HALF-YEAR FINANCIAL REPORT AS OF JUNE 30, 2018

CONTENTS

1 Certification by the person responsible 3

2 Presentation of the Group 4

2.1 Company profile and financial highlights of the first half of 2018 5

2.2 Risks factors and transactions with related parties 6

3 Management report for the first half of 2018 7

3.1 Key highlights of the first half of 2018 8

3.2 Management discussion and analysis of the first half of 2018 9

3.3 Events after the reporting period 14

4 Corporate governance 15

4.1 Composition of the Supervisory Board as of June 30, 2018 16

4.2 Composition of the Supervisory Board committees as of June 30, 2018 16

4.3 Composition of the Management Board as of June 30, 2018 17

4.4 Compensation of the members of the Management Board 17

5 Condensed interim consolidated financial statements 19

5.1 Statutory Auditors' report on the half-year financial information 20

5.2 Condensed interim consolidated financial statements as of June 30, 2018 22

6 Information about share capital 62

6.1 Share capital structure 63

6.2 Share capital and shareholding structure 63

6.3 Share ownership threshold disclosure 64

6.4 Share buyback by Elis 65

6.5 Unissued authorized capital 66

6.6 Potential shares 68

6.7 Shareholders' Agreement likely to have an impact in the event of a public offer (Article L. 225-100-3 of the French Commercial Code) 68

1

Certification by the person responsible

This document is the responsibility of Xavier Martiré, Chairman of the Management Board.

"I hereby certify that, to the best of my knowledge, the condensed consolidated financial statements for the past six months have been prepared in accordance with applicable accounting standards and present fairly the assets, liabilities, financial position and results of the Company and of all the companies included in the scope of consolidation, and that the accompanying half-year management report presents fairly the significant events that occurred during the first six months of the fiscal year beginning on January 1, 2018, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the fiscal year."

Saint-Cloud, July 27, 2018

Chairman of the Management Board

Xavier Martiré

2

Presentation of the Group

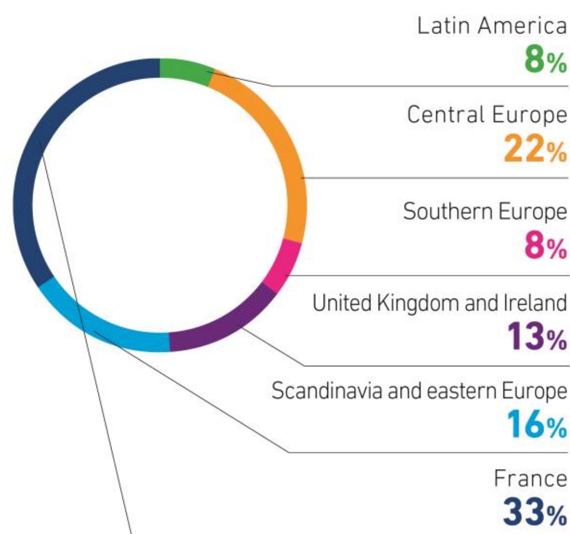
2.1 Company profile and financial highlights of the first half of 2018 5
2.2 Risks factors and transactions with related parties 6
2.2.1 Risk factors 6
2.2.2 Transactions with related parties 6

2.1 Company profile and financial highlights of the first half of 2018

Elis is an international multi-service provider, offering rental, laundry and maintenance solutions for textile, hygiene and well-being products.

The Group employs 45,000 people at 440 processing sites and service centers. Elis provides services to public and private organizations of all sizes, in all sectors.

Breakdown of H1 2018 revenue by geographical area



Very solid financial performance

- Organic growth of +2.7% over the half-year period, in line with full-year target
- Group EBITDA margin pro forma improving by +125bps at 30.6%, and greater profitability in all geographies including Scandinavia (+190bps), United Kingdom & Ireland (+115bps) and in Latin America (+280bps)
- Satisfactory performance in France: Organic growth of c. +2% and +10bps improvement in margin despite the negative impact of the CICE tax
- Net income from continuing operations doubled to €97.0 million and free cash flow from continuing operations of €66.3 million

Berendsen integration is progressing very well

- UK: Further workforce adjustments, improvement in operational KPIs and in profitability
- Scandinavia: Very significant central costs savings and conclusive first tests of Elis's multi-service model
- Germany: Reorganization of logistics network underway and commercial initiatives in the Healthcare segment

Further external growth and rationalization of services portfolio

- Two new acquisitions in Germany in the first half of 2018
- Entry in the Flat Linen market in Belgium
- Launch of a sale process for the Clinical Solutions business, identified as non-core (€34 million revenue in H1)

2.2 Risks factors and transactions with related parties

2.2.1 RISK FACTORS

The main risks and uncertainties that the Group could face in the second half of 2018 are those detailed in chapter 2 of the 2017 Registration Document, section 2.1 "Risk factors" on pages 58 to 77 of said Registration Document.

These risk factors remain applicable at the date of this report.

The Company believes these risks could have a material adverse effect on the Group and its business, financial position, results, or ability to achieve its objectives. Moreover, other risks may exist or occur that are unknown or have not been considered at the date of this report as potentially having a negative impact on the Group, its businesses, financial position, its results or its ability to achieve its objectives.

In addition, as regards litigation and disputes to which the Group is a party, the Group has been made aware of penalties imposed on Atmosfera by one of its customers based in Rio de Janeiro, *Instituto Nacional de Traumatologia e Ortopedia* ("INTO"), on the ground of alleged breaches by Atmosfera of its contractual obligations.

These penlaties include a fine of R$1.6 million (approximately €360,000) and a temporary (one-year) prohibition for Atmosfera (excluding its subsidiaries) to participate in tenders and to enter into contracts with the administration at the federal, state and municipal levels. The enforcement of such penalties is currently suspended since they have been challenged by Atmosfera as part of an administrative proceeding whose outcome is expected in the coming months. Should this proceeding find against the Group, the Group believes that it has strong arguments for (i) initiating legal proceedings to obtain the cancelation or, at a minimum, the significant reduction of the sanctions imposed, particularly with regard to the ban on participating in calls for tenders and (ii) at the same time, initiating emergency proceedings to obtain the suspension of the contested sanctions pending a judicial decision on the merits.

If such penalties were to be confirmed, they could have a material adverse effect on Atmosfera's and/or the Group's business, results, financial position or outlook.

2.2.2 TRANSACTIONS WITH RELATED PARTIES

The major transactions with related parties are set out in Note 5.2 to the condensed interim consolidated financial statements in section 5.2 of this report.

3
Management report for the first half of 2018

3.1 Key highlights of the first half of 2018 8
3.1.1 Acquisitions 8
3.1.2 Changes in Corporate Governance 8
3.1.3. Major Contracts 8
3.2 Management discussion and analysis of the first half of 2018 9
3.3 Events after the reporting period 9

3.1 Key highlights of the first half of 2018

3.1.1 ACQUISITIONS

During the first half of 2018, the Group completed the following major acquisitions:

- In March 2018, the Group completed the acquisition of 100% of BW Textilservice in Germany, a family-owned laundry company in the Stuttgart region, which generated revenue of around €24 million in 2017 and operates entirely in the Healthcare market with some 500 employees. With this acquisition, Elis gains a foothold in the Stuttgart area, one of Germany's leading urban centers, in the state of Baden-Württemberg, the country's third largest region in terms of population and economic strength. BW Textilservice has posted strong revenue growth in recent years, underlining the high potential of the German Healthcare market and the company's advantageous position in its regional market.
- In early June 2018, in line with its consolidation strategy in its key markets, the Group announced that it had completed the acquisition in Germany of 100% of Wäscherei Waiz GmbH, a family-owned laundry company located near Nuremberg, which generated around €10 million in revenue in 2017. The company is entirely specialized in linen processing.
- On April 24, 2018, the Group acquired Ardenne et Meuse, a Belgian family business with some 80 employees and a laundry near Liège. The company generated revenue of around €8 million in 2017. It is specialized in flat linen processing for Hospitality customers.

3.1.2 CHANGES IN CORPORATE GOVERNANCE

The Combined Ordinary and Extraordinary General Meeting of Elis's shareholders, held on May 18, 2018, approved the reappointment of Maxime de Bentzmann and Agnès Pannier Runacher as members of the Supervisory Board (the latter having also been reappointed to the Audit Committee), each for a four-year term, i.e., until the close of the General Meeting called to approve the financial statements for the year ending December 31, 2021. The shareholders also ratified the co-optation of Joy Verlé decided by the Supervisory Board on March 6, 2018 to replace Philippe Audouin, who resigned, for the remainder of her predecessor's term of office, i.e., until the close of the General Meeting called to approve the financial statements for the year ending December 31, 2020.

Following the resignation of Michel Datchary on March 6, 2018, the Supervisory Board is composed of nine members, five of whom are women. The current composition of the Supervisory Board offers a complementary mix of experience and reflects the diversity policy conducted by the Group. The proportion of independent members amounts to 55.55%.

3.1.3. MAJOR CONTRACTS

In the context of the exercise on May 3, 2018 of the put and call options entered into between the Company, Berendsen and Estera Trust (Jersey) Limited in its capacity as trustee of the Employee Benefit Trust (EBT) (the terms of which are more fully described in section 1.14.4 of the 2017 Registration Document), 393,532 shares were delivered and the sum of €5,273,137.80 was paid to the Employee Benefit Trust (EBT). The shares delivered were previously acquired by the Company on the market as part of its share buyback program

3.2 Management discussion and analysis of the first half of 2018

Revenue

In the 2018 half-year, the Group triggered the sale process for its Clinical Solutions activity (operating only in the United Kingdom) and anticipates that the sale will occur in the next 12 months. Consequently, the figures presented in the present press release exclude the Clinical Solutions activity (revenues of 33.7 million in the first half of 2018).

Reported revenue

(EUR million)	2018			2017			Var.		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
France	242.1	263.8	505.9	237.0	257.6	494.6	+2.2%	+2.4%	+2.3%
Central Europe	160.8	167.9	328.7	64.3	66.2	130.4	+150.3%	+153.7%	+152.0%
Scandinavia & East. Europe	121.3	119.5	240.8	-	-	-	n/a	n/a	n/a
United Kingdom and Ireland	94.8	101.7	196.6	-	-	-	n/a	n/a	n/a
Southern Europe	57.8	69.2	126.9	55.5	68.3	123.8	+4.0%	+1.2%	+2.5%
Latin America	63.5	62.0	125.5	38.8	48.7	87.5	+63.4%	+27.4%	+43.4%
Others	4.7	4.9	9.6	5.0	4.4	9.4	-7.3%	+12.7%	+2.0%
Total	**744.8**	**789.0**	**1,533.9**	**400.6**	**445.2**	**845.8**	**+86,0%**	**+77.2%**	**+81.4%**

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

Reported organic revenue growth

(EUR million)	Q1 organic growth	Q2 organic growth	H1 organic growth
France	+1.4%	+2.4%	+1.9%
Central Europe	-0.3%	-1.9%	-1.1%
Scandinavia & East. Europe	n/a	n/a	n/a
United Kingdom and Ireland	n/a	n/a	n/a
Southern Europe	+4.0%	+1.2%	+2.5%
Latin America	+18.8%	+9.3%	+13.5%
Others	-9.7%	+0.6%	-5.4%
Total	**+3.1%**	**+2.3%**	**+2.7%**

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

Revenue pro forma for the acquisition of Berendsen

(EUR million)	2018			2017			Var.		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
France	242.1	263.8	505.9	237.0	257.6	494.6	+2.2%	+2.4%	+2.3%
Central Europe	160.8	167.9	328.7	159.6	160.3	320.0	+0.7%	+4.5%	+2.6%
Scandinavia & East. Europe	121.3	119.5	240.8	122.0	118.4	240.4	-0.6%	+0.9%	+0.1%
United Kingdom & Ireland	94.8	101.7	196.6	99.6	104.7	204.3	-5.0%	-2.9%	-3.9%
Southern Europe	57.8	69.2	126.9	55.5	68.3	123.8	+4.0%	+1.2%	+2.5%
Latin America	63.5	62.0	125.5	38.8	48.7	87.5	+63.4%	+27.4%	+43.4%
Others	4.7	4.9	9.6	5.1	4.8	9.9	-9.5%	+1.5%	-4.1%
Total	**744.8**	**789.0**	**1,533.9**	**717.6**	**762.8**	**1,480.5**	**+3.8%**	**+3.3%**	**+3.6%**

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

Organic revenue growth pro forma for the acquisition of Berendsen

(EUR million)	Q1 organic growth	Q2 organic growth	H1 organic growth
France	+1.4%	+2.4%	+1.9%
Central Europe	+1.1%	+0.8%	+0.9%
Scandinavia & East. Europe	+2.5%	+4.1%	+3.3%
United Kingdom and Ireland	-2.8%	-1.2%	-2.0%
Southern Europe	+4.0%	+1.2%	+2.5%
Latin America	+18.8%	+9.3%	+13.5%
Others	-9.5%	+0.6%	-5.1%
Total	**+2.1%**	**+2.1%**	**+2.1%**

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

EBITDA (pro forma for the acquisition of Berendsen)

(EUR million)	H1 2018	H1 2017	Variation
France	**171.1**	**166.9**	**+2.5%**
As a % of revenues	*33.8%*	*33.7%*	*+10bps*
Central Europe	**98.7**	**95.1**	**+3.9%**
As a % of revenues	*29.9%*	*29.5%*	*+35bps*
Scandinavia & East. Europe	**87.6**	**82.9**	**+5.7%**
As a % of revenues	*36.4%*	*34.5%*	*+190bps*
United Kingdom & Ireland	**52.9**	**52.8**	**+0.3%**
As a % of revenues	*26.8%*	*25.7%*	*+115bps*
Southern Europe	**32.5**	**30.7**	**+5.9%**
As a % of revenues	*25.6%*	*24.8%*	*+80bps*
Latin America	**32.2**	**20.0**	**+61.1%**
As a % of revenues	*25.6%*	*22.8%*	*+280bps*
Others	**(6.0)**	**(13.3)**	**-55.0%**
Total	**469.1**	**435.0**	**+7.8%**
As a % of revenues	*30.6%*	*29.4%*	*+125bps*

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

France

In the first half, revenue growth was +2.3% in France, with organic growth of +1.9%. We observed a sequential improvement of organic growth for the third consecutive quarter, driven by Hospitality and Trade & Services. Industry also improved sequentially in the half-year. Healthcare was down following the non-renewal of a few contracts. The strikes in France in April and May did not have material impacts on our activity.

H1 EBITDA margin increased by +10bps to 33.8% despite the negative impact of the CICE tax
(c. -30bps). This reflects the stabilization of the competitive landscape and continuous productivity gains in our plants.

Central Europe

In the first half in Central Europe, pro forma organic growth was +0.9%. On the Elis scope, organic growth decreased by -1.1%. This decrease was entirely due to the challenging comparable base related to exceptional sales of garments in Belgium in 2017. In Germany, the Flat Linen market remained challenging due to the fragmented market landscape and the relatively low level of prices. Workwear activity was well-oriented. Countries such as the Netherlands, Poland, Czech Republic, Slovakia and Hungary post excellent momentum.

EBITDA margin was 29.9%, increasing by +35bps during the first half. This enhancement stems from savings made on structure costs and initial encouraging results from the gradual implementation of Elis' multi-service model, especially in the Netherlands.

Scandinavia & Eastern Europe

In the first half, commercial momentum was very good in the region. Organic revenue growth pro forma was +3.3%.

The region's EBITDA margin reached 36.4% in H1, increasing by +190bps. This expansion reflects mainly the savings made on central costs (inherited from Berendsen) that used to be largely borne by this region.

United Kingdom & Ireland

In the first half, organic growth was down -2.0% pro forma. Nevertheless, the trend improved over the past three quarters. In the United Kingdom, specific attention was paid to client retention, allowing to limit contract losses and leading to the signing of new contracts as well. Moreover, the English market is solid, with satisfactory average prices and a healthy competitive landscape. At this stage, we have not identified any slowdown related to Brexit: Our exposure to Healthcare and Hospitality (totalling 70% of revenue in United Kingdom) provides strong resilience to our business.

H1 EBITDA margin was 26.8%, increasing by +115bps. This good performance reflects the positive effects of the first adjustments that were made at plant level, as well as savings on overhead costs. This is especially remarkable as the country is facing inflation in specific costs such as wages (minimum wage increase of +4.4% in April 2018 after an increase of +6.6% in 2017) and energy. Moreover, the savings on Berendsen's central costs had a very limited impact on the region's margin as these costs were mainly borne by Scandinavia.

Southern Europe

In the first half, revenue growth was entirely organic for +2.5%. The slowdown observed in Spain at the beginning of the year was confirmed: Hospitality was less dynamic and price increases remain moderate.

The region's EBITDA margin improved by +80bps in H1, to 25.6%. This reflects productivity gains in the region and the success of the integration of Indusal in Spain, with synergies in line with our target schedule.

Latin America

In the first half, organic revenue growth was +13.5%. The environment remained favourable for Group activity, both in pricing dynamics and commercial development. Moreover, the truckers' strike had only a slight impact on our activity during the second quarter. The foreign exchange impact was -16.1% for the first half.

H1 EBITDA margin increased by +280bps at 25.6%. This rise reflects the success of Lavebras' integration and productivity gains in the region.

From EBITDA to net result

(EUR million)	H1 2018	H1 2017	Variation
EBITDA	**469.1**	**244.1**	**+92.2%**
As a % of revenues	*30.6%*	*28.9%*	*+170bps*
EBIT	**192.9**	**102.3**	**+88.5%**
As a % of revenues	*12.6%*	*12.1%*	+50bps
Current operating income	**182.5**	**96.5**	**+89.1%**
Amortization of customer relationships	(30.9)	(24.3)	
Other operating income and expenses (non current)	(41.6)	(11.0)	
Operating income	**110.0**	**61.2**	**+79.8%**
Financial result	(58.2)	(26.9)	
Income tax expense	(23.4)	(15.2)	
Net result	**28.4**	**19.1**	**+48.4%**
Consolidated net result	**27.5**	**19.1**	**+43.7%**
Healdine net result*	**97.0**	**49.2**	**+97.3%**

Percentage change calculations are based on actual figures.
*A reconciliation of net result and headline net result is provided in the section "From net result to headline net result" below.

EBIT

As a percentage of revenues, EBIT was up +50bps in the first-half.

Operating income

The main items between EBIT and operating income are as follows:

- The expenses related to free shares plans correspond to the requirements of the IFRS 2 accounting standard.
- The amortization of customer relationships is partly related to assets recognized in 2007, for which amortization will be completed by October 2018 and assets recognized in 2018 related to the acquisition of Lavebras.
- Non-current operating expenses are mainly (i) Berendsen restructuring costs for c. €12mn, (ii) other restructuring costs for c. €4mn and (iii) the non-accrued portion of earn-outs regarding previous acquisitions for c. €21mn.

Financial result

The financial result decreased by -€31.3mn compared to H1 2017. This decrease was mainly driven by the issuing costs of bonds issued by Elis (OCEANE for €11mn and EMTN for €8mn) and the variance of fair value of derivatives and other financial income for €5mn. The Group's average cost of debt is now slightly above 2% and c. 81% of the debt is at fixed rate or hedged.

Net result

Net result reached €28.4mn in the first half. The increase compared to first half 2017 is mainly due to the consolidation of Berendsen and Lavebras since September 2017 and June 2017 respectively.

From net result to headline net result

(EUR million)	H1 2018	H1 2017
Net result	**28.4**	**19.1**
Amortization of customer relationships (net of tax effect)	21.1	16.8
- IFRS 2 expense (net of tax effect)	8.4	4.7
- Accelerated amortization of issuing costs of bridge loan	2.6	-
- Non-current operating income and expenses	36.5	8.5
of which restructuring costs related to Berendsen acquisition (net of tax effect)	8.6	-
of which other costs of restructuring (net of tax effect)	3.3	3.8
of which costs of transactions (net of tax effect)	22.5	2.3
of which others (net of tax effect)	2.1	2.4
Headline net result	**97.0**	**49.2**

The headline net result reached €97.0mn in the first half, almost doubling compared to the first half 2017.

Cash-flow statement

(EUR million)	H1 2018	H1 2017 pro forma	Change
Gross cash-flow	**467.4**	**420.7**	**+46.7**
Change in operating working capital	(46.1)	(44.2)	
Capex (net)	(295.8)	(334.8)	
Cost of net indebtedness	(33.1)	(37.5)	
Income tax paid	(26.1)	(51.5)	
Headline free cash-flow	**66.3**	**(47.4)**	**+113.7**
Dividend paid	(81.0)	(96.8)	
Acquisitions of subsidiaries (net) and transaction costs	(86.8)	(396.4)	
Equity increase	9.4	313.4	
Other items	(36.7)	(36.2)	
Change in net debt	**(128.8)**	**(263.4)**	**+134.6**

Change in operating working capital requirement

In the first half, the change in operating working capital requirement was €(46.1)mn (compared to
€(44.2)mn in first half 2017 pro forma). As the last business day in June was a Saturday, cash-ins were impacted in countries in which clients largely pay at the end of the month. That is notably the case in France, Sweden, Spain and Denmark. In these four countries, €32mn were cashed-in on Monday, July 2, 2018.

Capex

In the first half, the Group's capital expenditures (excluding acquisitions of subsidiaries) represent 19.3% of revenues. The Group confirms its Capex guidance for full-year 2018 of c. 20% of revenues.

Headline free cash-flow

Headline free cash-flow reached €66.3mn, increasing by +€113.7mn compared to last year pro forma. This improvement is due to stronger cash generation from operations, lower investments and lower income tax paid compared to first half 2017.

Payment for the 2017 financial year

The Annual General Meeting held on May 18, 2018 approved the cash payment of €0.37 per share for the 2017 financial year. This payment was made on May 31, 2018 for a total amount of €81.0mn.

Acquisitions of subsidiaries and transaction costs

Acquisitions of subsidiaries and transaction costs mainly include (i) the price paid for acquisitions closed in the first-half and (ii) some earn-outs regarding previous acquisitions (c. €26mn)

Other items

Other items mainly include restructuring costs (c. €22mn) and refinancing costs (c. €9mn)

Net financial debt

The Group's net financial debt at June 30, 2018 stood at €3,415.4mn compared to €3,286.6mn at December 31, 2017. Leverage (Adjusted net debt / Pro forma EBITDA for acquisitions closed over the last 12 months and after synergies) amounted to 3.4 times. The group aims for leverage of between 3.1 times and 3.2 times as of December 31, 2018.

3.3 Events after the reporting period

On July 26, 2018, the Group announced that it had signed an agreement to acquire 100% of Kings Laundry Ltd in Ireland. The closing of the transaction is subject to standard regulatory conditions; it is expected to occur at the end of 2018.

Kings Laundry has two plants in Cork and Dublin specialized in Flat Linen. The Group generated revenue of around €30 million in 2017. This acquisition, which complements Elis's existing network, will generate synergies and will expand the Group's portfolio of customers.

No other significant events have occurred since the half-year financial statements' reporting date.

4

Corporate governance

4.1 Composition of the Supervisory Board as of June 30, 2018 16
4.2 Composition of the Supervisory Board committees as of June 30, 2018 16
4.3 Composition of the Management Board as of June 30, 2018 17
4.4 Compensation of the members of the Management Board 17

The combined Ordinary and Extraordinary General Meeting of Elis shareholders was held on May 18, 2018 with a quorum of 74.19% of the share capital, representing 871 shareholders, and a total of 162,642,365 shares representing 172,377,795 votes, or 75.26% of voting rights. This General Meeting approved all resolutions included on the agenda.

As mentioned above in section 3.1.2, at the General Meeting, the shareholders among other things approved the Supervisory Board's recommendation to reappoint Maxime de Bentzmann and Agnès Pannier-Runacher as members of the Supervisory Board for another four-year term. The shareholders also ratified the appointment of Joy Verlé, decided by the Supervisory Board on March 6, 2018, for the remaining term of office of her predecessor. The Supervisory Board also reappointed Agnès Pannier-Runacher as member of the Audit Committee.

4.1 Composition of the Supervisory Board as of June 30, 2018

As of June 30, 2018, the Elis Supervisory Board was composed of nine members, five of whom are women and five are deemed to be independent, i.e., 55.55% of the members of the Supervisory Board:

Name or corporate name	Role		Expiration of term of office
Thierry Morin	Chairman of the Supervisory Board	■	General Meeting called to approve the financial statements for the year ending December 31, 2018
Marc Frappier	Vice-Chairman of the Supervisory Board		General Meeting called to approve the financial statements for the year ending December 31, 2019
Magali Chessé	Member of the Supervisory Board		General Meeting called to approve the financial statements for the year ending December 31, 2018
Philippe Delleur	Member of the Supervisory Board	■	General Meeting called to approve the financial statements for the year ending December 31, 2018
Florence Noblot	Member of the Supervisory Board	■	General Meeting called to approve the financial statements for the year ending December 31, 2020
Agnès Pannier-Runacher	Member of the Supervisory Board	■	General Meeting called to approve the financial statements for the year ending December 31, 2021
Joy Verlé	Member of the Supervisory Board		General Meeting called to approve the financial statements for the year ending December 31, 2020
Maxime de Bentzmann	Member of the Supervisory Board		General Meeting called to approve the financial statements for the year ending December 31, 2021
Anne-Laure Commault	Member of the Supervisory Board	■	General Meeting called to approve the financial statements for the year ending December 31, 2020

■ *Independent member*

4.2 Composition of the Supervisory Board committees as of June 30, 2018

As of June 30, 2018 the Supervisory Board's committees were composed as follows:

- the Audit Committee's composition was unchanged. This committee was composed of the following three members (two of which were deemed independent) appointed for a term coinciding with their terms as members of the Supervisory Board:
  - Agnès Pannier-Runacher, Chairman of the Audit Committee;
  - Thierry Morin, member of the Audit Committee;
  - Magali Chesse, member of the Audit Committee.
- The Appointments and Compensation Committee also continued to be composed of the following three members (two of whom are independent), appointed for a term coinciding with their respective terms as members of the Supervisory Board: Since the beginning of the year, its composition has changed due to the departure of Michel

Datchary (who also resigned as a member of the Supervisory Board). Thierry Morin was thus appointed to this committee and Florence Noblot is now its chair. At June 30, 2018, this committee was composed as follows:

- Florence Noblot, Chairman of the Appointments and Compensation Committee;
- Thierry Morin, member of the Appointments and Compensation Committee;
- Marc Frappier, member of the Appointments and Compensation Committee.

4.3 Composition of the Management Board as of June 30, 2018

As of June 30, 2018, the Management Board was composed of the following three members:

Full name	Role	Expiration of term of office
Xavier Martiré	Chairman of the Management Board	September 5, 2018
Louis Guyot	Member of the Management Board	September 5, 2018
Matthieu Lecharny	Member of the Management Board	September 5, 2018

At the Supervisory Board meeting of March 6, 2018, it was decided to reappoint the entire Management Board upon the expiration of their term of office.

4.4 Compensation of the members of the Management Board

At the General Meeting of May 18, 2018, the shareholders approved the fixed, variable and exceptional elements of total compensation and benefits of any kind paid or awarded to the Chairman of the Supervisory Board, the Chairman and the members of the Management Board for financial year 2017(16th, 17th, 18th and 19th resolutions) as well as the principles and criteria for determining the compensation of executive corporate officers for 2018 (namely, the Chairman and members of the Management Board, as well as the Chairman and members of the Supervisory Board) (12th, 13th, 14th and 15th resolutions), in accordance with the provisions of Articles L.225-82-2 and L. 225-100 of the French Commercial Code and as described in the Supervisory Board's report on corporate governance in chapter 4 of the 2017 Registration Document.

Thus, for 2018, the monetary compensation (comprising a fixed and a variable component) of the Management Board members, which had remained unchanged since 2015 (the year of the Company's initial public offering), was upgraded to take into account the Group's transformation since 2015 and its new challenges, on the one hand, and as part of its triennial review, on the other.

As a result, the fixed compensation of the Chairman of the Management Board was increased to €800,000, that of Louis Guyot, member of the Management Board, to €400,000 and that of Matthieu Lecharny to €300,000.

With regard to the annual variable compensation for executive corporate officers for 2018, the shareholders approved the principles of this component, in particular the financial and non-financial indicators on which the targets of the variable compensation will be based, with the stipulation that the financial performance indicators, their targets and their weighting are strictly identical for each of the Management Board members. The non-financial criteria used to determine annual variable compensation are individualized according to the responsibilities of each members of the Management Board. On this basis, for financial year 2018, the target variable compensation of the Chairman of the

Management Board remains equal to 100% of his fixed compensation, while that of the members of the Management Board has been upgraded to 70% of their fixed compensation, in line with the principles approved by the shareholders on May 18, 2018, as described in the Supervisory Board's report on corporate governance in chapter 4 of the 2017 Registration Document.

The shareholders also approved the payment of a bonus of €550,000 to Xavier Martiré and €250,000 to Louis Guyot in connection with the Berendsen acquisition.

In addition, the members of the Management Board were awarded performance shares in line with the compensation policy approved by the shareholders. This award was made pursuant to the authorization granted by the Extraordinary General Meeting on May 27, 2016 under the 22nd resolution, and by the Supervisory Board at its meeting of March 6, 2018, which set the vesting conditions for this award and defined the plan's terms and conditions. Thus, on April 6, 2018, following the decision of the Management Board on March 29, 2018, 117,995 shares were awarded to Xavier Martiré, 49,164 shares to Louis Guyot and 39,331 shares to Mathieu Lecharny. The shares are of two classes, Class A and Class B. The full vesting of these shares for each class is subject to the achievement of performance targets provided for in the plan and assessed for each share class over a period of three (3) consecutive financial years, namely 2018, 2019 and 2020, and to a condition of continuous service within the Group throughout the vesting period.

The performance targets attached to the Class A shares are defined by reference to three quantifiable criteria linked to consolidated revenue, consolidated EBIT and the performance of the Company's share price relative to the SBF 120 index.

The performance targets attached to the Class B performance shares are defined with reference to criteria related to Berendsen synergies and margin.

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

On that basis, beneficiaries of Class A shares will vest 20% of the Class A performance shares if one criterion is achieved, 50% of Class A performance shares if two criteria are achieved, and 100% of Class A performance shares if all three criteria are achieved.

For Class B performance shares, beneficiaries will vest 34% of the shares of this class if one criterion is met, 66% of the shares if two criteria are met and 100% of the shares if three criteria are met.

There is no lock-up period under this plan, but all Management Board members are required to hold their shares until such time as they step down from their duties, according to the terms described in the Supervisory Board's report on corporate governance in chapter 4 of the 2017 Registration Document.

5 Condensed interim consolidated financial statements

5.1 Statutory Auditors' report on the half-year financial information 20

5.2 Condensed interim consolidated financial statements as of June 30, 2018......... 22

5.2.1 Interim consolidated income statement.. 22

5.2.2 Interim consolidated statement of comprehensive income 23

5.2.3 Interim consolidated statement of financial position - Assets.. 24

5.2.4 Interim consolidated statement of financial position – Liabilities and Equity 25

5.2.5 Consolidated statement of cash flows.. 26

5.2.6 Interim consolidated statement of changes in equity as of June 30, 2018.................. 27

5.2.7 Interim consolidated statement of changes in equity as of June 30, 2017.................. 28

5.2.8 Notes to the consolidated financial statements 29

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

For the period from January 1 to June 30, 2018

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
92400 Courbevoie

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

For the six months ended June 30, 2018

Elis
5, boulevard Louis Loucheur
92210 Saint-Cloud

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

To the Shareholders,

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

- the review of the accompanying condensed interim consolidated financial statements of Elis for the six months ended June 30, 2018;

- the verification of the information contained in the interim management report.

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

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

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

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

Without qualifying our conclusion, we draw your attention to Note 1.3 *"Impact of new standards"* to the consolidated financial statements, which describes the impact of the entry into force on January 1, 2018 of IFRS 15 – *"Revenue from Contracts with Customers"* and IFRS 9 – *"Financial Instruments"* and the application of those standards by Elis.

II – Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Courbevoie, July 25, 2018

The Statutory Auditors

PricewaterhouseCoopers Audit — Mazars

Bruno Tesnière — Isabelle Massa

5.2 Condensed interim consolidated financial statements as of June 30, 2018

5.2.1 INTERIM CONSOLIDATED INCOME STATEMENT

(In millions of euros)	Notes	2018	2017 restated*
(unaudited)			
Revenue	3.1/3.3	1,533.9	845.8
Cost of linen, equipment and other consumables		(255.7)	(136.5)
Processing costs		(573.4)	(334.5)
Distribution costs		(254.6)	(135.0)
Gross margin		450.3	239.7
Selling, general and administrative expenses		(264.5)	(141.4)
Impairment loss on trade and other receivables		(3.3)	(1.7)
Operating income before other income and expense and amortization of customer relationships	3.2	182.5	96.5
Amortization of customer relationships	4.1	(30.9)	(24.3)
Goodwill impairment	6.2	-	-
Other income and expense	4.2	(41.6)	(11.0)
Operating income		110.0	61.2
Net financial expense	8.1	(58.2)	(26.9)
Income (loss) before tax		51.8	34.3
Income tax benefit (expense)	9	(23.4)	(15.2)
Share of net income of equity-accounted companies		-	-
Net income (loss) from continuing operations		28.4	19.1
Profit (loss) from discontinued operation, net of tax	2.5	(0.9)	-
Net income (loss)		27.5	19.1
Attributable to:			
- owners of the parent		27.7	18.7
- non-controlling interests		(0.2)	0.4
Earnings (loss) per share (EPS) (in euros):			
- basic, attributable to owners of the parent	10.3	€0.13	€0.14
- diluted, attributable to owners of the parent	10.3	€0.13	€0.14
Earnings (loss) per share (EPS) from continuing operations (in euros):			
- basic, attributable to owners of the parent	10.3	€0.13	€0.14
- diluted, attributable to owners of the parent	10.3	€0.13	€0.14

** See Note 1.6*

5.2.2 INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions of euros)	Notes	2018	2017 restated*
(unaudited)			
Net income (loss)		27.5	19.1
Gains (losses) on change in fair value of hedging instruments		2.4	(1.1)
Hedging reserve reclassified to income		1.5	3.7
Total change in hedging reserve		**3.9**	**2.6**
Related tax		(1.1)	(0.9)
Translation reserve		**(106.0)**	**(64.6)**
Other comprehensive income (loss) which may be subsequently reclassified to income		**(103.3)**	**(62.9)**
Actuarial gains and losses recognized in equity		**20.3**	**1.4**
Related tax		(3.9)	(0.5)
Other comprehensive income (loss) which may not be subsequently reclassified to income		**16.3**	**0.9**
Other comprehensive income		**(86.9)**	**(62.0)**
TOTAL COMPREHENSIVE INCOME (LOSS)		**(59.4)**	**(42.9)**
Attributable to:			
- owners of the parent		(58.1)	(43.3)
- non-controlling interests		(1.3)	0.4

* *See Note 1.6*

5.2.3 INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

(In millions of euros)	Notes	June 30, 2018 net	Dec. 31, 2017 restated* net
(unaudited)			
Goodwill	6.1	4,225.5	4,268.1
Intangible assets		387.2	423.7
Property, plant and equipment	6.3	1,779.6	1,771.8
Equity-accounted companies		-	-
Other investments		0.2	0.1
Other non-current assets		51.6	24.5
Deferred tax assets		44.2	49.5
Employee benefit assets		39.0	16.4
TOTAL NON-CURRENT ASSETS		6,527.3	6,554.0
Inventories		122.4	126.4
Contract assets		38.3	-
Trade and other receivables		678.4	705.5
Current tax assets		14.1	18.1
Other assets		29.5	30.4
Cash and cash equivalents	8.3	382.7	416.4
Assets held for sale	2.5	79.7	1.0
TOTAL CURRENT ASSETS		1,345.2	1,297.9
TOTAL ASSETS		**7,872.5**	**7,852.0**

* *See Note 1.6*

5.2.4 INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION – LIABILITIES AND EQUITY

(In millions of euros)	Notes	June 30, 2018	Dec. 31, 2017 restated*
(unaudited)			
Share capital	10.1	219.9	219.4
Additional paid-in capital	10.1/10.2	2,944.0	3,025.7
Treasury share reserve		(11.0)	(0.7)
Other reserves		0.7	0.7
Retained earnings (accumulated deficit)		(98.9)	(188.7)
Other components of equity		(210.9)	(110.2)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		2,843.8	2,946.2
NON-CONTROLLING INTERESTS	2.3	8.9	8.9
TOTAL EQUITY		2,852.8	2,955.1
Non-current provisions	7.1	53.3	61.0
Employee benefit liabilities		97.8	96.6
Non-current borrowings	8.2/8.4	3,149.2	2,060.9
Deferred tax liabilities		258.5	246.2
Other non-current liabilities		19.6	12.6
TOTAL NON-CURRENT LIABILITIES		3,578.3	2,477.3
Current provisions	7.1	11.6	16.1
Current tax liabilities		16.9	21.8
Trade and other payables		267.2	277.5
Contract liabilities		69.5	-
Other liabilities		365.8	462.0
Bank overdrafts and current borrowings	8.3/8.4	649.0	1,642.2
Liabilities directly associated with assets held for sale	2.5	61.4	0.0
TOTAL CURRENT LIABILITIES		1,441.4	2,419.5
TOTAL EQUITY AND LIABILITIES		**7,872.5**	**7,852.0**

** See Note 1.6*

5.2.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions of euros)	Notes	2018	2017 restated*
(unaudited) **CASH FLOWS FROM OPERATING ACTIVITIES**			
CONSOLIDATED NET INCOME (LOSS)		**27.5**	**19.1**
Depreciation, amortization and provisions	4.1	302.2	164.8
Portion of grants transferred to income	4.1	(0.1)	(0.1)
Goodwill impairment		-	-
Share-based payments		6.9	4.1
Discounting adjustment on provisions and retirement benefits	8.1	0.5	0.4
Net gains and losses on disposal of assets		2.2	0.5
Share of net income of equity-accounted companies		-	-
Other		21.5	(0.1)
Dividends received (from non-consolidated entities)		(0.1)	(0.0)
CASH FLOWS AFTER FINANCE COSTS AND TAX		**360.5**	**188.8**
Net finance costs	8.1	56.4	26.3
Income tax expense	9	23.3	15.2
CASH FLOWS BEFORE FINANCE COSTS AND TAX		**440.2**	**230.3**
Income tax paid		(26.1)	(25.4)
Change in inventories		(9.1)	(1.4)
Change in trade, other receivables and contract assets		(60.0)	(37.5)
Change in other assets		(1.8)	(5.1)
Change in trade and other payables		(11.7)	13.1
Change in contract liabilities and other liabilities		26.8	(7.4)
Other changes		(1.1)	(0.1)
Employee benefits		(0.1)	0.3
NET CASH FROM OPERATING ACTIVITIES		**357.1**	**166.9**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets		(7.5)	(6.9)
Proceeds from sale of intangible assets		0.5	-
Acquisition of property, plant and equipment		(291.2)	(157.4)
Proceeds from sale of property, plant and equipment		4.0	(0.1)
Acquisition of subsidiaries, net of cash acquired	2.1	(56.6)	(395.7)
Proceeds from disposal of subsidiaries, net of cash transferred		1.0	1.0
Changes in loans and advances		0.4	(0.0)
Dividends from equity-accounted companies		0.1	0.0
Investment grants		-	0.0
NET CASH FROM INVESTING ACTIVITIES		**(349.1)**	**(559.2)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase	2.3	9.4	313.4
Treasury shares		(10.4)	1.3
Dividends paid			
- to owners of the parent		(81.0)	(51.9)
- to non-controlling interests		-	(0.1)
Change in borrowings (1)	8.2	135.9	66.5
- Proceeds from new borrowings	8.2	1,447.1	1,124.7
- Repayment of borrowings	8.2	(1,311.2)	(1,058.2)
Net interest paid		(30.3)	(36.4)
Other flows related to financing activities		(30.0)	(0.3)
NET CASH USED IN FINANCING ACTIVITIES		**(6.4)**	**292.6**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1.5**	**(99.7)**
Cash and cash equivalents at beginning of period		203.0	165.2
Effect of changes in foreign exchange rates on cash and cash equivalents		(2.9)	(10.4)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8.3	**201.6**	**55.1**

(1) Net change in credit lines

** See Note 1.6*

5.2.6 INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF JUNE 30, 2018

(In millions of euros)	Note	Share capital	Additional paid-in capital	Treasury share reserve	Other reserves	Retained earnings (accumulated deficit)	Hedging reserves	Translation reserve	Equity component of convertible notes	Owners of the parent	Non-controlling interests	Total equity
(unaudited)												
Balance as at December 31, 2017 (restated)		**219.4**	**3,025.7**	**(0.7)**	**0.7**	**(188.7)**	**(5.5)**	**(142.6)**	**37.8**	**2,946.2**	**8.9**	**2,955.1**
Adjustment on initial application of IFRS 15 (net of tax)	1.3					22.5				22.5	-	22.5
Adjustment on initial application of IFRS 9 (net of tax)	1.3					10.8				10.8	-	10.8
Adjusted balance as at January 1, 2018		**219.4**	**3,025.7**	**(0.7)**	**0.7**	**(155.4)**	**(5.5)**	**(142.6)**	**37.8**	**2,979.5**	**8.9**	**2,988.4**
Capital increase by monetary contribution	10.1	-	-	-	-	8.6	-	-	-	8.6	0.8	9.4
Amounts paid to shareholders	10.2	-	(81.0)	-	-	(0.0)	-	-	-	(81.0)	-	(81.0)
Issue of convertible notes		-	-	-	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	6.9	-	-	-	6.9	-	6.9
Changes in treasury shares		-	-	(10.4)	-	-	-	-	-	(10.4)	-	(10.4)
Acquisition of NCI without a change in control		-	-	-	-	(11.3)	-	1.4	-	(9.9)	0.5	(9.4)
Acquisition of subsidiary - NCI											(0.0)	(0.0)
Other	10.1	0.5	(0.7)	0.1	-	8.4	(0.0)	-	-	8.3	(0.0)	8.3
Net income (loss) for the period		-	-	-	-	27.7	-	-	-	27.7	(0.2)	27.5
Other comprehensive income		-	-	-	-	16.3	2.7	(104.9)	-	(85.8)	(1.1)	(86.9)
Total comprehensive income		-	-	-	-	44.0	2.7	(104.9)	-	(58.1)	(1.3)	(59.4)
Balance as at June 30, 2018		**219.9**	**2,944.0**	**(11.0)**	**0.7**	**(98.9)**	**(2.7)**	**(246.0)**	**37.8**	**2,843.8**	**8.9**	**2,852.8**
								(210.9)				

5.2.7 INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF JUNE 30, 2017

(In millions of euros)	Note	Share capital	Additional paid-in capital	Treasury share reserve	Other reserves	Retained earnings (accumulated deficit) (1)	Hedging reserves	Translation reserve	Equity component of convertible notes	Owners of the parent	Non-controlling interests	Total equity
(unaudited)												
Balance as at December 31, 2016		**1,140.1**	**280.9**	**(1.6)**	**0.7**	**(274.9)**	**(6.4)**	**7.5**	**-**	**1,146.3**	**4.3**	**1,150.6**
Capital increase by monetary contribution		259.1	58.3	-	-	(0.0)	-	-	-	317.4	-	317.4
Amounts paid to shareholders		-	(51.9)	-	-	0.0	-	-	-	(51.9)	(0.0)	(51.9)
Issue of convertible notes		-	-	-	-	-	-	-	-	-	-	-
Share-based payments		-	-	-	-	4.1	-	-	-	4.1	-	4.1
Changes in treasury shares		-	-	1.3	-	-	-	-	-	1.3	-	1.3
Acquisition of NCI without a change in control		-	-	-	-	(0.9)	-	-	-	(0.9)	(1.9)	(2.8)
Acquisition of subsidiary - NCI											(0.0)	(0.0)
Other		(1,259.0)	1,259.0	-	-	0.0	-	-	-	0.0	-	0.0
Net income (loss) for the period		-	-	-	-	18.7	-	-	-	18.7	0.4	19.1
Other comprehensive income		-	-	-	-	0.9	1.7	(64.6)	-	(62.0)	(0.0)	(62.0)
Total comprehensive income		-	-	-	-	19.6	1.7	(64.6)	-	(43.3)	0.4	(42.9)
Balance as at June 30, 2017 (restated)		**140.2**	**1,546.3**	**(0.3)**	**0.7**	**(252.0)**	**(4.7)**	**(57.1)**	**-**	**1,373.1**	**2.8**	**1,375.9**
								(61.8)				

5.2.8 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Elis is a leading multi-service group in the rental, laundry and maintenance of textile, hygiene and well-being appliances in Europe and Latin America. The Group serves hundreds of thousands of customers of all sizes in the Hospitality, Healthcare, Industry, Trade and Services sectors. Elis is a French company listed on Euronext Paris with its registered office at 5, boulevard Louis Loucheur, 92210 Saint-Cloud, France.

The condensed interim consolidated financial statements have been approved by the Management Board on July 25, 2018 and were reviewed by the Audit Committee and the Supervisory Board on July 25, 2018. They have also been reviewed by the Statutory Auditors.

NOTE 1 Accounting methods and policies

1.1 BASIS OF PREPARATION

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

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

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

1.2 ACCOUNTING STANDARDS APPLIED

Elis's condensed interim consolidated financial statements for the period from January 1 to June 30, 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, notably IAS 34 "Interim Financial Reporting." As they are condensed financial statements, they do not include all the information required by IFRS for a complete set of financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2017.

The condensed interim consolidated interim financial statements have been prepared in accordance with the international standards issued by the IASB, which include IFRS and International Accounting Standards (IAS), interpretations issued by the former International Financial Committee (IFRIC), currently known as the IFRS Interpretations Committee and by the former Standing Interpretations Committee (SIC), as adopted by the European Union and applicable as of the reporting date. The date of first application of IFRS 15 and IFRS 9 for the preparation of the condensed consolidated financial statements is January 1, 2018. Accounting changes and restatements of prior years' data are presented in Notes 1.3 and 1.6.

The financial statements comprise:

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

The amounts are shown with comparative figures from the consolidated financial statements as of December 31, 2017 and with the condensed interim consolidated financial statements as of June 30, 2017.

1.3 IMPACT OF NEW STANDARDS

The accounting policies used are the same as those used to prepare the consolidated financial statements for the year ended December 31, 2017, except for the following standards, amendments and interpretations whose application is mandatory as of January 1, 2018.

The impact of the changes on consolidated equity as of January 1, 2018 was as follows:

(In millions of euros)	Gross Impact on assets or liabilities	Impact on Deffered tax assets (liabilities)	Impact on Increase (Decrease) of retained earnings
Retained earnings (accumulated deficit), as of December 31, 2017			**(188.7)**
Adjustments due to adoption of IFRS9:			
- Additional impairment loss on trade receivables	(0.8)	0.2	(0.6)
- Decrease of financial indebtedness renegociated prior Dec.31, 2017	16.7	(5.3)	11.4
Adjustments due to adoption of IFRS15:			
- New asset for incremental costs of obtaining contracts	30.3	(7.8)	22.5
Retained earnings (accumulated deficit), as of January 1, 2018			**(155.4)**

IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 relating revenue recognition replaces IAS 18 "Revenue" previously applied by the Group for annual reporting periods beginning on or after January 1, 2018.

Revenues are now to be recognized once the Group has delivered the promised good or service to the customer.

SERVICES DELIVERED OVER SEVERAL ACCOUNTING PERIODS

The five-step model introduced by IFRS 15 requires among other things the identification of the performance obligations set out in each service contract.

Almost all of the Group’s revenue is derived from the sale of services under multi-year contracts. An analysis of contracts representing this core business has been undertaken, the results of which show that, in general, the various services promised to customers constitute a single performance obligation.

Revenue from services is recognized in the period in which the services are delivered, as the customer benefits from these services as and when Elis delivers them. These services are most often invoiced and paid for monthly.

When such services are invoiced upfront under subscriptions for one month or more, the portion of the invoicing corresponding to a service not yet performed, which was previously recorded under "Other liabilities," must now be recorded as "Contract liabilities" - a concept introduced by IFRS 15.

SALES OF GOODS, SUPPLIED ON A SPECIFIC DATE

Revenue from the sale of goods is recognized on the date on which control of the asset sold is transferred to the customer.

CONTRACT COSTS

IFRS 15 requires that the incremental costs of obtaining a contract with a customer whose term exceeds one year must be recognized in assets and amortized over the same period. In the Group's case, this new asset item corresponds in particular to sales commissions paid, in proportion to the amount or number of contracts signed. The change in this asset item between two reporting periods is recognized in the income statement under "Selling, general and administrative expenses."

The Group has opted for the modified retrospective method which means that the effect of the change in method is recognized in equity as of January 1, 2018, without the comparative period presented being restated.

The new asset item linked to the costs of obtaining the contracts has been recognized in "other non-current assets" and offset against shareholders' equity as of the beginning of 2018 in the amount of €30.3 million.

The balance sheet and income statement as of June 30, 2018, restated for the adoption of IFRS 15, are as follows:

(In millions of euros)	June 30, 2018	Adjustments	Amounts without adoption of IFRS 15
Costs of obtaining a contract	30.1	(30.1)	-
TOTAL NON-CURRENT ASSETS	6,527.3	(30.1)	6,497.2
Contract assets	38.3	(38.3)	-
Trade and other receivables	51.6	38.3	89.9
TOTAL CURRENT ASSETS	1,345.2	-	1,345.2
TOTAL ASSETS	**7,872.5**	**(30.1)**	**7,842.5**
Retained earnings (accumulated deficit)	(98.9)	(22.4)	(121.3)
TOTAL EQUITY	2,852.8	(22.4)	2,830.4
Deferred tax liabilities	258.5	(7.7)	250.8
TOTAL NON-CURRENT LIABILITIES	3,578.3	(7.7)	3,570.7
Trade and other payables	267.2	1.2	268.5
Contract liabilities	69.5	(69.5)	-
Other liabilities	365.8	68.3	434.0
TOTAL CURRENT LIABILITIES	1,441.4	-	1,441.4
TOTAL EQUITY AND LIABILITIES	**7,872.5**	**(30.1)**	**7,842.5**

(In millions of euros)	June 30, 2018	Adjustments	Amounts without adoption of IFRS 15
Revenue	1,533.9	-	1,533.9
Gross margin	450.3	-	450.3
Selling, general and administrative expenses	(264.5)	0.1	(264.4)
Operating income before other income and expense and amortization of customer relationships	182.5	0.1	182.7
Operating income	110.0	0.1	110.1
Income (loss) before tax	51.8	0.1	51.9
Income tax benefit (expense)	(23.4)	(0.1)	(23.5)
Net income (loss)	**27.5**	**0.0**	**27.5**
TOTAL COMPREHENSIVE INCOME (LOSS)	**(59.4)**	**0.0**	**(59.4)**

The impact on the statement of cash flows is immaterial.

REQUIRED INFORMATION

The Group has broken down revenue recognized under contracts with customers as required by paragraph 114 of IFRS 15 and relates it to the information provided for segment reporting in Note 3.3 "Disaggregation of revenue."

IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" previously applied by the Group, for annual reporting periods beginning on or after January 1, 2018, and addresses the three main aspects of the recognition of financial instruments: classification and measurement, impairment and hedge accounting.

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The standard provides a new approach for classifying financial assets into three broad classes: those measured at amortized cost, those measured at fair value through other comprehensive income, and those measured at fair value through profit or loss, thus simplifying the asset categories previously defined under IAS 39.

The new provisions concerning the classification of financial assets do not have a material impact on the recognition of trade receivables, loans, debt securities or equity managed on a fair value basis.

The classification rules for financial liabilities under IFRS 9 and under IAS 39 are substantially identical. The changes made to the rules for recognizing changes in the fair value of liabilities designated at fair value through profit or loss have no impact on the Group's consolidated financial statements, whose financial liabilities are measured at amortized cost.

MEASUREMENT OF FINANCIAL LIABILITIES

IFRS 9 now requires, when a renegotiation of debts does not lead to their extinguishment, that the impact resulting from this change be recognized immediately in profit or loss, with the subsequent interest expense continuing to reflect the original effective interest rate (EIR). As a result, the carrying amount of the debt on the balance sheet is adjusted to reflect the value of the new discounted cash flows at the EIR of the original debt. The retrospective application of IFRS 9 on the Group's unextinguished debt at January 1, 2018 resulted in a decrease in the Group's financial liabilities of €16.7 million, offset by a decrease in deferred tax liabilities of €5.3 million and an increase in retained earnings of €11.4 million. The impact recorded as of January 1, 2018 will be expensed over the remaining term of the corresponding loan (maturing in 2022).

IMPAIRMENT OF FINANCIAL ASSETS

The standard provides for a new impairment model for financial assets, replacing "incurred loss" by "expected credit losses." This requires the Group to exercise its judgment in assessing expected credit losses over the expected life of the financial instruments. To do this, the Group mainly uses an impairment matrix based on historical data. The first application as of January 1, 2018 of the provisions of IFRS 9 relating to impairment (of trade receivables, the main financial asset concerned) resulted in an increase of €0.8 million in adjustments for expected losses at that date compared to the impairment losses recognized in accordance with IAS 39 as of December 31, 2017.

HEDGE ACCOUNTING

The Group has hedging instruments to which it has applied the new provisions of IFRS 9. The hedging instruments used by the Group are comprised of:

- **forward foreign exchange contracts** to hedge the currency risk on its highly probable purchases of inventories and fixed assets denominated in foreign currencies. In accordance with IAS 39, the Group previously recognized the effective portion of changes in the fair value of these instruments in equity, while the ineffective portion is recognized immediately in profit or loss. During the periods in which the hedged item affected profit or loss, the Group reclassified the amounts accumulated in equity either to profit or loss or by incorporating them into the carrying amount of the hedged item

using the "basis adjustment" method. From adoption of IFRS 9 onwards, the Group may recognize forward items (premiums/discounts) in "Other comprehensive income" and accumulate them in a separate component of the reserves up to their reclassification in profit or loss or in the initial cost of the non-financial asset acquired. In accordance with the transitional provisions of IFRS 9, the Group has not opted to recognize forward elements of forward contracts retrospectively;

- **interest rate swaps**, to convert a portion of the variable-rate debt to a fixed rate. The change in fair value of these derivative instruments follows the same allocation principles between the effective portion (recognized in equity) to the ineffective portion, which is immediately recognized in profit or loss. The application of the new requirements of IFRS 9 to these contracts has no effect on these contracts.

The standard provides for first-time application, mainly retrospectively, with a few exceptions, notably in connection with hedge accounting, applied prospectively. The Group has adopted the exemption that allows for no restatement of comparative information for prior periods. Thus, the difference between the previous carrying amount at December 31, 2017 and the new carrying amount at January 1, 2018 is recorded in "Retained earnings."

The other amendments and interpretations that are mandatory as of January 1, 2018 have no material impact on the Group.

1.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

In preparing these condensed interim consolidated financial statements, the judgments and significant estimates made by management in applying the Group's accounting policies were the same as those made for the consolidated financial statements as of December 31, 2017, with the exception of:

- the estimate made for the recognition of the interim tax expense, as described in Note 9;
- the French business tax (CVAE) and the ownership interest taken into account in the results of the Group's French entities, which are provisioned at 50% of the estimated annual expense;
- the retirement benefit liabilities which were not remeasured using actuarial methods for the purposes of the condensed interim consolidated financial statements. The retirement benefit expense for the period corresponds to 50% of the estimated expense for full-year 2018, based on data used at December 31, 2017, extrapolated for any significant changes in assumptions (change in discount rates).

1.5 SEASONAL REVENUES

Revenue, recurring operating income (before other income and expense) and all operating indicators are subject to low seasonal fluctuations, with the exception of tourism and summer vacation periods which impact activity at certain centers. The extent of the

seasonal impact varies in the countries in which the Group operates. Consequently, the interim results for the period from January 1 to June 30, 2018 are not necessarily representative of the results that may be expected for full-year 2018.

1.6 CHANGES IN ACCOUNTING POLICIES AND RESTATEMENT OF PRIOR-YEAR FINANCIAL INFORMATION

The following tables present the adjustments related to previous business combinations compared to the income statement as of June 30, 2017 included in the condensed interim consolidated financial statements and the previously published financial statements as of December 31, 2017.

(In millions of euros)	2017 published	IFRS 3	2017 restated
(unaudited)			
Revenue	845.8	-	845.8
Cost of linen, equipment and other consumables	(136.5)	-	(136.5)
Processing costs	(334.3)	(0.2)	(334.5)
Distribution costs	(135.0)	-	(135.0)
Gross margin	239.9	(0.2)	239.7
Selling, general and administrative expenses	(141.4)	-	(141.4)
Impairment loss on trade and other receivables	(1.7)	-	(1.7)
Operating income before other income and expense and amortization of customer relationships	96.8	(0.2)	96.5
Amortization of customer relationships	(23.5)	(0.9)	(24.3)
Goodwill impairment	-	-	-
Other income and expense	(11.0)	-	(11.0)
Operating income	62.3	(1.1)	61.2
Net financial expense	(26.9)	-	(26.9)
Income (loss) before tax	35.4	(1.1)	34.3
Income tax benefit (expense)	(15.6)	0.4	(15.2)
Share of net income of equity-accounted companies	-		-
Net income (loss) from continuing operations	19.9	(0.7)	19.1
Net income (loss)	19.9	(0.7)	19.1
Attributable to:			
- owners of the parent	19.5	(0.7)	18.7
- non-controlling interests	0.4	-	0.4

(In millions of euros)	Dec. 31, 2017 published	IFRS 3	Dec. 31, 2017 restated
(unaudited)			
Goodwill	4,335.5	(67.4)	4,268.1
Intangible assets	378.8	44.9	423.7
Property, plant and equipment	1,744.5	27.3	1,771.8
Equity-accounted companies	-	-	-
Other investments	0.1	0.0	0.1
Other non-current assets	6.8	17.6	24.5
Deferred tax assets	46.9	2.6	49.5
Employee benefit assets	16.4	-	16.4
TOTAL NON-CURRENT ASSETS	6,529.0	25.0	6,554.0
Inventories	127.2	(0.7)	126.4
Contract assets	-	-	-
Trade and other receivables	705.6	(0.1)	705.5
Current tax assets	18.2	(0.1)	18.1
Other assets	30.9	(0.5)	30.4
Cash and cash equivalents	416.4	(0.0)	416.4
Assets held for sale	1.0	-	1.0
TOTAL CURRENT ASSETS	1,299.3	(1.4)	1,297.9
TOTAL ASSETS	**7,828.4**	**23.6**	**7,852.0**

(In millions of euros)	Dec. 31, 2017 published	IFRS 3	Dec. 31, 2017 restated
(unaudited)			
Share capital	219.4		219.4
Additional paid-in capital	3,025.7		3,025.7
Treasury share reserve	(0.7)		(0.7)
Other reserves	0.7		0.7
Retained earnings (accumulated deficit)	(189.1)	0.4	(188.7)
Other components of equity	(110.2)	-	(110.2)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	2,945.8	0.4	2,946.2
NON-CONTROLLING INTERESTS	9.2	(0.3)	8.9
TOTAL EQUITY	2,955.0	0.2	2,955.1
Non-current provisions	39.7	21.4	61.0
Employee benefit liabilities	96.6	(0.0)	96.6
Non-current borrowings	2,060.9	0.0	2,060.9
Deferred tax liabilities	244.1	2.1	246.2
Other non-current liabilities	12.6	(0.0)	12.6
TOTAL NON-CURRENT LIABILITIES	2,453.8	23.5	2,477.3
Current provisions	15.2	0.8	16.1
Current tax liabilities	21.8	(0.0)	21.8
Trade and other payables	277.5	(0.0)	277.5
Contract liabilities			-
Other liabilities	462.8	(0.8)	462.0
Bank overdrafts and current borrowings	1,642.2	-	1,642.2
Liabilities directly associated with assets held for sale	0.0	0.0	0.0
TOTAL CURRENT LIABILITIES	2,419.6	(0.0)	2,419.5
TOTAL EQUITY AND LIABILITIES	**7,828.4**	**23.6**	**7,852.0**

(In millions of euros)	2017 published	IFRS 3	2017 restated
(unaudited)			
CASH FLOWS FROM OPERATING ACTIVITIES			
CONSOLIDATED NET INCOME (LOSS)	**19.9**	**(0.7)**	**19.1**
Depreciation, amortization and provisions	163.7	1.1	164.8
Portion of grants transferred to income	(0.1)		(0.1)
Goodwill impairment	-	-	-
Share-based payments	4.1		4.1
Discounting adjustment on provisions and retirement benefits	0.4		0.4
Net gains and losses on disposal of assets	0.5		0.5
Share of net income of equity-accounted companies	-		-
Other	(0.1)		(0.1)
Dividends received (from non-consolidated entities)	(0.0)		(0.0)
CASH FLOWS AFTER FINANCE COSTS AND TAX	**188.4**	**0.4**	**188.8**
Net finance costs	26.3		26.3
Income tax expense	15.6	(0.4)	15.2
CASH FLOWS BEFORE FINANCE COSTS AND TAX	**230.3**	**-**	**230.3**
Income tax paid	(25.4)		(25.4)
Change in inventories	(1.4)		(1.4)
Change in trade, other receivables and contract assets	(37.5)		(37.5)
Change in other assets	(5.1)		(5.1)
Change in trade and other payables	13.1		13.1
Change in contract liabilities and other liabilities	(7.4)		(7.4)
Other changes	(0.1)		(0.1)
Employee benefits	0.3		0.3
NET CASH FROM OPERATING ACTIVITIES	**166.9**	**-**	**166.9**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of intangible assets	(6.9)		(6.9)
Proceeds from sale of intangible assets	-		-
Acquisition of property, plant and equipment	(157.4)		(157.4)
Proceeds from sale of property, plant and equipment	(0.1)		(0.1)
Acquisition of subsidiaries, net of cash acquired	(395.7)	-	(395.7)
Proceeds from disposal of subsidiaries, net of cash transferred	1.0		1.0
Changes in loans and advances	(0.0)		(0.0)
Dividends from equity-accounted companies	0.0		0.0
Investment grants	0.0		0.0
NET CASH FROM INVESTING ACTIVITIES	**(559.2)**	**-**	**(559.2)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital increase	313.4		313.4
Treasury shares	1.3		1.3
Dividends paid			
- to owners of the parent	(51.9)		(51.9)
- to non-controlling interests	(0.1)		(0.1)
Change in borrowings (1)	66.5		66.5
- Proceeds from new borrowings	1,124.7		*1,124.7*
- Repayment of borrowings	(1,058.2)		*(1,058.2)*
Net interest paid	(36.4)		(36.4)
Other flows related to financing activities	(0.3)		(0.3)
NET CASH USED IN FINANCING ACTIVITIES	**292.6**	**-**	**292.6**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(99.7)**	**-**	**(99.7)**
Cash and cash equivalents at beginning of period	165.2		165.2
Effect of changes in foreign exchange rates on cash and cash equivalents	(10.4)		(10.4)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**55.1**	**(0.0)**	**55.1**

(1) Net change in credit lines

IFRS 3 "Business combinations"

IFRS 3 requires previously published comparative periods to be retrospectively restated for business combinations (recognition of the final fair value of the assets acquired and the liabilities and contingent liabilities assumed when this fair value was provisionally determined at the previous balance sheet date).

The amount of allocated goodwill shown in the condensed interim consolidated financial statements is higher by €67.4 million than that presented in the consolidated financial statements as of December 31, 2017, and mainly concerns Lavebras (Brazil). The methods used to measure the fair value of Lavebras' assets were as follows:

- Property, plant and equipment: comparable market techniques when available or intrinsic cost approach (reconstitution / replacement costs adjusted for depreciation and obsolescence);
- Customer relationships: Multi-period excess earnings method that takes into account the present value of net cash flows expected to be generated, excluding any cash flows related to support assets.

However, the initial recognition of the other business combinations completed in the last 12 months (mainly Berendsen Group) remains incomplete at June 30, 2018. The measurement of brands, software, customer relationships and property appraisals intended to recognize land and buildings at fair value are still in progress at this date. Similarly, the measurement of contingent liabilities, particularly those relating to the environment, remains to be finalized.

NOTE 2 Key highlights and changes in the scope of consolidation

2.1 ACQUISITIONS COMPLETED IN THE FIRST HALF OF 2018

The Group made the following investments during the period:

In Germany:

On January 3, 2018, the Group acquired:

- Sächsische Mietwäsche und Handels, a company located in Germany near Dresden, with annual revenue of approximately €2.3 million in the Hospitality sector. The volumes are being transferred to the Riesa plant and the former manager, Thomas Pfeiff, will become director of Riesa;
- the acquisition of Alsco's hotel customer portfolio in Germany, in the Berlin and Hamburg regions. In 2017, Alsco achieved revenue of nearly €2 million.

On March 23, 2018, the Group completed the acquisition of BW Textilservice in Germany. BW Textilservice is a family-owned laundry company in the Stuttgart region with around 500 employees. In 2017, it generated revenue of around €24 million, entirely in the Healthcare market.

On June 6, 2018, Elis completed the acquisition of Wäscherei Waiz GmbH, a family-owned laundry business located near Nuremberg, which posted revenue of around €10 million in 2017. This company employs around 200 people and operates mainly in the Healthcare market in northern Bavaria, a region where the Group was not previously present.

In Belgium:

On April 24, 2018, the Group acquired Ardenne et Meuse, a Belgian family business with some 80 employees and a laundry near Liège. The company generated revenue of around €8 million in 2017. It is specialized in flat linen processing for Hospitality customers.

In Spain:

In February 2018, the Group completed the acquisition of the assets of Camps, which operates a laundry in the Barcelona region and generated revenue of €1.7 million in 2017.

In France:

The Group also acquired Big Bang, a company based in Nice. With 16 employees, Big Bang generates revenue of €1.7 million in the HWB (hygiene and well-being) market in the Nice, Marseille, Lyon and Paris regions.

In addition, on June 29, 2018, Les Lavandières acquired a 3D business in Nantes (€0.3 million in revenue last year, two employees).

- **SUMMARY OF THE AFOREMENTIONED ACQUISITIONS**

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

(In millions of euros)	Fair value at the acquisition date	of which France	of which Germany	of which Belgium	of which Spain
Statement of financial position					
Intangible assets	0.6	-	0.0	-	0.6
Property, plant and equipment	28.2	0.1	16.0	11.5	0.5
Available-for-sale financial assets	-	-	-	-	-
Other non-current assets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Employee benefit assets	-	-	-	-	-
Inventories	0.3	0.1	0.1	0.2	-
Contract assets	-	-	-	-	-
Trade and other receivables	5.6	0.3	4.2	1.1	-
Current tax assets	0.3	-	0.3	-	-
Other assets	0.1	0.0	0.1	0.0	-
Cash and cash equivalents	0.9	0.2	0.3	0.4	-
Assets held for sale	0.2	-	-	-	0.2
Non-current provisions	-	-	-	-	-
Employee benefit liabilities	-	-	-	-	-
Non-current borrowings	(3.8)	(0.0)	-	(3.8)	-
Deferred tax liabilities	(0.1)	-	-	(0.1)	-
Other non-current liabilities	-	-	-	-	-
Current provisions	-	-	-	-	-
Current tax payables	(0.5)	0.0	(0.5)	(0.0)	-
Trade and other payables	(3.1)	(0.0)	(2.3)	(0.8)	-
Contract liabilities	(0.4)	(0.3)	-	(0.1)	-
Other liabilities	(3.4)	(0.2)	(2.1)	(1.1)	-
Bank overdrafts and current borrowings	(8.8)	-	(8.0)	(0.8)	-
Total identifiable net assets at fair value (a)	**16.1**	**0.2**	**8.1**	**6.4**	**1.3**
Goodwill	35.8	3.4	28.8	3.6	-
Purchase price	**51.8**	**3.6**	**36.9**	**10.0**	**1.3**

(a) provisional amount, see below

At June 30, 2018, due to these recent acquisitions, the initial accounting for the business combinations acquired during the last 12 months had not been completed and the amounts recognized were therefore provisional.

Since their acquisition, the companies taken over in 2018 have contributed €8.3 million to revenues, €1.9 million to EBITDA and €0.3 million to operating income (before amortization of customer relationships). If these acquisitions had taken place at the beginning of the year, the incremental revenue would have been €13.1 million, the incremental EBITDA would have been €2.2 million and the incremental operating income (before amortization of customer relationships) would have been €0.3 million.

Residual goodwill

Residual goodwill includes unidentifiable items, such as the Group's human capital and the expected future synergies arising from the acquisitions.

Cash flows from acquisitions

(In millions of euros)	June 30, 2018	*of which France*	*of which Germany*	*of which Belgium*	*of which Spain*
Net cash acquired	(5.2)	0.2	(5.9)	0.4	-
Amount paid	(51.3)	(3.1)	(36.9)	(10.0)	(1.4)
Net cash flow	**(56.6)**	**(2.9)**	**(42.7)**	**(9.6)**	**(1.4)**

2.2 CHANGES IN THE SCOPE OF CONSOLIDATION

The following changes in the scope of consolidation occurred during the first half of 2018:

Entity name	Registered office	Principal Activity	% interest 2018	% interest 2017
France				
BMF	Bondoufle	Textile & hygiene services	Merger	100
Big Bang	St André de la Roche	Textile & hygiene services	Merger	-
Hygiène Contrôle Ile de France	Serris	Textile & hygiene services	Merger	100
Germany				
SMH - Sächsische Mietwäsche und Handels GmbH	Dürröhrsdorf-Dittersbach	Textile & hygiene services	100	-
BW-Textilservice GmbH	Sulz am Neckar	Textile & hygiene services	100	-
Wäscherei Waiz GmbH	Eckental	Textile & hygiene services	100	-
Belgium				
Blanchisserie Basse Meuse	Herstal	Textile & hygiene services	100	-
Ardenne & Meuse Logistique	Herstal	Other activity	100	-
Brazil				
Atmosfera Gestao e Higienização de Têxteis SA	Jundiai	Textile & hygiene services	98	100
L'Acqua Lavanderias Ltda	Ponta Grossa	Textile & hygiene services	98	100
Teclav Tecnologia e Lavagem Industrial Ltda	Eusébio	Textile & hygiene services	98	100
Martins e Lococo Lavanderia Ltda	Caieiras	Textile & hygiene services	98	100
MPW Lavanderia, Comércio e Serviços Ltda	Piracicaba	Textile & hygiene services	98	100
Megalav Lavanderia Hospitalar Ltda	Serra	Textile & hygiene services	98	100
Uniforme Lavanderia e Locação Eireli EPP	Camaçari	Textile & hygiene services	98	100
Prontlav Lavanderia Ltda	Fortaleza	Textile & hygiene services	98	100
Toalhão locação e Higienização de Enxoval Ltda	Fortaleza	Textile & hygiene services	98	100
NJ Lavanderia Industrial e Hospitalar LTDA ME	Brasilia	Textile & hygiene services	98	100
Prolav Servicos Tecnicos LTDA	Rio Bonito	Textile & hygiene services	98	100
Global Service Lavanderia LTDA ME	Goiana	Textile & hygiene services	98	100
LVB Holding LTDA	Videira	Other activity	98	100
Lavebras Gestao de Texteis S.A.	Videira	Textile & hygiene services	98	100
RDX Gestão e Higienização Textil Ltda	Paulista	Textile & hygiene services	98	100
Biolav Lavanderia Ltda EPP	Teresina	Textile & hygiene services	Merger	100
Atmosfera Gestao e Higienização de Uniformes Ltda	São José dos Pinhais	Textile & hygiene services	98	100
Totalqualy Higienização Textil	São Bernardo do Campo	Textile & hygiene services	98	100
Denmark				
Xtra Måtteservice A/S	Holsted	Textile & hygiene services	Merger	100

2.3 DISCLOSURES ON NON-CONTROLLING INTERESTS

In April 2018, the former Lavebras shareholder subscribed to a €9.4 million capital increase in Atmosfera, the Group's direct subsidiary in Brazil. This investment is subject to a repurchase commitment by the Group, recorded in other non-current liabilities.

2.4 BOND ISSUE

On February 8, 2018, the Group announced that it had raised €1.0 billion via a bond issue divided into two tranches with maturities of five and eight years respectively:

- a five-year tranche, for €650 million, with an annual coupon rate of 1.875%;
- an eight-year tranche, for €350 million, with an annual coupon rate of 2.875%.

These funds enabled the final repayment of the bridge loan set up for the Berendsen acquisition and the extension of the maturity of the Group's debt.

The placement of this issue was led by 10 banks: BBVA, BNP Paribas, CA CIB, Commerzbank, HSBC, Natixis, ING, Mediobanca, MUFG and Société Générale.

2.5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On July 25, 2018, the Group publicly announced the decision authorized by the Supervisory Board to sell the Clinical Solutions business in the United Kingdom. It expects this sale to be completed within the 12 months following June 30, 2018. This business is classified under "Discontinued operations" in these financial statements and is no longer presented in the segment information. The results of this business for the period are as follows:

(In millions of euros)	2018
Revenue	33.7
Expense	(34.7)
Income (loss) before tax from discontinued operations	**(1.0)**
Income tax benefit (expense)	0.1
Net income (loss)	**(0.9)**

Assets and liabilities classified as held for sale are as follows:

(In millions of euros)	June 30, 2018 net
Intangible assets	0.5
Property, plant and equipment	19.7
Deferred tax assets	0.6
Inventories	11.2
Trade and other receivables	43.7
Current tax assets	0.2
Other assets	2.8
Cash and cash equivalents	0.9
Assets held for sale	**79.5**
Deferred tax liabilities	0.7
Current provisions	0.1
Trade and other payables	2.7
Other liabilities	35.0
Bank overdrafts and current borrowings	23.0
Liabilities directly associated with assets held for sale	**61.4**

The cash flows included in the consolidated statement of cash flows are:

(In millions of euros)	2018
Net cash used in operating activities	(6.8)
Net cash from investing activities	(1.0)
Net cash flow for the period	**(7.8)**

The impact on earnings per share is immaterial.

NOTE 3 Segment information

The definition of segments and the rules for assessing the performance of each segment at June 30, 2018 are the same as those used to prepare the annual financial statements.

3.1 REVENUE

(In millions of euros)	2018	France	United Kingdom & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
External customers		505.9	196.6	328.7	240.8	126.9	125.5	9.6	1,533.9
Inter-segment		0.9	0.8	1.6	0.0	0.1	(0.0)	(3.4)	-
Segment revenue		**506.8**	**197.4**	**330.2**	**240.8**	**127.0**	**125.5**	**6.2**	**1,533.9**
		33.0%	12.8%	21.4%	15.7%	8.3%	8.2%	0.6%	

(In millions of euros)	2017	France	United Kingdom & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
External customers		494.6	-	130.4	-	123.8	87.5	9.4	845.8
Inter-segment		0.9	-	0.2	-	0.1	-	(1.2)	-
Segment revenue		**495.5**	**-**	**130.6**	**-**	**124.0**	**87.5**	**8.1**	**845.8**
		58.5%	0.0%	15.4%	0.0%	14.6%	10.3%	1.1%	

3.2 INCOME

(In millions of euros)	2018	France	United Kingdom & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
Operating income before other income and expense and amortization of customer relationships		**87.7**	**9.6**	**33.2**	**48.5**	**6.6**	**13.1**	**(16.1)**	**182.5**
Miscellaneous financial items		*0.5*	*0.1*	*0.1*	*0.0*	*0.1*	*0.0*	*0.3*	1.2
Expenses related to share-based paymen		-	*0.0*	-	-	-	-	*9.2*	9.2
EBIT		**88.2**	**9.6**	**33.3**	**48.6**	**6.6**	**13.1**	**(6.6)**	**192.9**
Depreciation and amortization including portion of grants transferred to income		*83.0*	*43.3*	*65.4*	*39.0*	*25.8*	*19.1*	0.6	276.2
EBITDA		**171.1**	**52.9**	**98.7**	**87.6**	**32.5**	**32.2**	**(6.0)**	**469.1**
		33.8%	*26.8%*	*29.9%*	*36.4%*	*25.6%*	*25.6%*		*30.6%*

(In millions of euros)	2017	France	United Kingdom & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Eliminations & other segments	Total
Operating income before other income and expense and amortization of customer relationships		**84.7**	**-**	**7.8**	**-**	**6.2**	**6.5**	**(8.7)**	**96.5**
Miscellaneous financial items		*0.4*	-	*0.1*	-	*0.2*	*0.0*	*0.1*	0.8
Expenses related to share-based paymen		-	-	-	-	-	-	*5.0*	5.0
EBIT		**85.1**	**-**	**7.9**	**-**	**6.4**	**6.5**	**(3.6)**	**102.3**
Depreciation and amortization including portion of grants transferred to income		*81.8*	-	*21.6*	-	*24.2*	*13.5*	0.6	141.8
EBITDA		**166.9**	**-**	**29.5**	**-**	**30.7**	**20.0**	**(3.0)**	**244.1**
		33.7%		*22.6%*		*24.7%*	*22.8%*		*28.9%*

Non-IFRS indicators

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

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

3.3 DISAGGREGATION OF REVENUE

(In millions of euros) 2018	France	United Kingdom & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Other segments	Total
Flat linens	206.2	125.4	142.4	51.0	88.4	99.7	-	**713.1**
Workwear	174.9	56.6	155.8	93.3	21.6	24.7	-	**526.9**
Hygiene and well-being	140.6	9.3	24.5	77.3	16.8	-	-	**268.6**
Other	(15.9)	5.4	6.0	19.1	0.1	1.1	9.6	**25.3**
Revenue by service	**505.9**	**196.6**	**328.7**	**240.8**	**126.9**	**125.5**	**9.6**	**1,533.9**
Hospitality	160.8	58.8	56.3	36.9	73.0	2.0	-	**387.7**
Industry	93.5	58.7	128.7	111.0	16.4	25.5	-	**433.8**
Healthcare	84.2	73.2	107.9	29.2	17.5	97.7	-	**409.8**
Retail and services	180.9	6.0	35.3	63.7	20.0	0.3	-	**306.2**
Other	(13.5)	0.0	0.5	0.0	0.0	(0.0)	9.6	**(3.5)**
Revenue by type of customer	**505.9**	**196.6**	**328.7**	**240.8**	**126.9**	**125.5**	**9.6**	**1,533.9**
Rendering of services (transferred overtime)	504.7	190.3	321.2	224.3	126.3	124.6	0.5	**1,491.9**
Sales of goods (transferred at a point in time)	1.1	6.3	7.4	16.4	0.7	0.9	9.1	**41.9**
Revenue	**505.9**	**196.6**	**328.7**	**240.8**	**126.9**	**125.5**	**9.6**	**1,533.9**

(In millions of euros) 2017	France	United Kingdom & Ireland	Central Europe	Scandinavia & Eastern Europe	Southern Europe	Latin America	Other segments	Total
Flat linens	199.8	-	86.9	-	87.6	73.5	-	**447.8**
Workwear	172.2	-	32.4	-	19.8	12.9	-	**237.4**
Hygiene and well-being	138.3	-	8.6	-	16.6	-	-	**163.5**
Other	(15.6)	-	2.5	-	(0.2)	1.1	9.4	**(2.9)**
Revenue by service	**494.6**	**-**	**130.4**	**-**	**123.8**	**87.5**	**9.4**	**845.8**
Hospitality	156.7	-	49.0	-	57.4	9.0	-	**272.1**
Industry	92.7	-	14.9	-	17.0	17.9	-	**142.4**
Healthcare	86.3	-	52.8	-	35.2	60.3	-	**234.5**
Retail and services	174.7	-	12.5	-	14.3	0.2	-	**201.7**
Other	(15.7)	-	1.4	-	-	0.1	9.4	**(4.9)**
Revenue by type of customer	**494.6**	**-**	**130.4**	**-**	**123.8**	**87.5**	**9.4**	**845.8**
Rendering of services (transferred overtime)	493.3	-	127.7	-	123.7	86.5	(0.1)	**831.2**
Sales of goods (transferred at a point in time)	1.3	-	2.7	-	0.1	1.0	9.5	**14.5**
Revenue	**494.6**	**-**	**130.4**	**-**	**123.8**	**87.5**	**9.4**	**845.8**

NOTE 4 Other operating data

4.1 DEPRECIATION, AMORTIZATION, PROVISIONS AND OTHER COSTS BY NATURE

(In millions of euros)	2018	2017
Depreciation and amortization (including portion of grants)		
- included in Operating income before other income and expense and amortization of customer relationships		
Property, plant and equipment and intangible assets	(70.2)	(40.4)
Rental-cleaning items	(192.0)	(93.4)
Other leased items	(14.2)	(8.0)
Portion of grants transferred to income	0.1	0.1
- included in Other income and expense	-	-
- amortization of customer relationships	(30.9)	(24.3)
Total depreciation and amortization (including portion of grants)	**(307.1)**	**(166.1)**
Additions to or reversals of provisions		
- included in Operating income before other income and expense and amortization of customer relationships	4.4	0.5
- included in Other income and expense	1.7	0.9
Total additions to or reversals of provisions	**6.1**	**1.4**
Operating lease expense	**(38.7)**	**(19.5)**

4.2 OTHER OPERATING INCOME AND EXPENSES

(In millions of euros)	2018	2017
Transaction costs and earn-out	(23.2)	(3.4)
Restructuring costs	(15.3)	(4.2)
Uncapitalizable costs for change in IT systems	(0.4)	(0.4)
Litigation	(0.4)	(1.0)
Net gains on site disposals	(0.1)	-
Expenses relating to site disposal	-	(0.2)
Environmental rehabilitation costs	(1.0)	-
Other	(1.2)	(1.8)
Other income and expense	**(41.6)**	**(11.0)**

Other operating income and expenses correspond mainly to the unfunded portion of an earn-out paid in connection with an acquisition in Brazil in 2015 and to Berendsen's restructuring costs.

NOTE 5 Employee benefits expense

5.1 SHARE-BASED PAYMENTS

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

The details of the performance shares plan awarded free of charge each year since 2015 are presented in the 2017 Registration Document including the annual financial report, on pages 236 and 237. As of June 30, 2018, the number of rights remaining to be vested under these plans was 498,434 performance shares for the June 15, 2016 plan, 54,603 performance shares for the December 21, 2016 plan (these figures taking into account the rights adjustment made on February 13, 2017 following the capital increase) and 561,660 performance shares for the March 24, 2017 plan.

On April 6, 2018, a new performance share award plan was implemented pursuant to the decision of the Management Board of March 29, 2018. This plan covers 1,064,615 shares actually distributed, with the number of performance shares described in the above-mentioned Management Board decision (1,072,357 shares) having been readjusted to take into account the non-acceptance of rights by certain beneficiaries due to their separation from the Group. This award benefited slightly more than 470 Group executives and senior managers (including the members of the Management Board).

The shares awarded under the 2018 plan vest at the end of a two-year vesting period for all employees, except for the members of the Executive Committee (including the members of the Management Board), for whom the shares vest at the end of a three-year vesting period. The vesting of the shares is subject to a condition of continuous service and to the achievement of performance targets.

As regards the beneficiaries (excluding members of the Executive Committee), the performance targets are defined with reference to three criteria linked to consolidated revenue, consolidated EBIT and the performance of the Company's share price relative to the SBF 120 index. The final number of shares vested at the end of the vesting period will be determined over a two-year performance period for all such beneficiaries.

As regards the beneficiaries who are members of the Executive Committee (including the members of the Management Board), the performance shares allocated to them are of two classes (Class A and Class B) to which performance targets are attached, assessed over three consecutive financial years according to the following criteria:

- Class A performance shares: the performance targets are defined by reference to three quantifiable criteria linked to consolidated revenue, consolidated EBIT and the performance of the Company's share price relative to the SBF 120 index.
- Class B performance shares: the performance targets are defined with reference to criteria related to Berendsen synergies and margin.

5.2 EXECUTIVE COMPENSATION (RELATED PARTY DISCLOSURES)

As of June 30, 2018, the main executives comprise the 10 members of the Executive Committee, along with the Chairman of the Management Board. Total compensation (paid or payable) of the main executives is as follows:

(In millions of euros)	2018	2017
Number of people	11	9
Employee benefits	(6.1)	(4.1)
Post-employment benefits	-	(0.0)
Termination benefits	-	-
Expenses related to share-based payments (IFRS 2)	(3.5)	(2.0)

NOTE 6 Property, plant and equipment and intangible assets

6.1 GOODWILL

(In millions of euros)	June 30, 2018	Dec. 31, 2017
Gross value	4,334.2	1,799.3
Accumulated impairment	(66.1)	(66.4)
Carrying amount at beginning of period	**4,268.1**	**1,732.9**
Acquisitions	35.8	2,617.1
Disposals	-	-
Translation adjustments	(78.4)	(82.2)
Other changes	0.0	(0.0)
Changes in gross carrying amount	**(42.6)**	**2,534.9**
Impairment	-	-
Translation adjustments	(0.0)	0.4
Other changes	(0.0)	0.0
Changes in impairment	**(0.0)**	**0.4**
Carrying amount at end of period	**4,225.5**	**4,268.1**
Gross value	4,291.6	4,334.2
Accumulated impairment	(66.1)	(66.1)

6.2 IMPAIRMENT TESTS AS OF JUNE 30, 2018

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

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

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

Given the economic environment, the Group regularly reviews the performance of each cash-generating unit (CGU) before deciding whether to perform impairment tests. After reviewing both internal and external sources of information, management concluded that there was no indication of impairment at June 30, 2018.

6.3 PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2018, the Group acquired assets with a cost of €296.5 million (€160.2 million as of June 30, 2017).

The changes which occurred during the period are presented as follows :

(In millions of euros)	Land and buildings	Vehicles	Plant & equipment	Rental-cleaning items	Total
Gross value	727.4	146.1	1,488.8	1,700.7	4,062.9
Accumulated depreciation and impairment	(275.0)	(104.3)	(880.1)	(1,031.9)	(2,291.1)
Net carrying amount as at Dec. 31, 2017	**452.4**	**41.8**	**608.7**	**668.8**	**1,771.8**
Investments	13.7	7.0	50.2	225.6	296.5
Changes in scope of consolidation	10.4	1.6	9.3	6.8	28.2
Retirements and disposals	8.5	(0.2)	(12.1)	(2.5)	(6.3)
Depreciation	(10.9)	(6.1)	(47.1)	(206.1)	(270.2)
Translation adjustments	(3.1)	(0.1)	(10.8)	(6.4)	(20.4)
Impairment	-	-	-	-	-
Other movements	(12.5)	0.7	(8.3)	0.1	(20.0)
Gross value	690.0	150.7	1,422.7	1,760.6	4,024.0
Accumulated depreciation and impairment	(231.5)	(106.0)	(832.7)	(1,074.2)	(2,244.4)
Net carrying amount as at June 30, 2018	**458.5**	**44.7**	**590.0**	**686.3**	**1,779.6**

NOTE 7 Provisions and contingent liabilities

7.1 PROVISIONS

(In millions of euros)	Compliance	Litigation	Other	Total
As at December 31, 2017	27.9	11.5	37.6	**77.1**
Increases/additions for the year	1.0	0.1	0.9	2.0
Changes in consolidation scope	-	-	-	-
Decreases/reversals of provisions used	(0.7)	(1.5)	(5.8)	(8.0)
Translation adjustments	(0.7)	(0.7)	(2.0)	(3.3)
Other	(0.1)	(0.0)	(2.7)	(2.9)
As at June 30, 2018	27.5	9.3	28.1	**64.9**
Current portion	0.0	3.2	8.4	**11.6**
Non-current portion	27.5	6.1	19.7	**53.3**
France	*15.6*	*2.7*	*0.7*	*19.0*
Latin America	*5.2*	*6.3*	*16.2*	*27.7*
Other countries	*6.7*	*0.3*	*11.2*	*18.2*

7.2 CONTINGENT LIABILITIES

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

In Brazil

Proceedings related to alleged acts of administrative improbity

Atmosfera filed a preliminary response in December 2014 to a public action filed against several industrial laundry service providers, including Atmosfera and Prolav, relating to alleged bribery regarding contracts in the state of Rio de Janeiro. The public prosecutor rejected arguments put forward by Atmosfera and ruled to continue the action.

At June 30, 2018, Atmosfera and Prolav were still awaiting additional information and therefore were unable to estimate the contingent liability incurred and the indemnification asset to be received under the respective vendor warranties. The Atmosfera Group's former owners, who were notified of the proceedings through interim measures on November 26, 2014 with respect to the December 20, 2013 guarantee agreement relating to the acquisition of the Atmosfera Group, have disputed Atmosfera's compensation request.

Proceedings related to degrading working conditions

Proceedings initiated by Atmosfera before the Labor Court against Brazil's Ministry of Work and Employment.

Atmosfera filed an appeal that challenged the decision of the Ministry of Labor which provided for the inclusion of Atmosfera on the blacklist of companies convicted of this type of practice.

The decision on the merits rendered by the Labor Court at first instance in May 2017 was favorable to Atmosfera and overturned all sanctions imposed by the Ministry of Labor against Atmosfera, including its inclusion on the blacklist. This first-instance decision was appealed by the administration, resulting in a new proceeding, still underway as of June 30, 2018.

Administrative proceedings initiated by CADE

In February 2016, Prolav was sentenced by the Brazilian Competition Authority (CADE) for antitrust offenses to pay a fine of R$2.5 million (approximately €0.6 million). Any delay in payment of this fine will incur interest on arrears at the benchmark rate of Brazil's central bank (SELIC), which may lead to significant additional costs. Prolav has not, to date, paid the aforementioned fine and has set aside a provision in the amount of R$3.0 million (approximately €0.7 million). After appealing the decision, which was rejected by CADE, Prolav was unable to reach an agreement with CADE's prosecutor on a possible reduction of the fine and staggering of its payment. As of the reporting date, Prolav was awaiting the implementation of the enforcement phase of the sanction.

Proceedings against NJ Lavanderia

Proceedings initiated by Brazil's Federal District public prosecutor

The public civil action brought in 2014 by Brazil's public prosecutor against NJ Lavanderia and the Government of the Federal District (GFD) aims to annul the contract between these two parties and force the GFD to implement a safeguard plan for the laundry services that are to be provided to four regional public hospitals located in Brazil's Federal District. No decision on the merits has yet been handed down; it is expected to be forthcoming, without any specific time frame being communicated to the parties.

Further proceedings are also underway against NJ Lavanderia as part of a civil action initiated in 2015 by Brazil's Federal District public prosecutor for alleged breach of the public tender process under Brazil's law on public procurement at the time the public-service contract described above was entered into. To date, these proceedings are still in the preliminary stage and to the Company's knowledge, no provisional timetable for proceedings has been set.

To date, the Company has no information allowing it to estimate the contingent liability incurred by NJ Lavanderia as a result of these proceedings in the event of an unfavorable outcome or the indemnification asset to be received under the vendor warranty. No provision has been set aside by Lavebras or NJ Lavanderia in relation to these proceedings.

Proceedings before Brazil's Federal Court of Accounts

The administrative proceedings initiated in August 2016 by the Democratas political party against the Health Secretariat of Brazil's federal government alleging that NJ Lavanderia continued to provide services under two public-service contracts (one being the contract involved in the proceedings initiated by the Federal District public prosecutor described above) entered into as emergency agreements, beyond their respective terms, was examined by the Federal Court of Accounts which plans to convert it into a "special procedure," meaning one that increases the investigative capacity of the court. To the Company's knowledge, no provisional timetable for proceedings has been set.

To date, the Company has no information allowing it to estimate the contingent liability incurred by NJ Lavanderia as a result of the proceedings in the event of an unfavorable outcome or the indemnification asset to be received under the vendor warranty. No provision has been set aside by Lavebras or NJ Lavanderia in relation to this procedure.

Proceedings against Lavebras

The Group was informed of the existence of an anti-corruption investigation initiated by the Brazilian Federal Police, which may have identified potential violations of two Brazilian statutes, the Brazilian Clean Companies Act and the Administrative Improbity Act, which may involve Lavatec, a former subsidiary merged with and into Lavebras in 2014.

As of June 30, 2018, Lavebras had not received any formal notification of these potential violations, with the exception of a separate procedure conducted by the tax authorities against a social organization, the ICN.

In the context of the ICN tax proceedings, the Brazilian tax authorities argue that Lavebras – as well as other companies – must be held jointly and severally liable for the obligations of ICN. The amount of the dispute is approximately R$314 million, or approximately €70 million (including all penalties but excluding the potential effect of inflation). Lavebras has submitted its arguments in defense and is awaiting a first instance administrative decision. Lavebras believes that it has strong arguments to contest the Brazilian tax administration's point of view. The Group therefore considers that Lavebras' risk of being held jointly and severally liable with ICN for payment of the tax penalty is limited. No provision has been set aside by Atmosfera or Lavebras in relation to this procedure.

In the event that Lavebras is subject of a notification following the investigation by the Brazilian Federal Police, Lavebras could be exposed to various sanctions, including (i) the prohibition of benefiting from incentives or receiving subsidies, grants, donations or loans from public entities and financial institutions for a period of up to five years, (ii) a fine of up to three times the amounts unfairly received, (iii) a prohibition on entering into contracts with public entities for up to 10 years, and (iv) an obligation to compensate the public administration in full for any damage actually suffered thereby. In addition, Lavebras could also be subject to an administrative fine of between 0.1% and 20% of the gross revenue excluding tax in the financial year preceding the filing of the administrative proceedings.

In the absence of notification, no provision has been set aside by Atmosfera or Lavebras in relation to this procedure.

Proceedings concerning Atmosfera for alleged breaches of its contractual obligations

The Group has been informed about sanctions imposed on Atmosfera by one of its Rio de Janeiro-based customers, *Instituto Nacional de Traumatologia e Ortopedia* ("INTO"), on the basis of alleged breaches by Atmosfera of its contractual obligations.

These sanctions include a fine of R$1.6 million (approximately €360,000) and a temporary (one-year) ban on Atmosfera (excluding its subsidiaries) from participating in tenders and entering into contracts with the administration at the federal, state and municipal levels The application of these sanctions is currently suspended since they have been challenged by Atmosfera as part of an administrative proceeding whose outcome is expected in the coming months. Should this proceeding find against the Group, the Group believes that it has strong arguments for (i) initiating legal proceedings to obtain the annulment or, at a minimum, the significant reduction of the penalties imposed, particularly with regard to the ban on participating in calls for tenders and (ii) at the same time, initiating emergency proceedings to obtain the suspension of the contested penalties pending a judicial decision on the merits.

In view of the arguments which it believes it can put forward, no provision has been made by Atmosfera in connection with this proceeding.

In France

Inquiry by DIRECCTE

The Group was informed of an inquiry by the French competition authorities following a complaint relating to some of the Group's pricing practices, which was filed by a self-catering cottage, a customer of the Group, with the Pays de Loire regional Board for companies, competition, consumption, labor and employment (DIRECCTE). The Group cannot rule out the investigation being extended to practices other than pricing practices.

No provision was recognized as of June 30, 2018 since at this stage it is difficult to assess whether this risk will materialize and what might be the consequences, especially financial, for the Group.

Tax audits

The Group is the subject of tax audits in various countries Where the Group, together with its advisers, believes that it has sufficient justification, no provision is recorded.

NOTE 8 Financing and financial instruments

8.1 NET FINANCIAL INCOME (LOSS)

(In millions of euros)	2018	2017
Interest expense on borrowings and employee profit-sharing fund	(54.4)	(29.1)
Gross finance costs	**(54.4)**	**(29.1)**
Gains (losses) on traded derivatives	(2.5)	(1.0)
Other financial income	0.5	3.8
Net finance costs	**(56.4)**	**(26.3)**
Foreign exchange gains	1.1	0.1
Foreign exchange losses	(2.2)	(0.3)
Interest expense on provisions and retirement benefits	(0.5)	(0.4)
Other	(0.2)	(0.0)
Total other financial income and expenses	**(1.8)**	**(0.5)**
Net financial expense	**(58.2)**	**(26.9)**

The changes were mainly due to:

- the increase in gross finance costs compared to the first half of 2017, mainly due to the financing of the Berendsen acquisition;
- the decrease in financial income in 2018 (in 2017, the Group received income from cash and cash equivalent in Brazilian reals between the date of Elis's capital increase and the acquisition date of Lavebras in Brazil).

8.2 GROSS FINANCIAL DEBT

As of June 30, 2018, consolidated debt mainly comprised the following:

(In millions of euros)	June 30, 2018	Fixed	Floating		Maturities
			hedged	unhedged	
Euro Medium Term Notes	**1,008.4**	1,008.4			2023 and 2026
Convertible bonds	**351.4**	351.4			2023
High-Yield Bonds 3%	**804.1**	804.1			2022
Senior Credit Facilities - Term loan EURIBOR3M +1.8%	**453.3**		453.3		2022
Syndicated loan - Term loan EURIBOR3M +1.75%	**200.5**	-		200.5	2022
Bridge loan/revolving/short term bilateral	**80.1**			80.1	less than 12 months
Schuldschein	**75.4**	34.8		40.6	2020 to 2024
Capex line / long term bilateral	**270.0**			270.0	2022 et 2023
Commercial paper	**391.9**	391.9			less than 12 months
Unamortized loan costs	**(52.0)**	(16.8)	(21.2)	(14.0)	
Loan from employee profit-sharing fund	**23.3**	23.3			
Financial leases	**15.7**	15.5		0.2	
Other	**16.9**	15.6	0.6	0.7	
Overdrafts	**159.2**			159.2	
Total interest-bearing loans and borrowings	**3,798.1**	**2,628.3**	**432.6**	**737.2**	

Significant issuances and redemptions of debt securities during the period are presented below:

(In millions of euros)	Dec. 31, 2017	Changes from financing cash flows	Changes arising from obtaining or losing control of subsidiaries or other	Effect of changes in foreign exchange rates	Changes in bank overdraft	New finance lease	Other changes	June 30, 2018
Euro Medium Term Notes	-	1,000.0	-	-	-	-	-	1,000.0
Convertible bonds	347.1	-	-	-	-	-	4.3	351.4
High-Yield Bonds	800.0	-	-	-	-	-	-	800.0
Senior Credit Facilities - Term loan	450.0	-	-	-	-	-	-	450.0
Syndicated loan - Term loan	200.0	-	-	-	-	-	-	200.0
Bridge loan/revolving/short term bilateral	1,015.0	(935.0)	-	-	-	-	-	80.0
Schuldschein	75.0	-	-	-	-	-	-	75.0
Capex line / long term bilateral	177.0	93.0	-	-	-	-	-	270.0
Commercial paper	396.4	(4.5)	-	-	-	-	-	391.9
Finance lease liabilities	12.5	(1.7)	4.5	(0.1)	0.0	0.4	(0.1)	15.7
Other loans and overdrafts	231.1	(3.6)	8.1	(0.7)	(37.6)	-	(22.2)	175.1
Loan from employee profit-sharing fund	26.8	(3.8)	-	-	0.0	-	-	23.0
Loans	2,583.8	(855.5)	12.6	(0.8)	(37.6)	0.4	(22.3)	1,680.7
Accrued interest	8.9		-	-	(0.0)	35.8	(26.7)	18.0
Unamortized loan costs	(36.8)	(2,146,826.3)	-	-	-	-	2,146,811.1	(52.0)
Borrowings	**3,703.1**	**(2,146,681.8)**	**12.6**	**(0.8)**	**(37.6)**	**36.2**	**2,146,766.4**	**3,798.1**
Reconciliation to cash flow statement								
- Proceeds from new borrowings		1,447.1						
- Repayment of borrowings		(1,311.2)						
Change in borrowings		**135.9**						
Loans and borrowings by currency								
EUR	3,524.9							3,674.1
GBP	167.7							115.4
BRL	7.0							5.6
CHF	1.5							1.4
CLP	1.8							1.6
Borrowings	**3,703.1**							**3,798.1**

The Elis Group has several sources of financing: short- and medium-term financing on the capital markets, and bank loans, as described in section 1.13.1 of the 2017 Registration Document.

a) Capital markets

On the *short-term capital market*, Elis has an unrated commercial paper program, approved by Banque de France, in the amount of €500 million. As of June 30, 2018, outstandings under this program totaled €391.9 million, versus €396.4 million as at December 31, 2017, a decrease of €4.5 million.

On the long-term capital market, on January 30, 2018, Elis set up a €3 billion EMTN program approved by the AMF. Under this EMTN program, on February 15, 2018, the Group carried out a dual-maturity bond issuance comprising a €650 million tranche with a five-year maturity and a coupon of 1.875%, and a €350 million tranche with an eight-year maturity and a coupon of 2.875%. These funds, totaling €1 billion, were used to refinance the bridge loan set up for the acquisition of Berendsen.

b) Bank financing

As of June 30, 2018, as part of the bank financing set up by the Group,

- the €400 million revolving credit facility under the Syndicated Senior Credit Facilities Agreement entered into on November 7, 2017 (described in section 1.13.1 of the 2017 Registration Document) was drawn down for a total of €65 million;
- two bilateral credit lines were partially or totally drawn down for respective amounts of €15 million and €70 million.

8.3 CASH AND CASH EQUIVALENTS

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

(In millions of euros)	June 30, 2018	Dec. 31, 2017
Demand deposits	377.6	415.5
Term deposits and marketable securities	5.1	0.9
Cash and cash equivalents	**382.7**	**416.4**
Bank overdrafts	(159.2)	(213.4)
Cash classified as assets held for sale	0.9	-
Bank overdrafts classified as liabilities directly associated with assets held for sale	(22.9)	-
Cash and cash equivalents, net	**201.6**	**203.0**

In Latin America, where exchange control restrictions may exist, cash and cash equivalents totaled €7.8 million as of June 30, 2018, compared with €6.9 million at December 31, 2017.

In France, cash allocated to the Elis liquidity agreement amounted to €0.4 million as of June 30, 2018, compared with €2.5 million at December 31, 2017.

Bank overdrafts are largely related to the notional cash pooling mechanism set up on several Berendsen entities prior to the acquisition. Debit positions in certain companies and currencies and credit positions in other companies denominated in the same or different currencies are presented on a gross basis.

8.4 NET FINANCIAL DEBT

(In millions of euros)	June 30, 2018	Dec. 31, 2017
Euro Medium Term Notes	1,000.0	-
Convertible bonds	351.4	347.1
High-Yield Bonds 3%	800.0	800.0
Senior Credit Facilities - Term loan	450.0	450.0
Syndicated loan - Term loan	200.0	200.0
Bridge loan/revolving/short term bilateral	80.0	1,015.0
Schuldschein	75.0	75.0
Commercial paper	391.9	396.4
Finance lease liabilities	15.7	12.5
Capex line / long term bilateral	270.0	177.0
Other loans and overdrafts	175.1	231.1
Loan from employee profit-sharing fund	23.0	26.8
Loans	1,680.7	2,583.8
Accrued interest	18.0	8.9
Unamortized loan costs	(52.0)	(36.8)
Borrowings	**3,798.1**	**3,703.1**
Of which maturing in less than one year	649.0	1,642.2
Of which maturing in more than one year	3,149.2	2,044.2
Cash and cash equivalents (assets)	**382.7**	**416.4**
Net debt	**3,415.4**	**3,286.6**
Reconciliation to adjusted net debt		
Net debt	**3,415.4**	**3,286.6**
Unamortized loan costs	52.0	36.8
Loan from employee profit-sharing fund	(23.3)	(26.8)
Adjusted net debt	**3,444.1**	**3,296.6**

8.5 FINANCIAL ASSETS AND LIABILITIES

(In millions of euros)	June 30, 2018 Carrying amount	Fair value	Accounting classification of financial instruments: Fair value through income	Fair value - hedging instruments	Financial assets at amortized cost	Debt at amortized cost
Other investments	0.2	0.2	0.2			
Other non-current assets	51.6	51.6	-		51.6	
Contract assets	38.3	38.3			38.3	
Trade and other receivables	678.4	678.4			678.4	
Other current assets	29.5	29.5		0.2	29.4	
Cash and cash equivalents	382.7	382.7			382.7	
Financial assets	**1,180.8**	**1,180.8**	**0.2**	**0.2**	**1,180.5**	**-**
Loans and borrowings	3,149.2	3,195.2				3,149.2
Other non-current liabilities	19.6	19.6	7.6			12.0
Trade and other payables	267.2	267.2				267.2
Contract liabilities	69.5	69.5				69.5
Other current liabilities	365.8	365.8		0.1		365.6
Bank overdrafts and portions of loans due in less than one year	649.0	661.8				649.0
Financial liabilities	**4,520.3**	**4,579.1**	**7.6**	**0.1**	**-**	**4,512.5**

(In millions of euros)	Dec. 31, 2017 Carrying amount	Fair value	Accounting classification of financial instruments: Fair value through income	Fair value - hedging instruments	Financial assets at amortized cost	Debt at amortized cost
Other investments	0.1	0.1	0.1			
Other non-current assets	24.5	24.5	0.0		24.5	
Trade and other receivables	705.5	705.5			705.5	
Other current assets	30.4	30.4		0.1	30.3	
Cash and cash equivalents	416.4	416.4			416.4	
Financial assets	**1,177.0**	**1,177.0**	**0.1**	**0.1**	**1,176.7**	**-**
Loans and borrowings	2,060.9	2,096.1				2,060.9
Other non-current liabilities	12.6	12.6	6.6			6.0
Trade and other payables	276.2	276.2				276.2
Other current liabilities	462.0	462.0	0.2	2.5		459.3
Bank overdrafts and portions of loans due in less than one year	1,642.2	1,653.5				1,642.2
Financial liabilities	**4,453.8**	**4,500.4**	**6.8**	**2.5**	**-**	**4,444.6**

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

(In millions of euros)	June 30, 2018 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Other investments	0.2			0.2
Current asset derivatives (currency forward)	0.2		0.2	
Assets measured at fair value	**0.3**	**-**	**0.2**	**0.2**
Non-current derivatives - liabilities (interest rate swap)	7.6		7.6	
Current derivatives - liabilities(currency forward)	0.1		0.1	
Liabilities measured at fair value	**7.8**	**-**	**7.8**	**-**
High-Yield Bonds 3%	810.0	810.0		
Convertible bonds - liability component	352.3		352.3	
Liabilities for which fair value is disclosed	**1,162.4**	**810.0**	**352.3**	**-**

(In millions of euros)	Dec. 31, 2017 Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Other investments	0.1			0.1
Current asset derivatives (currency forward)	0.1		0.1	
Assets measured at fair value	**0.2**	**-**	**0.1**	**0.1**
Non-current derivatives - liabilities (interest rate swap)	6.6		6.6	
Current derivatives - liabilities(currency forward)	2.7		2.7	
Liabilities measured at fair value	**9.3**	**-**	**9.3**	**-**
High-Yield Bonds 3%	815.0	815.0		
Convertible bonds - liability component	345.9		345.9	
Liabilities for which fair value is disclosed	**1,161.0**	**815.0**	**345.9**	**-**

NOTE 9 Income tax

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

NOTE 10 Shareholders' equity and earnings per share

10.1 CHANGES IN SHARE CAPITAL

Number of shares as at December 31, 2017	**219,370,207**
Number of shares as at June 30, 2018	**219,872,942**
Number of authorized shares	219,872,942
Number of shares issued and fully paid up	219,872,942
Number of shares issued and not fully paid up	-
Par value of shares	1.00
Treasury shares *	549,460
Shares reserved for issue under options and sales agreements	-

** Including 393,532 shares owned by the Berendsen employee benefit trust")*

Following the final free allocation of performance shares, the share capital was increased on June 15, 2018 by a nominal amount of €0.5 million by the capitalization of that same amount in "Additional paid-in capital."

10.2 DIVIDENDS, DIVIDENDS PAID OUT AND DIVIDENDS DECLARED

The General Meeting of May 18, 2018 approved the payment of a dividend in the amount of €0.37 per share, fully deducted from "Additional paid-in capital," for a total amount of €81.0 million.

10.3 EARNINGS PER SHARE

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

(In millions of euros)	2018	2017 restated
Net income or loss attributable to owners of the parent		
Continuing operations	28.6	18.7
Discontinued operations	(0.9)	0.0
Net income or loss attributable to owners of the parent	**27.7**	18.7
Weighted average number of shares	219,451,729	133,949,546
Effect if conversion of convertible notes	12,558,869	0
Effect of contingently issuable shares	1,114,697	272,596
Weighted average number of shares used for diluted EPS	233,125,295	134,222,142

NOTE 11 Off-balance sheet commitments

(In millions of euros)	June 30, 2018	Dec. 31, 2017
Engagements donnés		
Assignment and pledge of receivables as collateral		
Pledges, mortgages and sureties	9.6	3.7
Pledges, endorsements and guarantees given	61.0	63.4
Liability guarantees		
Other commitments given		
Operating leases		
-Future minimum lease payments under non-cancellable operating leases (within one year)	59.6	50.9
-Future minimum lease payments under non-cancellable operating leases (between 1 and 5 years)	148.9	131.1
-Future minimum lease payments under non-cancellable operating leases (after five years)	164.5	130.2
Commitments received		
Pledges, mortages and sureties		
Pledges, endorsements and guarantees received	21.3	19.2
Liability guarantees	134.9	155.8
Other commitments received		

NOTE 12 Standards issued but not yet effective

A certain number of new texts (standards, amendments and interpretations) may be applied early; however, as of June 30, 2018, the Group had not opted to apply any standards, amendments or interpretations that are not yet effective.

The information below is an update of that provided in Note 14 of the latest annual financial statements:

IFRS 16 “LEASES”

IFRS 16 "Leases" will be effective as from January 1, 2019, and will replace the current IAS 17 and related interpretations (specifically IFRIC 4 "Determining whether an Arrangement Contains a Lease"). The standard introduces a new definition of lease contracts, retains the distinction between operating leases and finance leases for lessors, but introduces a single lease accounting model for lessees, leading to the recognition of a right of use in return for a rental liability.

The Group has completed the inventory of its leases at January 1, 2018 and has performed an initial impact assessment. The impact of the first application of IFRS 16 may also depend on:

- future economic events, such as the Group's borrowing rates at January 1, 2019,
- the list of leases at that date and the review of renewal options,
- and practical calculation and first application procedures currently being implemented with the new software that the Group has chosen to apply this standard.

In addition, the value of undiscounted minimum lease payments under existing leases as of June 30, 2018 is disclosed in Note 11 - Off-balance sheet commitments.

The Group plans to use the so-called modified retrospective method. Accordingly, the

cumulative effect of adopting IFRS 16 will be recognized as an opening adjustment to equity at January 1, 2019, without a retrospective restatement of comparative information.

NOTE 13 Events after the reporting period

No other events have occurred since the condensed interim consolidated financial statements were prepared as of June 30, 2018 that are likely to have a material impact on the financial position of the Group.

6
Information about share capital

6.1 Share capital structure 63

6.2 Share capital and shareholding structure 63

6.3 Share ownership threshold disclosure 64

6.4 Share buyback by Elis 65

6.5 Unissued authorized capital 66

6.6 Potential shares 68

6.7 Shareholders' Agreement likely to have an impact in the event of a public offer (Article L. 225-100-3 of the French Commercial Code) 68

6.1 Share capital structure

As of June 30, 2018, the Company's share capital amounted to €219,872,942, divided into 219,872,942 with a par value of €1 each.

All shares carry voting rights, except for the 155,928 treasury shares held by the Company as of June 30, 2018 and shares with double voting rights.

Since the beginning of the financial year started January 1, 2018, 502,735 new shares with a par value of €1 each have been issued through the capitalization of €502,735 in "Share, merger and contribution premiums" account. This transaction was carried out by the Management Board on June 15, 2018 to cover the performance share plans implemented on June 15, 2016 whose vesting period ended on June 15, 2018.

6.2 Share capital and shareholding structure

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

In accordance with the provisions of Article 9 of the Company's Articles of Association, since April 3, 2016, double voting rights are granted to shares held in registered form for at least two years. As of June 30, 2018, 21,216,748 shares had double voting rights.

Based on statutory disclosures establishing an interest of more than 5% of share capital or voting rights, and disclosures by parties related to the Group, the ownership structure as of June 30, 2018 was as follows:

	June 30, 2018					
Shareholders	Number of shares	Theoretical voting rights	Exercisable voting rights	% of share capital	% of theoretical voting rights	% of exercisable voting rights
Legendre Holding 27 SAS [(a)]	12,525,382	20,880,009	20,880,009	5.69	8.66	8.66
FMR LLC [(b)]	13,230,749	13,230,749	13,230,749	6.02	5.49	5.49
Predica [(c)]	13,991,662	25,392,279	25,392,279	6.36	10.53	10.53
Canadian Pension Plan Investment Board [(d)]	21,511,173	21,511,173	21,511,173	9.78	8.92	8.92
Free float O/w	158,613,976	160,075,480	159,919,552	72.13	66.39	66.37
– Franklin Resources, Inc.	4,356,493	4,356,493	4,356,493	1.98	1.90	1.90
– Ameriprise Financial, Inc [(e)]	17,607,396	17,607,396	17,607,396	8.00	7.30	7.30
– Executives and employees [(f)]	828,315	871,378	871,378	0.37	0.36	0.36
– Treasury stock	155,928	155,928	-	0.00	0.00	0.00
Total	**219,872,942**	**241,089,690**	**240,933,762**	**100**	**100**	**100**

(a) Based on the statutory share ownership threshold disclosure dated June 26, 2018.
(b) Based on the share ownership threshold disclosure dated June 27, 2018.
(c) Based on the share ownership threshold disclosure dated June 8, 2018.
(d) Based on the statutory share ownership threshold disclosure dated June 25, 2018.
(e) Based on the statutory share ownership threshold disclosure dated May 21, 2018.
(f) Following the vesting of 506,587 shares under the performance share plan implemented on June 15, 2016, whose vesting period ended on June 15, 2018.

Shareholders	December 31, 2017					
	Number of shares	Theoretical voting rights	Exercisable voting rights	% of share capital	% of theoretical voting rights	% of exercisable voting rights
Legendre Holding 27 SAS [a]	13,825,204	23,479,653	23,479,653	6.30	10.24	10.24
FMR LLC [b]	14,106,636	14,106,636	14,106,636	6.43	6.16	6.16
Predica [c]	14,311,662	14,311,662	14,311,662	6.52	6.24	6.24
Canadian Pension Plan Investment Board [d]	18,356,394	18,356,394	18,356,394	8.37	8.01	8.01
Free float O/w	158,770,311	158,932,752	158,932,752	72.38	69.35	69.36
– Franklin Resources, Inc. [e]	4,356,493	4,356,493	4,356,493	1.98	1.90	1.90
– Ameriprise Financial, Inc. [f]	15,767,160	15,767,160	15,767,160	7.19	6.88	6.88
– Executives and employees [g]	321,533	364,596	364,596	0.15	0.16	0.16
– Treasury stock	61,798	61,798	-	0.03	0.02	0.00
Total	**219,370,207**	**229,187,097**	**229,125,299**	**100**	**100**	**100**

(a) Based on Eurazeo's share ownership threshold disclosure dated October 10, 2017.
(b) Based on FRM LLC's share ownership threshold disclosure dated October 31, 2017.
(c) Based on Crédit Agricole's share ownership threshold disclosure dated September 19, 2017.
(d) Based on CPPIB's share ownership threshold disclosure dated November 16, 2017 – CPPIB and the Company signed an investment agreement on June 7, 2017, the terms of which are described below in section 8.5.10 of this Registration Document.
(e) Based on Franklin Resources, Inc.'s share ownership threshold disclosure dated October 30, 2017.
(f) Based on Ameriprise Financial, Inc.'s share ownership threshold disclosure dated June 22, 2017 – Ameriprise Financial holds shares in Elis through its subsidiary, Threadneedle Asset Management Limited.
(g) Following the acquisition of 250,392 performance-based shares under the April 7, 2015 plan, whose vesting period ended on April 7, 2017, and 19,293 performance-based shares under the December 21, 2015 plan, whose vesting period ended on December 21, 2017.

6.3 Share ownership threshold disclosure

Since January 1, 2018, the following statutory share ownership threshold declarations of disclosure were filed with the AMF:

Thus, since the beginning of the year started January 1, 2018, the following legally required share ownership threshold declarations of disclosure were filed with the AMF:

Shareholder	Date of declaration of disclosure	Declaration reference	Share ownership disclosure
FMR LLC	June 27, 2018	2018C1145	Threshold of 5% of share capital exceeded
Legendre Holding 27	June 26, 2018	2018C1116	Drop below the threshold of 10% of voting rights[a]
Predica	June 8, 2018	2018C1026	Threshold of 10% of voting rights exceeded[b].
FMR LLC	April 19, 2018	2018C0758	Drop below the threshold of 5% of voting rights

(a) Legendre Holding 27 sold an off-market block to the Canada Pension Plan Investment Board (CPPIB), thereby crossing below the threshold for voting rights.
(b) The increase in voting rights came about in connection with the change to double voting rights of a block of shares that had been held in registered form for more than two years in accordance with the Company's Articles of Association (Article 9). Crédit Agricole Assurances and Predica have also stated that they plan to continue acquiring Elis shares based on market opportunities and in line with their investment policies.

To the Company's knowledge, at June 30, 2018 no shareholder other than those mentioned above directly or indirectly held 5% or more of the Company's share capital and voting rights.

6.4 Share buyback by Elis

On May 18, 2018, the Ordinary General Meeting renewed the 18-month authority granted to the Company by the Combined Ordinary and Extraordinary General Meeting of May 19, 2017 to trade in its own shares. The description of the share buyback program is available on the Company's website at http://www.corporate-elis.com.

Subject to any necessary amendments under regulation (EU) No. 596/2014 of April 16, 2014 on market abuse, related European Commission regulations, and market practices allowed by the French Financial Markets Authority (AMF), the goals of the buyback program are as follows:

- to increase share liquidity in connection with a liquidity agreement consistent with the Code of Conduct issued by the AMAFI, using an investment services provider as intermediary;
- to honor obligations deriving from the exercise of rights attaching to securities giving the right by conversion, exercise, redemption, exchange or any other means to the allocation of shares in the Company in compliance with applicable regulations;
- to honor obligations related to stock option plans, the grant of bonus shares to employees and corporate officers, the grant or transfer of shares to employees as part of the Company's expansion-related profit sharing plan, employee share ownership or company savings plans, and any other forms of share award, allotment, sale or transfer to employees and corporate officers of the Company or Group, and to carry out any hedging transactions in respect of these transactions, as provided by law;
- to cancel any shares acquired, in order to reduce the share capital;
- to hold all or part of the shares acquired for subsequent exchange or payment in connection with potential acquisitions in accordance with accepted market practices and applicable regulations; and
- more generally, to carry out any other transaction that is permitted or that might be authorized in the future by laws or regulations in force or by the AMF.

The purchase of Company shares may involve a number of shares such that on the date of each repurchase, the total number of shares purchased by the Company since the start of the buyback program does not exceed 10% of the number of shares making up the share capital at that date, with the understanding that in accordance with Article L. 225-209 of the French Commercial Code, the number of shares purchased by the Company to be retained and delivered at a later date as consideration or exchange in the context of an acquisition may not exceed 5% of its share capital.

The maximum purchase price per share is €30. The total maximum amount allocated to the share buyback program may not exceed €350 million.

The share buyback may be staggered over an 18-month period as from May 18, 2018, i.e., until November 18, 2019 inclusive. A description of the renewal of the share buyback

program for 2018 has been drawn up in accordance with Articles 241-1 *et seq.* of the AMF general regulations.

Under this program, purchases, sales or transfers of the Company's shares may take place at any time in accordance with legal and regulatory requirements, except during public offers for the purchase or exchange of shares initiated by the Company or concerning the Company's shares.

Since the beginning of 2018, the Company has used its share buyback program, on the one hand, under the liquidity contract operated by Kepler Cheuvreux, and on the other hand, to cover the rights of Berendsen option holders in accordance with its commitments under the Scheme of Arrangement, and to cover the Elis share purchase plans that vested during the first half of 2018.

The half-year statement of the liquidity agreement and all press releases relating to the share buyback program are available on the Group's website at www.corporate-elis.com.

6.5 Unissued authorized capital

To enable the Company to access the market if necessary, particularly in relation to the Group's ongoing expansion, the General Meeting of May 18, 2018 renewed its financial delegations of authority to the Management Board. All authorizations and delegations of authority granted to the Management Board that may lead to the issuance of securities giving access to the Company's share capital, and that were valid at June 30, 2018, are listed below:

Type of delegation of authority or authorization granted to the Management Board by the General Meeting	Maximum amount authorized *(In euros)*	Authorization date	Expiration date	Duration of validity	Use in 2018
Capital increase through the issue of shares and/or any other securities giving access to the Company's share capital					
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital, **with preferential subscription rights**	110 million [a]	May 18, 2018	July 18, 2020	26 months	
Capital increase through the capitalization of reserves, profits or share, merger or contribution premium or other additional paid-in capital	130 million	May 18, 2018	July 18, 2020	26 months	June 15, 2018
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital, **without preferential subscription rights, under a public exchange offer**	22 million [b] [c]	May 18, 2018	July 18, 2020	26 months	–
Capital increase through the issue of shares and/or any other securities giving access, immediately or in future, to the Company's share capital **without preferential subscription rights, as part of an offering covered by Article L. 411-2 (II) of the French Monetary and Financial Code** [f]	10% of the Company's share capital as at the date of the transaction per 12-month period [c] [d]	May 18, 2018	July 18, 2020	26 months	-

Type of delegation of authority or authorization granted to the Management Board by the General Meeting	Maximum amount authorized *(In euros)*	Authorization date	Expiration date	Duration of validity	Use in 2018
Authorization, in the event of an issuance of shares and/or securities giving access, immediately or in the future, to **set the Company's share capital without preferential subscription rights, to set the issue price** [(g)]	10% of the Company's share capital as at the date of the transaction per 12-month period	May 18, 2018	July 18, 2020	26 months	–
Capital increase through the issuance of shares and/or securities giving access, immediately or in the future, to the share capital, **in consideration for contributions in kind** granted to the Company (excluding the case of a public exchange offer)	10% of the Company's share capital at the time of the issue	May 18, 2018	July 18, 2020	26 months	–
Increase in the number of shares or other securities to be issued in the event of a capital increase with or without preferential subscription rights	15% of the initial issue	May 18, 2018	July 18, 2020	26 months	–
Share buyback program					
Share buyback	10% of the Company's share capital Maximum purchase price per share: €30 Maximum purchase amount: 350 million	May 18, 2018	Nov. 18, 2019	18 months	**Use excluding liquidity agreement:** Acquisition of 459,000 shares **Use under the liquidity agreement:** As of June 30, 2018, the liquidity agreement covered 155,183 shares [(e)]
Capital reduction through the cancellation of treasury shares	10% of the Company's share capital per 24-month period	May 18, 2018	July 27, 2018	18 months	–
Transactions reserved for employees and corporate officers					
Award of bonus shares, existing or to be issued, to Group employees and/or corporate officers	2.5% of the total number of Company shares at the grant date (0.55% of the share capital for executive corporate officers)	May 27, 2016	July 27, 2019	38 months	April 6, 2018
Capital increase through the issuance of shares and/or any other securities giving access to the Company's share capital reserved for employees participating in a Company savings plan	5 million	May 18, 2018	July 18, 2020	26 months	–

(a) Overall limit of the capital increases with and without preferential subscription rights that may be carried out under the 23rd to 28th resolutions adopted by the General Meeting of May 18, 2018.

(b) Overall limit of the capital increases without preferential subscription rights that may be carried out under the 24th, 25th and 27th resolutions of the Combined Ordinary and Extraordinary General Meeting of May 18, 2018.

(c) Deducted from the overall limit of €110 million set by the 30th resolution of the General Meeting of May 18, 2018.

(d) Deducted from the overall limit of €22 million set by the 30th resolution of the General Meeting of May 18, 2018.

(e) See details in section 8.4.1 of the 2017 Registration Document and in the Management Board's report to the General Meeting included in section 7.2 of the 2017 Registration Document.

Type of delegation of authority or authorization granted to the Management Board by the General Meeting	Maximum amount authorized *(In euros)*	Authorization date	Expiration date	Duration of validity	Use in 2018

(f) Under this authorization, should it be used by the Management Board, the issue price of securities would be set in accordance with the legal requirements in place at the time of issue.

(g) As part of this authorization, should it be used by the Management Board, the issue price of shares issued would be set under the following conditions:

(i) the issue price of the shares will be at least equal to the closing price of the Company's share on Euronext Paris during the last trading session prior to the date on which the price is set, minus any discount of up to 5%;

(ii) the issue price of the securities giving access to capital immediately or in the future will be such that the sum immediately received by the Company, increased, if necessary, by the sum that may subsequently be collected by the Company, shall be at least equal to the issue price referred to in paragraph a) above, for each share issued as a result of the issue of these securities.

(h) deductible from the overall limit of €110 million in the event of a capital increase with preferential subscription rights, and €22 million in the event of a capital increase without preferential subscription rights.

6.6 Potential shares

As of June 30, 2018, the volume of potentially dilutive instruments outstanding was 12,797,487 shares in respect of bonds convertible into and/or exchangeable for new or existing shares (OCÉANEs) – this number taking into account the adjustment of the conversion ratio in June following the payment of a dividend – and 2,187,054 shares in respect of performance shares currently being vested and likely to be covered by new shares. Accordingly, the overall potentially dilutive effect of these instruments was around 6.81% of the share capital as of June 30, 2018.

Please note that the conversion ratio of the OCÉANES bonds was adjusted following the shareholders' decision to pay a dividend of €0.37 per share, whose amount was deducted from the "Share, merger or contribution premium" account.

6.7 Shareholders' Agreement likely to have an impact in the event of a public offer (Article L. 225-100-3 of the French Commercial Code)

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

As of June 30, 2018, the financing agreements entered into by the Company (in particular the Senior Credit Facilities Agreement, the OCÉANEs, the bond issues under the EMTN program, and the Schuldschein loan), described in chapter 1, section 1.13 "Financing policy and financial rating" of the 2017 Registration Document, contain a clause providing for the possibility under certain conditions of their early redemption in the event of a change of control of the Company.

Likewise, the agreement relating to the issue of High-Yield Bonds stipulates that in the event of a change in control, each bond lender has the option to request redemption of said Bonds by the Company, at a price of 101% of the par value of the High-Yield Bonds held by the lender, plus accrued interest.

Note that the 2017 Bridge Loan Agreement, entered into as part of the Berendsen Acquisition described in chapter 1, section 1.14 of 2017 Registration Document and which included early redemption clauses under certain conditions in the event of a change in

control of the Company, was repaid in full on February 19, 2018.

Shareholder agreement

On May 30, 2016, Eurazeo, Legendre Holding 27 and Predica entered into an automatically renewable five-year agreement related to the Company's corporate governance, in order to lay down certain commitments concerning the composition of the Elis Supervisory Board, in view of their respective holdings in the Company. Eurazeo, Legendre Holding 27 and Predica have thus undertaken to ensure that (i) the Supervisory Board members appointed on their proposal vote in favor of maintaining a majority of independent members on the Company's Supervisory Board and (ii) at general meetings, vote in favor of maintaining a majority of independent members on the Company's Supervisory Board (except in the event of a significant change in Elis's shareholding structure). Moreover, as long as Predica holds at least 5% of Elis's share capital, Eurazeo and Legendre Holding 27 have undertaken to ensure that (i) the Supervisory Board members appointed on their proposal vote in favor of any resolution aimed at allowing Predica to hold a seat on the Company's Supervisory Board and (ii) at general meetings, vote in favor of such a resolution. Eurazeo and Legendre Holding 27 have also undertaken to ensure that, within six months from the date their direct or indirect holdings fall below:

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

The parties have declared that this corporate governance agreement did not represent concerted action within the meaning of Article L. 233-10 of the French Commercial Code.

On June 7, 2017, the Company and CPPIB, which at the time held 4.83% of Elis's share capital, signed an investment agreement ("**Investment Agreement**") pursuant to which CPPIB undertook to Elis to subscribe for 10,131,713 new Elis shares ("**CPPIB Shares**") as part of a reserved capital increase carried out on September 13, 2017 as part of the acquisition of Berendsen ("**Reserved Capital Increase**"), at a subscription price of €19.74 per CPPIB Share, for a total proceeds of around €200 million ("**CPPIB Cash Placing**"). The funds raised by the CPPIB Cash Placing were used to repay the amounts due pursuant to the 2017 Bridge Term Facility Agreement incurred by Elis to finance the Berendsen Transaction and to help Elis meet its 2018 leverage target of ~3x (consistent with its current level) if the Berendsen acquisition is completed.

Pursuant to the provisions of the Investment Agreement:

- Elis undertook not to, until the completion of the Elis Reserved Capital Increase, (i) propose or issue any equity securities on a pre-emptive basis (rights issue) to Elis shareholders, (ii) propose or issue any equity securities to any Elis shareholder or third party other than CPPIB and any of the Elis shareholders listed in chapter 8 of the Registration Document as holding more than 8% of the Company's share capital ("First Offer Investors") without first offering to all of the First Offer Investors to subscribe for such equity securities, and (iii) issue equity securities to any First Offer Investor on terms more favorable than those offered to the other First Offer Investors, which in any event will not be more favorable than the terms of the CPPIB Shares, it being specified that the Company is authorized to issue equity securities for the purposes of the bonus share award plans;
- CPPIB has undertaken for a 12-month lock-up period as from the settlement of the Reserved Share Capital not to (i) directly or indirectly transfer title to the CPPIB Shares, for which it has subscribed as part of the Reserve Capital

Increase, (ii) grant any right or promise on such CPPIB Shares or (iii) announce its intention to perform one of the transactions mentioned in (i) and (ii). CPPIB is however authorized to tender all or part of the CPPIB Shares in the context of a public tender offer for any of the Elis Shares recommended by the Elis Supervisory Board Members and cleared by the French Financial Markets Authority (AMF).

The Investment Agreement also includes an anti-dilution clause pursuant to which as long as CPPIB holds at least 8% of Elis's share capital, Elis must make any and all efforts for CPPIB to have the right, in connection with any future offerings of securities by Elis, including any offering of equity securities, to purchase or subscribe for a portion of such new securities pro rata to its shareholding in the Company for the same per-security price either (i) in the context of the offering, or (ii) by any other means agreed among the parties so that the CPPIB shareholding remains unchanged and in all cases on the same terms as those applicable to the purchase or subscription of the securities offered to others.

At the end of the CPPIB Lock-Up Period, CPPIB may freely transfer all or part of the CPPIB Shares it holds. In the event CPPIB and/or its affiliates wish that such transfer occurs through a trade sale or a private placement, CPPIB may notify Elis, within the limit of three times every five years, and Elis undertakes to cooperate with CPPIB, its affiliates and its/their advisers in order to ensure the liquidity of CPPIB's investment in Elis, by using commercially reasonable efforts to implement these transactions and provide CPPIB with the assistance it is reasonably able to give it in order to facilitate the marketing of the securities that CPPIB wishes to transfer. The cooperation commitment of the company with CPPIB is only applicable if the block disposal relates to at least 10% of the share capital of the Company and/or if the private placement relates to at least 5% of the share capital of the Company.

As regards corporate governance, the Investment Agreement provides that CPPIB has the right to propose at any time the designation of a member of Elis's Supervisory Board provided that its shareholding in the Company is at least equal to 8% of Elis's share capital and the designation of a second member within Elis's Supervisory Board provided that its shareholding in the Company is at least equal to 15% of Elis's share capital. In this context, CPPIB proposed the nomination of Joy Verlé as a member of Elis's Supervisory Board, Ms. Verlé having been coopted by the Supervisory Board at its meeting of March 6, 2018 to replace Philippe Audouin, who resigned. This co-optation was ratified by the General Meeting of May 18, 2018.

The Investment Agreement was signed for a 10-year period as from its execution date and is renewable for subsequent three-year periods unless terminated by written non-renewal notice sent by either party to the other party at least 12 months prior to the expiration of the initial 10-year period or of any renewal period.

Following the completion of the Elis Reserved Capital Increase, CPPIB may terminate the Investment Agreement at any time by providing at least four (4) months' prior notice to Elis.

To the Company's knowledge, there are no other agreements likely to have a material impact on the Company's capital in the event of a public offering for the Company's shares.

Agreements providing for compensation payments to members of the Management Board or employees if they resign or are dismissed without just or serious cause

All Management Board members are eligible for compensation payments in the event of departure. The terms and conditions of such payments are presented in the Supervisory Board's report on corporate governance in chapter 4, section 4.1 of the

2017 Registration Document, and in the Statutory Auditors' special report on regulated agreements and commitments included in section 4.2 of the 2017 Registration Document. As the term of office of Management Board members expires in 2018, the shareholders were asked to vote at their General Meeting of May 18, 2018 on the departure arrangements for each of the Management Board members. The shareholders approved these arrangements.

Agreement that may lead to restrictions on share transfers or on the exercise of voting rights

In accordance with the terms of the Investment Agreement signed by CPPIB and the Company on June 7, 2017 as described above, CPPIB has undertaken for a 12-month lock-up period as from the settlement of the Reserved Share Capital, namely September 12, 2017, not to (i) directly or indirectly transfer title to the CPPIB Shares, for which it has subscribed as part of the Reserve Capital Increase, (ii) grant any right or promise on such CPPIB Shares or (iii) announce its intention to perform one of the transactions mentioned in (i) and (ii). CPPIB is however authorized to tender all or part of the CPPIB Shares in the context of a public tender offer for any of the Elis Shares recommended by the Elis Supervisory Board Members and cleared by the French Financial Markets Authority (AMF).

As of June 30, 2018, to the Company's knowledge and with the exception of the restrictions stipulated in Article 8 of the Company's articles of incorporation as described above, there are no shareholder agreements or other agreement that may, at a later date, lead to restrictions on share transfers or on the exercise of voting rights.

Elis

French corporation (*Société Anonyme*) governed by a Management Board and a Supervisory Board with a share capital of €219,872,942

Registered office: 5, boulevard Louis Loucheur, 92210 Saint-Cloud, France

499 668 440 R.C.S. Nanterre