7)%	(3.7)%	(0.3)%	(5.7)%
Concession catering	387.3	377.2	3.4%	(2.2)%	1.4%	2.7%
GROUP TOTAL	1,483.2	1,419.8	1.0%	1.5%	1.9%	4.5%

1.1.4.1 Contract Catering & Services

Contract catering & services revenue for the first three months of FY 2015-2016 was up €53 million, or 5.1%, year on year, coming in at €1,096 million and accounting for 74% of total consolidated revenue.

Organic growth was 0.2%, reflecting the adverse effect of the Group's strategy of withdrawing from low- and non-profit-making contracts in all of its European host countries.

The acquisitions carried out in the United States had a €30 million positive impact during the first three months of FY 2015-2016 and net of the impact of the sale of non-strategic operations in the education market, changes in the scope of consolidation pushed up contract catering & services revenue by an overall 2.9%.

In **France**, voluntary contract exits carried out during the period had a direct impact on all markets but this geographic segment nevertheless reported 1.0% organic growth, with revenue reaching €561 million.

- In the business & industry market, revenue was buoyed by the strong business development seen in 2015 as well as by a higher average customer spend. Revenue from related services declined year on year, however.
- Revenue generated in the education market was up on first-quarter FY 2014-2015, driven by increased attendance and a higher average customer spend.
- Revenue also rose in the healthcare market, led by the performance of existing sites and a robust level of business development.

Revenue for the **International** segment climbed 9.8% to €535 million. Organic growth for this segment was a negative 0.9%, however, mainly due to voluntary contract exits in Italy, the United Kingdom and Spain. In addition, organic growth in the United States was hampered by an unfavorable calendar effect (which trimmed an estimated $5 million off revenue during the period), as well as by a lower retention rate than the historic average in early 2015, which resulted in sales teams being strengthened during the second half of that year. Meanwhile, the Group's recent acquisitions in the United States and positive currency effects generated additional growth of 6.2% and 4.6% respectively.

- In the business & industry market, revenue was more or less unchanged compared with first-quarter FY 2014-2015. Business development was strong in Spain and the United States, notably in the corrections sector, but revenue decreased in the United Kingdom due to a number of voluntary contract exits.

- In the education market, revenue declined year on year, particularly in Italy and Spain (where the Group made the decision to withdraw from low- and non-profit making contracts), as well as in the United States where attendance was slightly lower.

- The healthcare market reported robust growth, due to sustained business development and to good performances by existing sites in the United Kingdom and Spain.

1.1.4.2 Concession Catering

Concession catering revenue rose 2.7% in the first three months of FY 2015-2016 to €387 million, representing 26% of total consolidated revenue.

Organic growth for the period came to 3.4%. Changes in the scope of consolidation had a 2.2% adverse impact on revenue, reflecting both completed and planned sales of non-strategic assets resulting from the Group's review of its business portfolio. Changes in exchange rates – notably for the US dollar – had a 1.4% positive effect.

Revenue generated in **France** amounted to €162 million, down 3.8% year on year. The terrorist attacks in Paris in November 2015 had an estimated €5 million negative effect on revenue during the first three months of FY 2015-2016.

- The motorways market felt the adverse effects of a decrease in traffic volumes of tourist coaches in France as well as unfavorable weather conditions in the mountains during the Christmas vacation period.

- Revenue in the airports market continued to be weighed down by the loss of the contract for Terminal 1 at Nice Airport from January 2015.

- The city sites & leisure market also reported a year-on-year revenue decrease due to much lower footfall in Parisian railway stations and museums as well as an unfavorable basis of comparison with the first quarter of FY 2014-2015, when major trade shows were held which only take place every two years. These unfavorable effects were partly offset by the additional revenue generated from the Bois aux Daims vacation village that opened in the Vienne region in June 2015.

In the **International** segment**,** 7.9% growth drove revenue up to €225 million. Organic growth was 9.2%, but completed or planned sales of non-strategic assets shaved 3.9% off the revenue figure.

- The motorways market was buoyed by the ramp-up of service areas in the United States, the opening of new service areas in Italy, and higher traffic volumes in Spain and Portugal.

- Revenue in the airports market was boosted by upward trends in traffic volumes in Spain and the United States and the opening of new points of sale in Italy.

1.1.5 PURCHASE OF RAW MATERIALS AND CONSUMABLES

This item increased by €24.0 million, or 5.5%, from €439.9 million for the three months ended December 31, 2014 to €464.0 million for the first quarter of FY 2015-2016.

The following table sets out purchases of raw materials and consumables by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Three months ended December 31,			
	2015		2014	
Purchase of raw materials and consumables				
Contract catering & services	(353.2)	*32.2%*	(330.4)	*31.7%*
Concession catering	(116.2)	*30.0%*	(112.5)	*29.8%*
Corporate	5.4	_	3.0	_
Total	**(464.0)**	***31.3%***	**(439.9)**	***31.0%***

1.1.5.1 Contract Catering & Services

Purchases of raw materials and consumables for the contract catering & services business line rose by €22.8 million, or 6.9%, from €330.4 million to €353.2 million. The acquisitions of Cura, Starr and ABL in the United States contributed €13.4 million to the overall increase.

As a percentage of revenue, this item rose from 31.7% to 32.2%. The year-on-year increase was primarily attributable to subsidiaries in France as a result of higher raw materials prices during the period, which have not yet been passed on to customers in contract price revisions. For the International segment, the ratio remained stable.

1.1.5.2 Concession Catering

Purchases of raw materials and consumables for the concession catering business line increased by €3.7 million, or 3.3%, from €112.5 million to €116.2 million.

As a percentage of revenue, the ratio edged up from 29.8% to 30.0%. This increase was mainly due to changes in the customer and contract mix for certain concession operations in France (in the motorways and leisure markets) as international concession catering operations saw an overall decrease in this ratio, particularly in the United States, Italy and Spain and Portugal.

1.1.6 PERSONNEL COSTS

Consolidated personnel costs increased by €24.9 million, or 3.8% year on year, from €649.1 million to €674.0 million. However, as a percentage of revenue, they decreased from 45.7% to 45.4%.

The following table sets out personnel costs by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Three months ended December 31,			
	2015		2014	
Personnel costs				
Contract catering & services	(525.8)	*48.0%*	(503.6)	*48.3%*
Concession catering	(134.3)	*34.7%*	(133.0)	*35.3%*
Corporate (1)	(13.9)	_	(12.4)	_
Total	**(674.0)**	***45.4%***	**(649.1)**	***45.7%***

[1] Represents personnel costs associated with corporate support functions (including the Group IT department), which are invoiced to operating entities for management and shared services. As the corresponding invoices do not break down the costs invoiced by nature, they cannot be allocated to specific operating segments. They are therefore recorded as a credit under "Other operating expenses" within the Corporate segment.

1.1.6.1 Contract Catering & Services

Personnel costs for the contract catering & services business line rose by €22.2 million, or 4.4%, from €503.6 million to €525.8 million. The year-on-year increase was mainly attributable to the effect of the acquisitions of Starr, Cura and ABL, which together accounted for €11.1 million of the overall rise.

As a percentage of revenue, contract catering & services personnel costs contracted from 48.3% to 48.0%. As the ratio was more or less unchanged for international operations, this decrease mainly related to France, where certain social security contributions were significantly lower thanks to the "*pacte de responsabilité*" program put in place by the government in January 2015 in order to boost the competitiveness of French businesses.

1.1.6.2 Concession Catering

Personnel costs for the concession catering business line inched up by €1.3 million, or 0.9%, from €133.0 million to €134.3 million. This increase primarily stemmed from higher personnel costs in international concession catering operations (in line with revenue growth), partially offset by a reduction in these costs in France.

As a percentage of revenue, personnel costs for the concession catering business line retreated from 35.3% to 34.7%, with this decrease chiefly attributable to the International segment.

1.1.7 OTHER OPERATING EXPENSES

Other operating expenses rose by €8.4 million, or4.0%, from €210.8 million to €219.2 million.

The following table sets out other operating expenses by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Three months ended December 31,			
	2015		2014	
Other operating expenses				
Contract catering & services	(116.6)	*10.6%*	(111.5)	*10.7%*
Concession catering	(109.2)	*28.2%*	(107.0)	*28.4%*
Corporate (1)	6.6	–	7.8	–
Total	**(219.2)**	***14.8%***	**(210.8)**	***14.8%***

(1) Represents the portion of revenue invoiced to operating entities by the Corporate segment (including the IT department) for management and shared services. As the corresponding invoices do not break down the costs invoiced by nature, they cannot be allocated to specific operating segments. They are therefore recorded as a credit under “Other operating expenses” for the Corporate segment and mainly comprise personnel costs.

1.1.7.1 Contract Catering & Services

Other operating expenses for the contract catering & services business line increased by €5.1 million, or 4.6%, from €111.5 million to €116.6 million. The Cura, Starr and ABL acquisitions represented €3.4 million of the overall rise, while in France operating expenses decreased in both the education and healthcare markets.

As a percentage of revenue, the business line's other operating expenses edged down from 10.7% to10.6%, mainly reflecting the fact that the ratio was lower in France, which more than offset the impact of a higher ratio in the United States

1.1.7.2 Concession Catering

Other operating expenses for the concession catering business line increased by €2.2 million, or 2.1%, from €107.0 million to €109.2 million. The increase was mainly attributable to operations in Italy, (where the Group took over new sites in the three months ended December 31, 2014), the United States (due to high business volumes), and Spain and Portugal (reflecting an increase in concession fees for new contracts). Conversely, other operating expenses for the Group's concession catering operations in France decreased year on year, in line with the revenue contraction reported in the country.

As a percentage of revenue, other operating expenses for the concession catering business line narrowed from 28.4% to 28.2%.

1.1.8 TAXES OTHER THAN ON INCOME

This item decreased by €1.3 million, or 9.6%, from €14.0 million to €12.7 million.

The following table sets out taxes other than on income by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Three months ended December 31,			
	2015		2014	
Taxes other than on income				
Contract catering & services	(10.3)	*0.9%*	(10.7)	*1.0%*
Concession catering	(1.9)	*0.5%*	(2.5)	*0.7%*
Corporate	(0.4)	–	(0.8)	–
Total	**(12.7)**	***0.9%***	**(14.0)**	***1.0%***

1.1.8.1 Contract Catering & Services

Taxes other than on income for the contract catering & services business line fell by €0.4 million, or 3.5%, from €10.7 million to €10.3 million. The reduction was mainly attributable to operations in France due to new legislation which resulted in a change in the method used to account for social security contributions and expenses related to employee training. However, while this change in method reduced "Taxes other than on income" it led to a correlative increase in "Other operating expenses". As a percentage of revenue, taxes other than on income narrowed from 1.0% to 0.9%.

1.1.8.2 Concession Catering

Taxes other than on income for the concession catering business line decreased by €0.6 million, or 23.2%, from €2.5 million to €1.9 million. As was the case for contract catering & services, France accounted for the majority of the reduction, for the same reasons as described above. The figure for this item as a percentage of revenue was also lower year-on-year, coming in at 0.7% compared with 0.5%.

1.1.9 EBITDA

The following table sets out EBITDA by business line and as a percentage of the revenue of each business line.

(in € millions)	Three months ended December 31,		Change in EBITDA	EBITDA margin	
	2015	2014		2014-2015	2013-2014
Contract catering & services					
France	50.2	49.1	*1.1*	*9.0%*	*8.8%*
International	39.7	37.2	*2.5*	*7.4%*	*7.6%*
Total contract catering & services	**89.9**	**86.3**	**3.6**	**8.2%**	**8.3%**
Concession catering					
France	11.0	14.3	*(3.2)*	*6.8%*	*8.5%*
International	14.8	8.1	*6.8*	*6.6%*	*3.9%*
Total concession catering	**25.9**	**22.3**	**3.5**	**6.7%**	**5.9%**
Corporate	**(2.3)**	**(2.5)**	***0.2***		
GROUP TOTAL	**113.5**	**106.2**	**7.3**	**7.7%**	**7.5%**

Consolidated EBITDA climbed by €7 million to €114 million and represented 7.7% of revenue, up 20 basis points on the first quarter of FY 2014-2015.

1.1.9.1 Contract Catering & Services

EBITDA for the contract catering & services business line rose to €90 million from €86 million, but its EBITDA margin edged down to 8.2%.

- In **France**, EBITDA totaled €50 million and represented 9.0% of revenue, up 20 basis points on the first quarter of FY 2014-2015 fueled by a strong performance in the education market.

- In the **International** segment, EBITDA for the contract catering & services business line advanced by €3 million to €40 million, propelled by the revenue growth delivered in the United States period. As a percentage of revenue, it narrowed to 7.4% from 7.6%, however, essentially due to the dilutive impact of the recent acquisitions in the USA. Conversely, the UK and Italy reported wider EBITDA margins during the period.

1.1.9.2 Concession Catering

Concession catering EBITDA amounted to €26 million (versus €22 million in the same period of FY 2014-2015) and represented 6.7% of revenue, up 80 basis points year on year.

- In **France**, the EBITDA figure was €11 million compared with €14 million for the first quarter of FY 2014-2015, reflecting the revenue decline posted for the period, notably by activities affected by the terrorist attacks that struck Paris on November 13, 2015.

- In the **International** segment, EBITDA rose by €7 million year on year to €15 million, and EBITDA margin surged by 270 basis points to 6.6%, led by higher profitability levels in all regions in Europe and in America

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1.1.10 DEPRECIATION, AMORTIZATION AND PROVISIONS FOR RECURRING OPERATING ITEMS

At €38.8 million, consolidated depreciation, amortization and provisions for recurring operating items was virtually unchanged from the first quarter of FY 2014-2015.

The following table sets out depreciation, amortization and provisions for recurring operating items by business line and as a percentage of the revenue of each business line.

(in € millions and % of revenue)	Three months ended December 31,			
	2015		2014	
Depreciation, amortization and provisions for recurring operating items				
Contract catering & services	(18.6)	*1.7%*	(19.0)	*1.8%*
Concession catering	(20.2)	*5.2%*	(19.7)	*5.2%*
Corporate	(0.1)	*–*	(0.2)	*–*
Total	**(38.8)**	***2.6%***	**(38.9)**	***2.7%***

1.1.10.1 Contract Catering & Services

Depreciation, amortization and provisions for recurring operating items reported by the contract catering & services business line decreased by €0.5 million, or 2.6%, from €19.0 million to €18.6 million.

1.1.10.2 Concession Catering

For the concession catering business line this item increased by €0.5 million, or 2.5%, from €19.7 million to €20.2 million.

1.1.11 OTHER INCOME AND EXPENSES, NET

The following table sets out the components of "Other income and expenses, net" by nature.

(in € millions)	Three months ended December 31,	
	2015	2014
Other non-recurring operating income and expenses, net	(10.5)	(0.2)
Amortization of intangible assets recognized on first-time consolidation of subsidiaries	(2.7)	(1.5)
Total	**(13.2)**	**(1.7)**

This item represented a net expense of €13.2 million for the three months ended December 31, 2015, and primarily included (i) €2.7 million in amortization of intangible assets recognized during the period as part of the purchase price allocation processes for the acquisitions of Elior North America and Starr Restaurant Catering Group in the United States and Lexington in the United Kingdom, and (ii) €10.1 million in reorganization costs incurred for the Group's French and international operations, notably related to the rollout of the Tsubaki 2020 transformation plan.

For the three months ended December 31, 2014, "Other income and expenses, net" represented a net expense of €1.7 million, primarily including €1.5 million in amortization of intangible assets (customer relationships) recognized on the first-time consolidation of Elior North America as part of the purchase price allocation process.

1.1.12 NET FINANCIAL EXPENSE

Net financial expense decreased by €8.9 million, or 55.0%, from €31.9 million to €14.4 million. The reduction was mainly due to the refinancing and repricing of the Group's euro- and dollar-denominated debt carried out between December 2014 and June 2015, which led to an average 100 basis point decrease in interest margins against a backdrop of a further slight fall in interest rates.

1.1.13 INCOME TAX

The Group's income tax expense rose by €4.7 million, or 33.7%, from €14.1 million for the first quarter of FY 2014-2015 to €18.8 million for the three months ended December 31, 2015, representing an effective tax rate of 29.0% (or 40% including the impact of the French CVAE tax). The year-on-year increase primarily reflects the higher level of pre-tax profit in the first quarter of FY 2015-2016 compared with the corresponding prior-year period.

1.1.14 ATTRIBUTABLE PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

As a result of the above-described factors – particularly the higher EBITDA figure and lower net financial expense – the Group ended the first quarter of FY 2015-2016 with €27.7 million in profit attributable to owners of the parent, versus €19.7 million for the first three months of FY 2014-2015.

Earnings per share – calculated based on the weighted average number of Elior shares outstanding during the period – amounted to €0.16, representing a 33.3% increase on the first-quarter FY 2014-2015 figure of €0.12.

Adjusted attributable profit for the period – which corresponds to profit for the period attributable to owners of the parent adjusted for "Other income and expenses, net" and net of the related tax effect calculated at the Group's standard tax rate of 34% – totaled €36.4 million, corresponding to €0.21 in adjusted earnings per share.

1.2 CONSOLIDATED CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED DECEMBER 31, 2014 AND 2015

The following table provides a summary of the Group's cash flows for the three-month periods ended December 31, 2014 and 2015.

(in € millions)	Three months ended December 31,	
	2015	2014
Net cash used in operating activities	(52.6)	(44.1)
Net cash used in investing activities	(97.9)	(73.7)
Net cash from financing activities	89.9	88.1
Effect of exchange rate and other changes	(1.0)	(21.8)
Net decrease in cash and cash equivalents	**(61.5)**	**(51.5)**

1.2.1 CASH FLOWS FROM OPERATING ACTIVITIES

The following table sets out the components of consolidated net cash used in operating activities in the three-month periods ended December 31, 2014 and 2015.

(in € millions)	Three months ended December 31,	
	2015	2014
EBITDA	113.5	106.2
Change in working capital	(90.1)	(90.4)
Interest paid	(27.8)	(22.0)
Tax paid	(29.2)	(6.3)
Other (including dividends recieved from associates)	(19.1)	(31.6)
Net cash used in operating activities	**(52.6)**	**(44.1)**

Operating activities generated a net cash outflow of €52.6 million in the three months ended December 31, 2015, versus €44.1 million in the first three months of FY 2014-2015.

Change in working capital

Change in working capital resulted in a €90.1 million net cash outflow in the first quarter of FY 2015-2016, more or less the same as the €90.4 million net cash outflow recorded for the comparable prior-year period. These figures fully reflect the seasonal nature of the Group's working capital requirement and were not affected by changes in scope of consolidation.

Interest paid

For the three months ended December 31, 2015, this item included the payment of a €13.5 million exit fee concerning interest rate swaps.

Excluding this non-recurring expense, interest paid was much lower in the first quarter of FY 2015-2016 than in the equivalent prior year period. This was in line with the decrease in net financial expense recorded in the income statement due to the renegotiation of interest margins on the Group's debt and the refinancing of Elior North America's debt that took place in FY 2014-2015.

Tax paid

Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax (*Imposta Regionale Sulle Attività Produttive*) and the French CVAE tax.

This item represented a net cash outflow of €29.2 million in the three months ended December 31, 2015 (versus €6.3 million in the same period of FY 2014-2015). The year-on-year increase was chiefly attributable to the payment of a prior-period tax liability following the settlement of a tax dispute during the year ended September 30, 2014.

Other cash flows from operating activities

Other cash flows from operating activities primarily relate to (i) non-recurring income and expenses recorded under "Other income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions.

For the three months ended December 31, 2014 and 2015, other cash flows from operating activities represented net cash outflows of €31.6 million and €19.1 million respectively. The figure for the three months ended December 31, 2015 chiefly consists of (i) an aggregate €17.4 million in restructuring costs and costs related to voluntary contract exits, primarily incurred by Elior in France, Areas in Spain and Elior Ristorazione in Italy, and (ii) €0.4 million in costs arising on Elior North America's recent acquisitions of Starr, Cura and ABL.

1.2.2 CASH FLOWS FROM INVESTING ACTIVITIES

The following table sets out the components of consolidated net cash used in investing activities for the three-month periods ended December 31, 2014 and 2015.

(in € millions)	Three months ended December 31,	
	2015	2014
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(40.2)	(55.5)
Purchases of and proceeds from sale of non-current financial assets	(7.4)	(0.1)
Acquisition/sale of shares in consolidated companies	(50.3)	(18.1)
Net cash used in investing activities	**(97.9)**	**(73.7)**

Net cash used in investing activities totaled €73.7 million in three months ended December 31, 2014 and €97.9 million in the three months ended December 31, 2015.

Capital expenditure

Total consolidated cash used for capital expenditure (net of proceeds from sales) decreased year on year from €55.5 million to €40.2 million.

The figure for contract catering & services was €29.1 million for the three months ended December 31, 2014 and €23.7 million for the first quarter of FY 2015-2016, representing 2.8% and 2.2% of this business line's revenue respectively. The year-on-year decrease reflects lower capital outlay incurred in the education market in France and in Spain.

For concession catering, net cash used for capital expenditure totaled €24.6 million for the three months ended December 31, 2014 and €12.9 million for the first quarter of FY 2015-2016, representing 6.5% and 3.3% of the business line's revenue respectively. These figures reflect a lower level of expenses incurred under capital expenditure programs in the motorways market in France.

Net cash used for capital expenditure by the Corporate segment came to €1.7 million and €3.6 million in the three-month periods ended December 31, 2014 and 2015 respectively, and primarily corresponded to purchases of software and hardware.

Purchases of and proceeds from sale of non-current financial assets

This item corresponded to a net cash outflow of €7.4 million in the three months ended December 31, 2015, and mainly related to the implementation of the strategic partnership with Ducasse Développement which resulted in Elior's take-up of convertible bonds during the period, and the acquisition of non-controlling interests in innovative start-ups whose activities are related or complementary to Elior's businesses.

For the first quarter of FY 2014-2015, "Purchases of and proceeds from sale of non-current financial assets" represented a net cash outflow of €0.1 million.

Acquisition/sale of shares in consolidated companies

For the three months ended December 31, 2015, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €50.3 million and chiefly concerned the acquisitions of Cura and ABL in the United States.

For the three months ended December 31, 2014, this item represented a net cash outflow of €18.1 million, mostly corresponding to the consideration paid for the Lexington shares acquired in October 2014.

1.2.3 CASH FLOWS FROM FINANCING ACTIVITIES

The following table sets out the components of consolidated net cash from financing activities for the three-month periods ended December 31, 2014 and 2015.

(in € millions)	Three months ended December 31,	
	2015	2014
Dividends paid to owners of the parent	0.0	
Movements in share capital of the parent	0.2	0.0
Dividends paid to non-controlling interests	(1.0)	(0.6)
Proceeds from borrowings	132.1	1,048.3
Repayments of borrowings	(41.4)	(959.7)
Net cash from financing activities	**89.9**	**88.1**

Net cash from financing activities totaled €89.9 million and €88.1 million for the three-month periods ended December 31, 2015 and 2014 respectively.

Movements in share capital of the parent

There were no significant movements in the parent company's share capital during the three-month periods ended December 31, 2015 and 2014.

Dividends paid to non-controlling interests

This item represented net cash outflows of €0.6 million and €1.0 million for the three-month periods December 31, 2014 and 2015 respectively, and mainly corresponded to dividends paid to non-controlling shareholders of Elior Concession in Italy.

Proceeds from borrowings

Consolidated cash inflows from proceeds from borrowings totaled €1,048.3 million and €132.1 million in the three-month periods ended December 31, 2014 and 2015 respectively.

For the three months ended December 31, 2015 these proceeds mainly corresponded to (i) €85.9 million from new securitized receivables as Serunión extended its use of the program and Gemeaz began to use it, and (ii) €43.9 million in drawdowns under euro- and dollar-denominated revolving credit facilities.

In the first quarter of FY 2014-2015, this item primarily corresponded to (i) a €950 million bank loan drawn down by Elior SA and Elior Participations SCA in connection with the refinancing of their syndicated bank loans on December 10, 2014, (ii) €63.0 million from new securitized receivables, and (iii) a €22.7 million bank loan drawn down by Areas to fund the capital outlay for its U.S. concession operations.

Repayments of borrowings

Repayments of borrowings led to net cash outflows of €959.7 million and €41.4 million in the three-month periods ended December 31, 2014 and 2015 respectively.

In the first quarter of FY 2015-2016, this item primarily related to (i) the refinancing of Areas' external euro-denominated debt, which was replaced by intra-Group debt, and (ii) repayments of finance lease liabilities.

In the three months ended December 31, 2014 this item mainly concerned (i) early repayment in an amount of €956.3 million made by Elior SA and Elior Participations SCA for two syndicated bank loans (as described above), (ii) the repayment of €1.2 million in finance lease liabilities, and (iii) €2.2 million in repayments of various other bank borrowings.

Effect of exchange rate and other changes

In the three months ended December 31, 2015, fluctuations in exchange rates and other changes mainly concerned discontinued operations.

In the first three months of FY 2014-2015, fluctuations in exchange rates and other changes had a negative €21.8 million cash impact, reflecting unfavorable currency effects on consolidated cash and cash equivalents as well as bank fees paid in connection with the Group's debt refinancing in December 2014.

1.2.4 FREE CASH FLOW

(in € millions)	Three months ended December 31,	
	2015	2014
EBITDA	**113.5**	**106.2**
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(40.2)	(55.5)
Change in working capital	(90.1)	(90.4)
Other non-recurring cash items	(19.1)	(31.6)
Tax paid	(29.2)	(6.3)
Free Cash Flow	**(65.0)**	**(77.5)**

Free cash flow came to a negative €65.0 million in the first three months of FY 2015-2016. This represented a €12.5 million improvement on the comparable prior-year period, achieved thanks to the increase in EBITDA as well as the Group’s tight control of seasonal working capital requirement and capital expenditure. Free cash flow was, however, adversely affected during first-quarter FY 2015-2016 by €19.1 million in non-recurring items (versus €31.6 million in the first three months of FY 2014-2015) as well as the payment of non-recurring income tax liabilities.

1.3 CONSOLIDATED BALANCE SHEET

(in € millions)	At December 31, 2015	At December 31, 2014
Non-current assets	3,510	3,437
Current assets excluding cash and cash equivalents	1,165	1,149
Cash and cash equivalents	180	154
Total assets	**4,856**	**4,740**

(in € millions)	At December 31, 2015	At December 31, 2014
Equity	1,484	1,300
Non-controlling interests	39	46
Non-current liabilities	1,872	1,938
Current liabilities	1,461	1,456
Total equity and liabilities	**4,856**	**4,740**
Net working capital requirement	(114)	(94)
Gross debt	1,784	1,664
Net debt as defined in the SFA	1,613	1,527
SFA leverage ratio (net debt as defined in the SFA / EBITDA) (*)	3.30	3.38

(*) Pro forma, adjusted to exclude acquisitions/divestments of consolidated companies carried out during the previous 12 months.

At December 31, 2015, the Group's gross debt amounted to €1,784 million (up €120 million on the December 31, 2014 figure of €1,664 million) and mainly comprised (i) euro-denominated bank borrowings amounting to €994 million under the Senior Facilities Agreement (SFA) (including €44 million in drawdowns under euro- and dollar-denominated revolving credit facilities), (ii) €227 million in debt carried by Elior SA and Elior Participations SCA in relation to the Senior Secured Notes issue, and (iii) a total of $200 million (€184 million) in dollar-denominated bond debt and senior bank debt carried by Elior SA and Elior Participations. The remainder of the Group's gross debt at December 31, 2015 was made up of €265 million in liabilities related to trade receivables securitized by French, Italian and Spanish subsidiaries, as well as €13 million in finance lease liabilities and €101 million in dollar-denominated short-term bank loans, primarily taken out by Areas USA.

At December 31, 2015 and for the three months then ended, the average interest rate – including the lending margin but excluding the effect of interest rate hedges – on the Group's debt related to the SFA and Senior Secured Notes (which represent the majority of its total debt) was 2.7%.

Cash and cash equivalents recognized in the balance sheet amounted to €180 million at December 31, 2015. At the same date, cash and cash equivalents presented in the cash flow statement, i.e. net of bank overdrafts and short-term accrued interest, totaled €136.1 million.

At December 31, 2015, consolidated net debt (as defined in the SFA) stood at €1,613 million. This amount represented 3.30 times consolidated pro forma EBITDA, versus 3.38 times at December 31, 2014 and 3.04 times EBITDA for the year ended September 30, 2015. The Group's leverage ratio is affected by the seasonal fluctuations inherent in its operations which mean that its working capital position is traditionally better in the second half of the fiscal year than in the first.

1.4 EVENTS AFTER THE REPORTING DATE

Partial early redemption of the Elior Finance & Co SCA 6.5% May 2020 Senior Secured Notes

On February 9, 2016, Elior redeemed in advance of term 22% of the outstanding Elior Finance SCA 6.5% May 2020 Senior Secured Notes. This redemption represented a nominal amount of €50.0 million and the corresponding cash outflow for Elior was €54.0 million, including €3.1 million in early redemption penalties. The repayment was financed by way of Elior SA drawing down €50.0 million under a new syndicated bank loan set up on January 29, 2016, which expires in January 2023. Interest on the new loan is based on the Euribor plus a standard margin of 2.5%.

February 26, 2016

ELIOR SA

Condensed Interim Consolidated Financial Statements

For the Three-Month Periods Ended December 31, 2015 and 2014

The English-language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation.

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Registered in Paris under no. 408 168 003
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IFRS Consolidated Financial Statements for the Three-Month Periods ended December 31, 2015 and 2014

1. Consolidated Income Statement and Statement of Comprehensive Income

1.1 Consolidated Income Statement

(in € millions)	Note	Three months ended Dec. 31, 2015 Unaudited	Three months ended Dec. 31, 2014 Unaudited
Revenue	**13.1**	**1,483.2**	**1,419.8**
Purchase of raw materials and consumables		(464.0)	(439.9)
Personnel costs		(674.0)	(649.1)
Other operating expenses		(219.2)	(210.8)
Taxes other than on income		(12.7)	(14.0)
Depreciation, amortization and provisions for recurring operating items		(38.8)	(38.9)
Recurring operating profit		**74.5**	**67.0**
Share of profit of equity-accounted investees		0.2	0.2
Recurring operating profit/(loss) including share of profit of equity-accounted investees	**13.1**	**74.7**	**67.3**
Other income and expenses, net (*)	15	(13.2)	(1.7)
Operating profit including share of profit of equity-accounted investees		**61.5**	**65.6**
Financial expenses (*)	21	(15.6)	(32.6)
Financial income	21	1.2	0.7
Profit before income tax		**47.1**	**33.7**
Income tax	16	(18.8)	(14.1)
Loss for the period from discontinued operations		(0.3)	-
Profit for the period		**28.0**	**19.6**
Attributable to non-controlling interests		**0.3**	**(0.1)**
Attributable to owners of the parent		**27.7**	**19.7**
Basic earnings per share (in €)		0.16	0.12
Diluted earnings per share (in €)		0.16	0.12

(*) After a pro forma reclassification for the three months ended December 31, 2014 (see Notes 6 and 21).

1.2 Consolidated Statement of Comprehensive Income

(in € millions)	Three months ended Dec. 31, 2015 Unaudited	Three months ended Dec. 31, 2014 Unaudited
Profit for the period	**28.0**	**19.6**
Items that will not be reclassified subsequently to profit or loss		
Post-employment benefit obligations	-	-
Items that may be reclassified subsequently to profit or loss		
Financial instruments	(1.9)	4.4
Currency translation differences	1.9	(2.6)
Income tax	0.7	(1.5)
Total items that may be reclassified subsequently to profit or loss	**0.7**	**0.3**
Comprehensive income for the period	**28.7**	**19.9**
Attributable to:		
- Owners of the parent	28.3	19.0
- Non-controlling interests	0.4	0.9

2. Consolidated Balance Sheet

2.1 Assets

(in € millions)	Note	At December 31, 2015 Unaudited	At September 30, 2015 Audited	At December 31, 2014 Unaudited
Goodwill	18	2,431.2	2,376.0	2,385.4
Intangible assets	19	316.8	294.0	272.5
Property, plant and equipment	20	504.1	510.5	499.9
Non-current financial assets		37.7	48.6	32.0
Equity-accounted investees		3.2	3.1	2.1
Fair value of derivative financial instruments (*)		-	-	-
Deferred tax assets		217.1	222.9	245.3
Total non-current assets		**3,510.0**	**3,455.1**	**3,437.2**
Inventories		103.5	96.0	96.6
Trade and other receivables		959.9	907.2	972.6
Current income tax assets		30.8	17.2	21.5
Other current assets		56.3	59.4	51.1
Short-term financial receivables (*)		9.3	10.9	6.7
Cash and cash equivalents (*)		180.4	210.4	154.0
Assets classified as held for sale		5.7	5.6	-
Total current assets		**1,345.9**	**1,306.7**	**1,302.7**
Total assets		**4,855.9**	**4,761.7**	**4,739.8**

(*) Included in the calculation of net debt

2.2 Equity and Liabilities

(in € millions)	Note	At December 31, 2015 Unaudited	At September 30, 2015 Audited	At December 31, 2014 Unaudited
Share capital		1.7	1.7	1.6
Reserves and retained earnings		1,481.9	1,453.8	1,298.1
Non-controlling interests		39.4	30.6	46.0
Total equity	4	**1,523.0**	**1,486.1**	**1,345.8**
Long-term debt (*)	21	1,666.3	1,530.4	1,564.9
Fair value of derivative financial instruments (*)		8.0	20.6	21.8
Non-current liabilities relating to share acquisitions		20.0	20.0	182.1
Deferred tax liabilities		49.9	50.7	48.6
Provisions for pension and other post-employment benefit obligations		105.4	105.3	105.4
Other long-term provisions		22.8	22.4	14.9
Total non-current liabilities		**1,872.3**	**1,749.4**	**1,937.6**
Trade and other payables		655.4	701.0	641.1
Due to suppliers of non-current assets		15.8	23.9	15.0
Accrued taxes and payroll costs		560.3	556.3	550.0
Current income tax liabilities		26.2	28.7	43.6
Short-term debt (*)	21	117.7	123.5	99.3
Current liabilities relating to share acquisitions		10.8	8.7	9.9
Short-term provisions		56.0	59.2	77.4
Other current liabilities		16.8	22.5	20.0
Liabilities classified as held for sale		1.6	2.5	-
Total current liabilities		**1,460.6**	**1,526.2**	**1,456.4**
Total liabilities		**3,332.8**	**3,275.6**	**3,394.0**
Total equity and liabilities		**4,855.9**	**4,761.7**	**4,739.8**
(*) Included in the calculation of net debt		1,602.2	1,453.3	1,525.2
Net debt excluding fair value of derivative financial instruments and debt issuance costs		1,613.1	1,452.2	1,527.1

3. Consolidated Cash Flow Statement

(in € millions)	Note	Three months ended Dec. 31, 2015 Unaudited	Three months ended Dec. 31, 2014 Unaudited
Cash flows from operating activities			
Recurring operating profit including share of profit of equity-accounted investees		74.7	67.3
Amortization and depreciation		38.0	37.5
Provisions		0.8	1.4
EBITDA		**113.5**	**106.2**
Change in working capital		(90.1)	(90.4)
Interest paid		(27.8)	(22.0)
Tax paid		(29.2)	(6.3)
Other cash movements		(19.1)	(31.6)
Net cash used in operating activities		**(52.6)**	**(44.1)**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		(46.2)	(57.6)
Proceeds from sale of property, plant and equipment and intangible assets		6.0	2.1
Purchases of non-current financial assets		(7.4)	(0.1)
Proceeds from sale of non-current financial assets		0.0	-
Acquisition/sale of shares in consolidated companies, net of cash acquired/divested		(50.3)	(18.1)
Net cash used in investing activities		**(97.9)**	**(73.7)**
Cash flows from financing activities			
Dividends paid to owners of the parent			-
Movements in share capital of the parent		0.2	-
Purchases of treasury shares		-	-
Dividends paid to non-controlling interests		(1.0)	(0.6)
Proceeds from borrowings		132.1	1,048.3
Repayments of borrowings		(41.4)	(959.7)
Net cash from financing activities		**89.9**	**88.1**
Effect of exchange rate and other changes		(1.0)	(21.8)
Net decrease in cash and cash equivalents		**(61.5)**	**(51.5)**
Cash and cash equivalents at beginning of period		**197.6**	**188.8**
Cash and cash equivalents at end of period		**136.1**	**137.3**

Bank overdrafts repayable on demand and current accounts held for treasury management purposes are an integral part of the Group's cash management and are therefore deducted from cash in the cash flow statement whereas they are classified as short-term debt in the balance sheet. These items represent the sole difference between the cash and cash equivalents figure presented under assets in the balance sheet and the amount presented in the cash flow statement under “Cash and cash equivalents at end of period”.

4. Consolidated Statement of Changes in Equity

(in € millions)	Number of shares	Share capital	Additional paid-in capital and other reserves	Profit for the period attributable to owners of the parent	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at September 30, 2014 (1)	**164,370,556**	**1.6**	**1,234.8**	**47.8**	**(2.4)**	**1,281.8**	**45.0**	**1,326.8**
Profit for the period				19.7		19.7	(0.1)	19.6
Post-employment benefit obligations			0.0			0.0		0.0
Changes in fair value of financial instruments			2.9			2.9	0.0	2.9
Currency translation differences					(3.6)	(3.6)	1.0	(2.6)
Comprehensive income for the period			**2.9**	**19.7**	**(3.6)**	**19.0**	**0.9**	**19.9**
Appropriation of prior-period profit			47.8	(47.8)				
Capital increase	650					0.0		0.0
Dividends paid			(0.6)			(0.6)	0.0	(0.6)
Other movements			(0.5)			(0.5)	0.2	(0.3)
Balance at December 31, 2014	**164,371,206**	**1.6**	**1,284.4**	**19.7**	**(6.0)**	**1,299.7**	**46.0**	**1,345.8**
Balance at September 30, 2015	**172,325,244**	**1.7**	**1,363.4**	**107.2**	**(16.7)**	**1,455.5**	**30.6**	**1,486.1**
Profit for the period				27.7		27.7	0.3	28.0
Post-employment benefit obligations			0.0			0.0		0.0
Changes in fair value of financial instruments			(1.2)			(1.2)		(1.2)
Currency translation differences					1.8	1.8	0.1	1.9
Comprehensive income for the period			**(1.2)**	**27.7**	**1.8**	**28.3**	**0.4**	**28.7**
Appropriation of prior-period profit			107.2	(107.2)		0.0		0.0
Capital increase	28,900		0.2			0.2	0.0	0.2
Dividends paid			(0.4)			(0.4)	(0.3)	(0.7)
Other movements (2)			0.1			0.1	8.7	8.8
Balance at December 31, 2015	**172,354,144**	**1.7**	**1,469.1**	**27.7**	**(14.9)**	**1,483.6**	**39.4**	**1,523.0**

(1) Including the impact of the application of IFRIC 21, representing a positive amount of €6.0 million before tax (€4.2 million after tax).

(2) The amounts recognized under "Other movements" within "Non-controlling interests" for the three months ended December 31, 2015 primarily correspond to the reversal of a liability related to a put option written over the non-controlling interests in Elior North America (formerly THS) following an amendment to the underlying shareholders' agreement.

Notes to the IFRS Consolidated Financial Statements for the Three-Month Periods Ended December 31, 2015 and 2014

5. General Information

Elior SA is a French joint stock corporation (*société anonyme*) registered and domiciled in France. Its headquarters are located at 61-69 rue de Bercy, Paris, France. At December 31, 2015, Elior was held by the following parties: 17.60% by investment funds managed by Charterhouse, 23.99% by Bagatelle Investissement et Management – "BIM" (which is wholly-owned by Robert Zolade), 5.22% by Corporacion Empresarial Emesa, and 53.19% by private and public investors following Elior's admission to trading on Euronext Paris on June 11, 2014.

The Elior group is a major player in Europe's contracted catering and related services industry. It operates its businesses of contract catering & services and concession catering through companies based in 13 countries – mainly in the eurozone, the United Kingdom, Latin America and the USA.

6. Basis of Preparation

The condensed interim consolidated financial statements for the three-month period ended December 31, 2015 have been prepared in accordance with IAS 34. These financial statements do not include all the information and disclosures required in accordance with IFRS for annual financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the fiscal year ended September 30, 2015, which were prepared in accordance with IFRS as adopted in the European Union.

The accounting policies used are the same as those applied in the annual financial statements at September 30, 2015.

In the figures presented for the three months ended December 31, 2014 the expense recorded for the accelerated amortization of debt issuance costs has been reclassified from "Other income and expenses, net" to "Other financial income and expenses". The reclassified amount totaled €8.6 million.

All of the standards and interpretations whose application was mandatory during the period and which have been adopted by the European Union have been applied in these interim financial statements for the three months ended December 31, 2015.

The condensed interim consolidated financial statements were approved for issue by Elior's Board of Directors on February 25, 2016.

7. Significant Events

- **Acquisition and Disposals of Shares in Consolidated Companies**

In October and November 2015 respectively, Elior North America (formerly TrustHouse Services) – an Elior contract catering subsidiary operating in the United States – purchased Cura Hospitality (based in Pittsburg, Pennsylvania) and ABL Management (based in Baton Rouge, Louisiana). Cura Hospitality and the Philadelphia-based Starr Restaurant Catering Group – which was acquired in August 2015 and operates primarily in New York and Miami – have been fully consolidated since October 1, 2015, and ABL Management since December 1, 2015. These three companies generate combined contract catering revenue of around USD 150 million a year, in the business & industry market for Starr Restaurant Catering Group, the senior living and healthcare market for Cura and the education and corrections sectors for ABL. For the three months ended December 31, 2015, they contributed an aggregate €30.1 million to consolidated revenue and €2.2 million to consolidated EBITDA.

Three months ended December 31, 2014

The only change in the Group's scope of consolidation in the first quarter of 2014-2015 (i.e. the three months ended December 31, 2014) was the acquisition of the UK-based contract caterer, Lexington. Lexington generates annual revenue of around £30 million and operates primarily in the business & industry market in the City of London. For the three months ended December 31, 2014, Lexington contributed €12.4 million to consolidated revenue and €0.8 million to consolidated EBITDA.

- **Other Significant Events**

Three months ended December 31, 2015

Partnership between Elior and Alain Ducasse Entreprise

On October 5, 2015, Elior signed a strategic and culinary partnership agreement with the master chef, Alain Ducasse, pursuant to which it has undertaken to acquire a 10% ownership interest in Ducasse Développement. In accordance with this agreement, Elior subscribed to a convertible bond issue in the first quarter of FY 2015-2016 and then on February 19, 2016 it completed its investment by taking up new shares issued by Ducasse Développement.

Three months ended December 31, 2014

Renegotiation of the Group's syndicated bank loans (5th amendment)

On December 10, 2014, the Group refinanced all of its credit facilities (term loans and revolving loans) under the Senior Facility Agreement pursuant to an amendment signed on December 3, 2014. This refinancing – which involved a total amount of €950 million – enabled the Group to (i) significantly lower the cost of its senior debt thanks to a reduction in the applicable interest margins, (ii) extend the maturity of this debt to 2019 and 2022 (for part of the debt), and (iii) obtain less strict financial and non-financial covenants. The €15 million in bank fees paid in connection with this amendment are being recognized in the income statement over the term of the new credit facilities.

8. Accounting Policies

The accounting policies adopted are the same as those used for the fiscal year ended September 30, 2015.

For interim periods, taxes on income (other than the CVAE tax levied in France on value added generated by the business but including the regional IRAP tax applicable in Italy) are accrued using the tax rate that would be applicable to expected total annual profit. In these financial statements, the CVAE tax – which is included in income tax – and employee profit-sharing have been accrued based on a quarter of the expected full-year charge.

No actuarial assessments of pension and other post-employment benefit obligations have been performed for these condensed interim consolidated financial statements. The related expense for the three-month periods ended December 31, 2014 and 2015 represents a quarter of the expense calculated for the full years ended September 30, 2015 and 2016, respectively.

9. New Standards, Amendments and Interpretations

- **New Standards, Amendments and Interpretations Adopted by the European Union and Applied by the Group**

None.

- **New Standards, Amendments and Interpretations Issued by the IASB but not yet Applied by the Group**

The main standards, amendments and interpretations that have been issued but are not yet effective are as follows:

- Amendments to IAS 1, “Disclosure Initiative”, effective for annual periods beginning on or after January 1, 2016 (not yet adopted by the EU).
- IFRS 9, "Financial Instruments", effective for annual periods beginning on or after January 1, 2018 (not yet adopted by the EU).
- IFRS 15, "Revenue from Contracts with Customers", effective for annual periods beginning on or after January 1, 2018 (not yet adopted by the EU).

The Group did not early adopt any standards or amendments during the first quarter of FY 2015-2016. It is currently in the process of analyzing the potential impacts of the above-mentioned new standards and amendments.

10. Use of Estimates

The preparation of interim consolidated financial statements requires Management of both the Group and its subsidiaries to use certain estimates and assumptions that may have an impact on the reported values of assets, liabilities and contingent liabilities at the balance sheet date, and on items of income and expense for the period.

These estimates and assumptions – which are based on historical experience and other factors believed to be reasonable in the circumstances – are used to assess the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates if different assumptions or circumstances apply.

In preparing these condensed interim consolidated financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended September 30, 2015, with the exception of changes in estimates that are required in determining the provision for income taxes.

11. Exchange Rates

The recognition and measurement criteria relating to foreign currency operations are defined in IAS 21, "The Effects of Changes in Foreign Exchange Rates". Commercial transactions denominated in foreign currencies carried out by consolidated companies are translated using the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables are translated at the period-end exchange rate and the resulting translation gains or losses are recorded in the income statement.

For the three-month periods ended December 31, 2015 and 2014, the balance sheets, income statements, and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in Elior's accounts have been translated (i) at the exchange rate prevailing at December 31, 2015 and 2014 respectively for the balance sheet, and (ii) at the average exchange rate for the period for the income statement and cash flow statement, except in the case of significant fluctuations in exchange rates. Any resulting translation differences have been recorded in other comprehensive income.

The main exchange rates used in the consolidated financial statements for the three-month periods ended December 31, 2015 and 2014 were based on Paris stock exchange rates and were as follows:

	Three months ended Dec. 31, 2015		Three months ended Dec. 31, 2014	
	Period-end rate	Average rate	Period-end rate	Average rate
- € /US $:	1.0860	1.0952	1.2099	1.2488
- € /£ :	0.7368	0.7221	0.7764	0.7890
- € /MXN :	18.66	18.36	17.84	17.35
- € /CLP :	769.58	764.24	734.26	747.26

12. Seasonality of Operations

Revenue and recurring operating profit generated by the majority of the Group's operations are subject to seasonal fluctuations. During the summer, the concession catering business line typically experiences a significant increase in revenue and, notably due to the effect of this increase in revenue on the absorption of fixed costs, a more than proportional rise in both the amount of recurring operating profit and recurring operating profit as a percentage of revenue. In contrast, during the same period the contract catering & services business line experiences lower business volumes and therefore a more than proportional decrease in its recurring operating profit, both in absolute value terms and as a percentage of revenue, due to the fact that a large number of employees and students are on vacation in the summer.

At Group level, these seasonal fluctuations did not have any impact on reported revenue for the three months under review due to offsetting effects between the Group's two business lines. Each half year accounts for approximately 50% of the Group's total annual revenue, excluding the effect of changes in consolidation scope.

In terms of recurring operating profit, seasonal fluctuations result in a higher figure being recorded during the second half of the year due to higher revenue and margins in the concession catering business line. The proportion of recurring operating profit recorded during the first and second half of each fiscal year represents approximately 40% and 60% respectively.

In addition, changes in the number of working days and the dates on which bank or school holidays fall, as well as changes in the scope of consolidation, impact the period-on-period comparability of revenue and profitability for the Group's two business lines.

Net cash from operating activities is also subject to seasonal variations, which are mainly due to changes in working capital as:

- in the concession catering business line, cash generated from changes in working capital requirement is directly linked to business volumes, which are lower in the first half of each fiscal year than in the second half; and
- in the contract catering & services business line, the amount of trade receivables increases during the first half of each fiscal year as revenue invoiced to clients is at its peak during this period, and decreases during the second half when this segment’s business volumes trough.

13. Segment Reporting

At December 31, 2015 and 2014, the Group was structured into two main business lines: contract catering & services, and concession catering. The results and long-term assets of these business lines are broken down into operating segments that correspond to geographic regions and the segments used by management in making key operating decisions. These operating segments are ”France” and "International" for both the contract catering & services and concession catering business lines following a change in presentation made for concession catering in the first quarter of FY 2015-2016. As a result of this change the figures presented for concession catering for the first three months of FY 2014-2015 have been restated accordingly.

These operating segments correspond to the segments whose operating results are regularly reviewed by the Group's chief operating decision maker (the Executive Team).

Share of profit of equity-accounted investees primarily relates to concession catering operations in France.

13.1 Income Statement Information

The tables below present detailed income statement information by operating segment as well as a breakdown of consolidated revenue by business line and geographic region for the three-month periods ended December 31, 2015 and 2014.

- Income statement information by operating segment

(in € millions)	Contract catering & services			Concession catering			Corporate	Group total
Three months ended Dec. 31, 2015 Unaudited	France	International	**Total**	France	International	**Total**		
Revenue	**560.7**	**535.1**	**1,095.9**	**161.9**	**225.4**	**387.3**	**-**	**1,483.2**
Recurring operating profit/(loss) including share of profit of equity-accounted investees	40.7	30.6	**71.4**	2.4	3.4	**5.7**	(2.4)	**74.7**
Recurring operating profit/(loss) as a % of revenue	*7.3%*	*5.7%*	***6.5%***	*1.5%*	*1.5%*	***1.5%***	*(0.2)%*	***5.0%***
Other income and expenses, net	(1.3)	(4.1)	**(5.4)**	(0.1)	(3.8)	**(3.9)**	(3.9)	**(13.2)**
Operating profit/(loss)	39.4	26.5	**65.9**	2.2	(0.4)	**1.8**	(6.3)	**61.5**
Net financial expense								**(14.4)**
Income tax								**(18.8)**
Loss for the period from discontinued operations								**(0.3)**
Loss for the period attributable to non-controlling interests								**0.3**
Profit for the period attributable to owners of the parent								**27.7**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(9.1)	(8.3)	**(17.4)**	(8.8)	(11.3)	**(20.2)**	(0.4)	**(38.0)**
Other expenses with no cash impact	(0.4)	(0.7)	**(1.1)**	0.1	(0.1)	**0.0**	0.3	**(0.8)**
EBITDA	50.2	39.7	**89.9**	11.0	14.8	**25.9**	(2.3)	**113.5**
EBITDA as a % of revenue	*9.0%*	*7.4%*	***8.2%***	*6.8%*	*6.6%*	*6.7%*	***(0.2)%***	*7.7%*

(in € millions)	Contract catering & services			Concession catering				
Three months ended Dec. 31, 2014 Unaudited	France	International	**Total**	France	International	**Total**	**Corporate**	**Group total**
Revenue	**555.3**	**487.3**	**1,042.6**	**168.3**	**208.9**	**377.2**	**-**	**1,419.8**
Recurring operating profit/(loss) including share of profit of equity-accounted investees	39.1	28.2	**67.3**	5.1	(2.5)	**2.7**	(2.7)	**67.3**
Recurring operating profit/(loss) as a % of revenue	*7.0%*	*5.8%*	***6.5%***	*3.0%*	*(1.2)%*	***0.7%***	*(0.2)%*	***4.7%***
Other income and expenses, net	0.1	(2.0)	**(1.9)**	0.0	0	**0.0**	0.2	**(1.7)**
Operating profit/(loss)	39.3	26.1	**65.4**	5.1	(2.5)	**2.7**	(2.5)	**65.6**
Net financial expense								**(31.9)**
Income tax								**(14.1)**
Profit for the period attributable to non-controlling interests								**(0.1)**
Profit for the period attributable to owners of the parent								**19.7**
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(8.7)	(7.3)	**(16.0)**	(9.7)	(11.3)	**(21.0)**	(0.5)	**(37.5)**
Other expenses with no cash impact	(1.3)	(1.7)	**(3.0)**	0.5	0.8	**1.3**	0.2	**(1.4)**
EBITDA	49.1	37.2	**86.3**	14.3	8.1	**22.3**	(2.5)	**106.2**
EBITDA as a % of revenue	*8.8%*	*7.6%*	***8.3%***	*8.5%*	*3.9%*	*5.9%*	***(0.2)%***	*7.5%*

- Revenue by business line and market

(in € millions)	Three months ended Dec. 31, 2015 Unaudited	% of total revenue	Three months ended Dec. 31, 2014 Unaudited	% of total revenue	Year-on-year change	% change
Contract catering & services						
Business & industry	500.3	33.7%	473.7	33.4%	26.6	5.6%
Education	307.2	20.7%	305.0	21.5%	2.2	0.7%
Healthcare	288.4	19.4%	263.9	18.6%	24.5	9.3%
Sub-total: Contract catering & services	**1,095.9**	**73.9%**	**1,042.6**	**73.4%**	**53.3**	**5.1%**
Concession catering						
Airports	164.9	11.1%	151.1	10.6%	13.8	9.1%
Motorways	132.3	8.9%	130.6	9.2%	1.7	1.3%
City sites & leisure	90.1	6.1%	95.5	6.7%	(5.4)	(5.7)%
Sub-total: Concession catering	**387.3**	**26.1%**	**377.2**	**26.6%**	**10.1**	**2.7%**
Total	**1,483.2**	**100.0%**	**1,419.8**	**100.0%**	**63.4**	**4.5%**

- Revenue by geographic region

(in € millions)	Three months ended Dec. 31, 2015 Unaudited	% of total revenue	Three months ended Dec. 31, 2014 Unaudited	% of total revenue	Year-on-year change	% change
France	722.6	48.7%	723.6	51.0%	(1.0)	(0.1)%
Europe excluding France	543.4	36.6%	529.7	37.3%	13.7	2.6%
Other countries	217.1	14.6%	166.5	11.7%	50.6	30.4%
Total	**1,483.2**	**100.0%**	**1,419.8**	**100.0%**	**63.4**	**4.5%**

13.2 Segment Non-Current Assets

(in € millions)	Contract catering & services			Concession catering			Corporate	Group total
Three months ended Dec. 31, 2015 Unaudited	France	International	**Total**	France	International	**Total**		
Revenue	560.7	535.1	**1,095.9**	161.9	225.4	**387.3**	-	**1,483.2**
Non-current assets	1,193.3	899.4	**2,092.7**	570.8	562.2	**1,133.0**	26.3	**3,252.0**

(in € millions)	Contract catering & services			Concession catering			Corporate	Group total
Three months ended Dec. 31, 2014 Unaudited	France	International	**Total**	France	International	**Total**		
Revenue	555.3	487.3	**1,042.6**	168.3	208.9	**377.2**	-	**1,419.8**
Non-current assets	1,187.7	816.6	**2,004.3**	577.2	555.1	**1,132.3**	21.2	**3,157.8**

14. Business Combinations

In In August 2015, the Group acquired Starr Restaurant Catering Group (which operates in the business & industry market) and then in October and November 2015 respectively it acquired Cura Hospitality (specialized in the senior living and healthcare markets) and ABL Management (specialized in the education and corrections sectors). All three of these companies have been fully consolidated (since October 1, 2015 for Starr Restaurant Catering Group and Cura and since December 1, 2015 for ABL). The goodwill recognized on their first-time consolidation – before assigning final fair values to their identifiable assets and liabilities under the purchase price allocation process – amounted to an aggregate €59.9 million. A total of €10.3 million has been allocated on a provisional basis to Starr Restaurant Catering Group's identifiable intangible assets (customer relationships). The purchase price allocation processes for Cura and ABL are currently in process and will be completed by the end of the fiscal year.

All three of these acquisitions were carried out by Elior North America, Elior's contract catering subsidiary in the United States, which is 77.3%-owned by the Group via Elior Restauration et Services.

The three newly-acquired companies generate combined annual revenue of approximately USD 150 million.

In October 2014, through Elior UK, the Group acquired full control of Lexington, a UK-based contract caterer. Lexington generates annual revenue of around £30 million and operates primarily in the business & industry market in the City of London.

Lexington has been fully consolidated since October 1, 2014. Goodwill recognized on the acquisition totaled €13.2 million, after allocating €11.1 million of the purchase price to the company's identifiable assets and liabilities (brand and customer relationships).

15. Other Income and Expenses, Net

This item represented a net expense of €13.2 million for the three months ended December 31, 2015 and primarily included (i) €2.7 million in amortization of intangible assets recognized as part of the purchase price allocation processes for the acquisitions of Elior North America and Starr Restaurant Catering Group in the United States and Lexington in the United Kingdom, and (ii) €10.1 million in reorganization costs incurred for the Group's French and international operations, notably related to the rollout of the Tsubaki 2020 transformation plan.

For the three months ended December 31, 2014, "Other income and expenses, net" represented a net expense of €1.7 million, primarily including €1.5 million in amortization of intangible assets (customer relationships) recognized on the first-time consolidation of Elior North America as part of the purchase price allocation process.

16. Income Tax

Income tax expense, excluding the CVAE tax on value added generated by the business, is recognized based on Management's estimate of the weighted average annual income tax rate expected for the full fiscal year. The estimated rate for the year ending September 30, 2016 and used for the three months ended December 31, 2015 was 29%. The estimated rate applied for the three months ended December 31, 2014 was 28.5%.

The CVAE tax is accrued based on a quarter of the expected annual CVAE charge. The estimated CVAE charge for the three months ended December 31, 2015 amounted to €7.2 million (€7.6 million for the corresponding prior-year period).

17. Dividends

No dividend for the year ended September 30, 2015 was either approved or paid by Elior during the three months ended December 31, 2015.

No dividend for the year ended September 30, 2014 was either approved or paid by Elior during the three months ended December 31, 2014.

18. Goodwill

The table below shows an analysis of net goodwill by cash generating unit (CGU).

(in € millions)	At December 31, 2015 Unaudited	At September 30, 2015 Audited	At December 31, 2014 Unaudited	At September 30, 2014 Audited
Elior Entreprises	574.7	574.7	574.7	574.7
Other – France (Enseignement, Santé and Services)	498.7	498.7	499.5	499.5
Sub-total – France	**1,073.4**	**1,073.4**	**1,074.2**	**1,074.2**
International	**663.8**	**613.7**	**621.3**	**596.3**
Contract catering & services	**1,737.2**	**1,687.1**	**1,695.4**	**1,670.5**
Sub-total – France	**423.0**	**423.0**	**423.2**	**423.2**
International	**271.0**	**265.9**	**266.8**	**266.5**
Concession catering	**694.0**	**688.9**	**690.0**	**689.7**
Group total	**2,431.2**	**2,376.0**	**2,385.4**	**2,360.2**

No goodwill impairment losses were recognized in either of the interim periods under review.

The increase in goodwill at December 31, 2015 compared with September 30, 2015 chiefly corresponds to the goodwill recognized on Elior North America's acquisitions of Starr Restaurant Catering Group, Cura and ABL. On the first-time consolidation of Starr Restaurant Catering Group, provisional fair values were assigned to the company's identifiable intangible assets, notably customer relationships. An independent valuation process is currently under way for the purpose of assigning the fair values of the net identifiable assets of Cura and ABL.

The increase in goodwill at December 31, 2014 compared with September 30, 2014 essentially corresponds to the goodwill arising on the acquisition of Lexington in the United Kingdom on October 1, 2014. A provisional amount of €24.9 million was recognized for this goodwill at December 31, 2014, pending completion of the independent valuation process for the purpose of assigning final fair values to Lexington's identifiable intangible assets (notably customer relationships).

19. Intangible Assets

(in € millions)	At September 30, 2015 Audited	Additions	Disposals	Other movements (2)	At December 31, 2015 Unaudited
Concession rights	176.9	3.2	(0.3)	6.4	186.3
Assets operated under concession arrangements (1)	37.0	0.0	0.0	(0.0)	37.0
Trademarks	38.9	0.1	(0.0)	4.5	43.4
Software	107.5	1.8	(0.0)	2.1	111.3
Prepayments for intangible assets	17.5	4.9	(0.0)	(5.5)	16.9
Other	133.5	0.7	0.0	13.5	147.7
Gross value	**511.2**	**10.7**	**(0.3)**	**21.0**	**542.6**
Concession rights	(49.2)	(2.1)	0.1	0.0	(51.1)
Assets operated under concession arrangements (1)	(36.9)	0.0	0.0	(0.0)	(36.9)
Trademarks	(12.2)	(0.4)	0.0	(0.6)	(13.1)
Software	(82.6)	(2.4)	0.0	(0.0)	(85.0)
Other	(36.3)	(2.9)	0.0	(0.5)	(39.7)
Total amortization	**(217.2)**	**(7.8)**	**0.2**	**(1.0)**	**(225.8)**
Carrying amount	**294.0**	**2.9**	**(0.1)**	**20.0**	**316.8**

(1) These assets reflect the restatement of the three-way finance leases entered into concerning central kitchen facilities in the Group's education market.

(2) "Other movements" primarily relate to (i) the first-time consolidation of Starr Restaurant Catering Group (€9 million recognized for customer relationships), (ii) exchange rate effects in the United States and the United Kingdom, and (iii) the impact of reclassifying assets held by Areas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.

(in € millions)	At September 30, 2014 Audited	Additions	Disposals	Other movements (2)	At December 31, 2014 Unaudited
Concession rights	163.6	1.9	0.0	2.9	168.4
Assets operated under concession arrangements (1)	36.3	0.0	0.0	0.0	36.3
Trademarks	34.3	0.1	(0.0)	0.1	34.5
Software	97.1	1.8	(0.1)	4.2	103.0
Prepayments for intangible assets	13.8	1.9	(0.0)	(3.3)	12.3
Other	107.9	6.7	(0.0)	3.6	118.3
Gross value	**453.0**	**12.5**	**(0.1)**	**7.5**	**472.9**
Concession rights	(42.0)	(2.0)	0.0	(0.3)	(44.3)
Assets operated under concession arrangements (1)	(36.3)	(0.0)	0.0	0.0	(36.3)
Trademarks	(11.0)	(0.3)	0.0	(0.0)	(11.3)
Software	(76.0)	(2.3)	0.1	(0.1)	(78.3)
Other	(27.5)	(1.6)	0.0	(1.0)	(30.2)
Total amortization	**(192.8)**	**(6.2)**	**0.1**	**(1.4)**	**(200.4)**
Carrying amount	**260.2**	**6.2**	**(0.0)**	**6.1**	**272.5**

(1) These assets reflect the restatement of the three-way finance leases entered into concerning central kitchen facilities in the Group's education market.

(2) "Other movements" primarily correspond to exchange rate effects in the United States and the United Kingdom.

20. Property, plant and equipment

(in € millions)	At September 30, 2015 Audited	Additions	Disposals	Other movements (1)	At December 31, 2015 Unaudited
Land	3.8	0.0	0.0	0.1	3.8
Buildings	163.6	0.6	(0.7)	0.7	164.2
Technical installations	785.5	11.7	(7.1)	5.7	795.8
Other items of property, plant and equipment	519.6	8.0	(6.0)	11.4	532.9
Assets under construction	22.1	7.6	0.0	(9.3)	20.4
Prepayments to suppliers of property, plant and equipment	1.4	0.6	(0.0)	(0.3)	1.7
Gross value	**1,496.0**	**28.4**	**(13.9)**	**8.2**	**1,518.8**
Buildings	(97.0)	(1.2)	0.6	(1.4)	(99.0)
Technical installations	(541.2)	(16.1)	5.2	(4.7)	(556.8)
Other items of property, plant and equipment	(347.3)	(18.4)	5.3	1.5	(358.9)
Total depreciation	**(985.6)**	**(35.7)**	**11.1**	**(4.6)**	**(1,014.7)**
Carrying amount	**510.5**	**(7.3)**	**(2.7)**	**3.6**	**504.1**

(1) *"Other movements" primarily reflect the impacts of (i) the first-time consolidation of Starr Restaurant Catering Group, Cura and ABL, and (ii) reclassifying assets held by Areas USA concerning Florida's Turnpike from "Property, plant and equipment" to "Intangible assets" in accordance with IFRIC 12.*

(in € millions)	At September 30, 2014 Audited	Additions	Disposals	Other movements	At December 31, 2014 Unaudited
Land	3.7	0.0	0.0	0.0	3.7
Buildings	161.7	0.8	(0.3)	1.5	163.6
Technical installations	770.9	16.1	(9.4)	0.4	777.9
Other items of property, plant and equipment	493.5	9.3	(4.7)	3.2	501.2
Assets under construction	14.7	9.0	(0.1)	(2.6)	21.0
Prepayments to suppliers of property, plant and equipment	2.3	0.4	(0.4)	(1.0)	1.3
Gross value	**1,446.8**	**35.5**	**(15.0)**	**1.4**	**1,468.8**
Buildings	(93.7)	(2.7)	0.2	(0.2)	(96.3)
Technical installations	(530.9)	(17.7)	9.1	0.7	(538.8)
Other items of property, plant and equipment	(323.8)	(12.9)	4.5	(1.5)	(333.7)
Total depreciation	**(948.5)**	**(33.2)**	**13.8**	**(1.0)**	**(968.9)**
Carrying amount	**498.4**	**2.3**	**(1.2)**	**0.4**	**499.9**

21. Debt and Net Financial Expense

21.1 Debt

The Group's debt can be analyzed as follows (repayment/redemption value corresponds to market value):

		At December 31, 2015 Unaudited		At September 30, 2015 Audited	
(in € millions)	Original currency	Amortized cost (2)	Repayment/ redemption value	Amortized cost (1)	Repayment/ redemption value
Bank overdrafts	€	40.5	40.5	2.3	2.3
Other short-term debt (including short-term portion of obligations under finance leases)	€ / $	77.2	77.2	121.3	121.3
Sub-total – short-term debt		**117.7**	**117.7**	**123.5**	**123.5**
Syndicated loans	€ / $	1,162.9	1,178.1	1,113.4	1,128.9
Other medium- and long-term borrowings (3)	€	225.0	227.5	224.9	227.5
Factoring and securitized trade receivables	€	264.2	265.5	178.2	179.6
Other long-term debt (including obligations under finance leases)	€	14.1	14.1	13.9	13.9
Sub-total – long-term debt		**1,666.3**	**1,685.2**	**1,530.4**	**1,550.0**
Total debt		**1,784.0**	**1,802.9**	**1,654.0**	**1,673.5**

(1) The amortized cost of bank borrowings was calculated taking into account the €19.5 million in bank fees recorded at September 30, 2015 for the Group's debt refinancing operations (Amend & Extend process) and refinancing the Elior North America acquisition debt. The amount recognized includes the bank fees paid for the debt refinancing operations carried out in December 2014 as well as accelerated amortization of debt issuance costs following the refinancing of the Elior North America acquisition debt in May 2015.

(2) The amortized cost of bank borrowings was calculated taking into account the €18.9 million in bank fees recorded at December 31, 2015 for the Group's debt refinancing operations.

(3)This item includes the debt owed to Elior Finance & Co. following that company's issuance of Senior Secured Notes (with a fixed-rate 6.5% coupon and maturing in May 2020), the proceeds of which were on-lent to Elior based on the same terms and conditions as those applicable for the Senior Secured Notes. This debt amounted to €227.5 million at December 31, 2015.

		At December 31, 2014 Unaudited	At September 30, 2014 Audited
(in € millions)	Original currency	Amortised cost	Amortised cost
Bank overdrafts	€ / $	13.3	17.8
Other short-term debt (including short-term portion of obligations under finance leases)	€	86.0	72.1
Sub-total – short-term debt		**99.3**	**90.0**
Syndicated loans (including Elior North America loan)	€ / $	1,051.9	1,059.4
Other medium- and long-term borrowings	€	224.5	224.3
Factoring and securitized trade receivables	€	237.0	173.8
Other long-term debt (including obligations under finance leases)	€	51.6	41.0
Sub-total – long-term debt		**1,564.9**	**1,498.5**
Total debt		**1,664.3**	**1,588.5**

The Group's debt at December 31, 2015 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at December 31, 2015:

- For Elior SA:
  - ○ A senior bank loan totaling €200.0 million at December 31, 2015, of which €168 million is repayable in January 2021 and €32 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.65% for the portion repayable in 2021 and 2.75% for the portion repayable in 2022.
  - ○ US-dollar denominated bond debt issued as part of a private placement carried out in May 2015 (6th amendment to the SFA) in connection with the refinancing of the original Elior North America acquisition debt. These bonds – which represented an aggregate $100 million at December 31, 2015 – are redeemable in May 2022. Interest on the bonds is based on the 6-month USD Libor plus a standard margin of 2.15%.
  - ○ A €227.5 million loan at a fixed interest rate of 6.5% and maturing in May 2020, which was granted to Elior by Elior Finance & Co. using the proceeds of an issue of Senior Secured Notes carried out by Elior Finance & Co on the Luxembourg stock exchange in April 2013. The terms and conditions of the loan mirror those of the Senior Secured Notes.

- For Elior Participations SCA:
  - A senior bank loan totaling €750.0 million at December 31, 2015, of which €632 million is repayable in January 2021 and €118 million in December 2022. Interest is based on

the Euribor plus a standard margin of 1.65% for the portion repayable in 2021 and 2.75% for the portion repayable in 2022. In addition, Elior Participations has a €300 million revolving credit facility (which can also be used by Elior) that expires in January 2012 and carries a variable interest rate based on the Euribor plus a standard margin of 1.25%. If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At December 31, 2015, Elior had drawn down €20.0 million of this facility.

- A US-dollar denominated senior bank loan totaling $100 million at December 31, 2015, which was set up under the SFA and is repayable in May 2020.

  Of this total, $50 million was drawn down in May 2015 (6th amendment to the SFA) and a further $50 million in June 2015 (7th amendment) in connection with the refinancing of the original Elior North America acquisition debt. Interest is based on the USD Libor plus a standard margin of 1.70%. In addition, Elior Participations has a $250 million revolving credit facility (which can also be used by Elior) that expires in May 2020 and carries a variable interest rate based on the Libor plus a standard margin of 1.30%. If this revolving credit facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At December 31, 2015, $25.0 million of this facility had been drawn down.

Liabilities relating to the Group's receivables securitization program. At December 31, 2015, outstanding securitized receivables – net of the related €95.8 million overcollateralization reserve – stood at €265.0 million. This securitization program was set up at the end of 2006 for a period of five years and was subsequently extended until June 2018. The ceiling on the program (net of the equivalent of an overcollateralization reserve) is €300 million and it has been extended to include the receivables of Elior's Spanish and Italian subsidiaries. The program's cost, based on net amounts securitized, is approximately 1.5%.

The Group's debt at December 31, 2014 included:

- For Elior SA:
  - A senior bank loan totaling €200 million at December 31, 2014, of which €168 million repayable in December 2019 and €32 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.9% for the portion repayable in 2019 and 2.75% for the portion repayable in 2022. In addition, Elior SA had a €300 million revolving credit facility (which could also be used by Elior Participations), expiring in December 2019 and carrying a variable interest rate based on the Euribor plus a standard margin of 1.50%. If this revolving credit facility was not used, a commitment fee was payable, calculated as a portion of the margin applied. At December 31, 2014 none of this facility had been drawn down by Elior.
  - A loan amounting to €227.5 million at a fixed interest rate of 6.5% and maturing in May 2020. This loan was granted by Elior Finance & Co. using the proceeds of an issue of Senior Secured Notes carried out by Elior Finance & Co on the Luxembourg stock exchange in April 2013, and its terms and conditions mirror those of the Senior Secured Notes.
- For Elior Participations SCA:
  - a senior bank loan totaling €750 million at December 31, 2014, of which €632 million repayable in December 2019 and €118 million in December 2022. Interest is based on the Euribor plus a standard margin of 1.9% for the portion repayable in 2019 and 2.75% for the portion repayable in 2022.
- For Elior North America:
  - Syndicated bank loans made up of (i) a "Term Loan" of which $146 million had been drawn down at December 31, 2014, and (ii) a $40 million "Delayed Draw Term Loan" which was confirmed

until April 2015 and had not been drawn down at December 31, 2014. Both of these loans mature in April 2019 and bear interest at a variable rate based on the Libor (with a 1.25% floor) plus a standard margin of 4.25%. If the Delayed Draw Term Loan is not used, a commitment fee is payable which is calculated as a limited portion of the margin applied. Elior North America also had a $25 million revolving credit line with a variable interest rate based on the Libor plus a standard margin of 3.75% to 4.25% depending on the company's leverage ratio, and expiring in April 2018. At December 31, 2014 none of this facility had been drawn down by Elior North America.

Liabilities relating to the Group's receivables securitization program. At December 31, 2014, outstanding securitized receivables – net of the related €98.9 million overcollateralization reserve – stood at €237.9 million. This securitization program was set up at the end of 2006 for a period of five years and was subsequently extended until June 2018. The ceiling on the program (net of the equivalent of an overcollateralization reserve) is €300 million and it has been extended to include the receivables of Elior's Spanish and Italian subsidiaries. The program's cost, based on net amounts securitized, was approximately 2% in FY 2014-2015.

The Group's debt can be analyzed as follows by maturity:

		At December 31, 2015 Unaudited		At September 30, 2015 Audited	
(in € millions)	Original currency	Current	Non-current	Current	Non-current
Bank borrowings					
Medium-term borrowings – Elior SA	€		200.0		200.0
Medium-term borrowings – Elior Participations SCA and Elior North America	€ / $		866.0		839.5
Other medium- and long-term bank borrowings	€		0.7		0.9
Sub-total – bank borrowings		**0.0**	**1,066.8**	**0.0**	**1,040.4**
Other debt					
Elior bond debt (USD private placement)	$		112.1		89.5
Loan from Elior Finance & Co SCA – 6.5% Senior Secured Notes maturing in May 2020	€		227.5		227.5
Finance leases	€	4.2	12.8	4.2	12.6
Other (1)	€ / $	69.2	266.1	106.5	180.0
Bank overdrafts (2)	€	40.5		2.3	
Current accounts (2)	€	(0.1)		0.3	
Accrued interest on borrowings (2)	€	3.9		10.3	
Sub-total – other debt		**117.7**	**618.4**	**123.5**	**509.6**
Total debt		**117.7**	**1,685.2**	**123.5**	**1,550.0**

21.2 Net Financial Expense

The Group’s net financial expense came to €14.4 million for the three months ended December 31, 2015, versus €23.3 million for the three months ended December 31, 2014, breaking down as follows:

(in € millions)	Three months ended Dec. 31, 2015 Unaudited	Three months ended Dec. 31, 2014 Unaudited
Interest expense on debt	(14.5)	(22.5)
Interest income on short-term investments	0.3	0.4
Other financial income and expenses (1)	0.3	(9.5)
Interest cost on post-employment benefit obligations	(0.5)	(0.4)
Net financial expense	**(14.4)**	**(31.9)**

(1) Including:

- Fair value adjustments on interest rate hedging instruments	*0.1*	*(0.0)*
- Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*(0.0)*	*0.0*
- Amortization of debt issuance costs (2)	*(0.7)*	*(9.7)*
- Net foreign exchange gain/(loss)	*0.9*	*0.2*

(2) Including €8.6 million in accelerated amortization of debt issuance costs reclassified from “Other income and expenses, net” at December 31, 2014.

The year-on-year reduction in this item was mainly due to (i) the cancelation of interest rate hedges (€ swaps), (ii) the refinancing of Elior North America’s dollar-denominated syndicated debt, and (iii) the lower interest margins obtained as a result of the amendments to the Senior Facility Agreement against a backdrop of ongoing low interest rates.

22. Short- and Long-Term Provisions

Short- and long-term provisions can be analyzed as follows:

(in € millions)	At December 31, 2015 Unaudited	At September 30, 2015 Audited
Commercial risks	2.9	3.3
Tax risks and employee-related disputes	28.5	28.7
Reorganization costs	2.7	3.6
Employee benefits	11.1	11.1
Other	10.8	12.5
Short-term provisions	**56.0**	**59.2**
Employee benefits	105.4	105.3
Non-renewal of concession contracts	9.7	9.4
Other	13.1	13.0
Long-term provisions	**128.1**	**127.6**
Total	**184.1**	**186.8**

(in € millions)	At December 31, 2014 Unaudited	At September 30, 2014 Audited
Commercial risks	2.6	2.6
Tax risks and employee-related disputes	28.7	29.0
Reorganization costs	11.7	18.1
Employee benefits	10.1	9.5
Other	24.2	25.4
Short-term provisions	**77.4**	**84.8**
Employee benefits	105.4	106.2
Non-renewal of concession contracts	8.6	7.9
Other	6.3	2.6
Long-term provisions	**120.3**	**116.6**
Total	**197.7**	**201.4**

23. Related Party Transactions

N/A.

24. Events After the Reporting Date

Partial early redemption of the Elior Finance & Co SCA 6.5% May 2020 Senior Secured Notes

On February 9, 2016, Elior redeemed in advance of term 22% of the outstanding Elior Finance SCA 6.5% May 2020 Senior Secured Notes. This redemption represented a nominal amount of €50.0 million and the corresponding cash outflow for Elior was €54.0 million, including €3.1 million in early redemption penalties. It was financed by way of Elior SA drawing down €50.0 million under a new syndicated bank loan set up on January 29, 2016, which expires in January 2023. Interest on this new loan is based on the Euribor plus a standard margin of 2.5%.