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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

24 May 2017

Berendsen plc

Statement regarding Elis' Possible Offer

- **Board reconfirms 2017 forecast for adjusted operating profit[1] of approximately £150 million**
- **Board announces 2018 forecast for adjusted operating profit[1] of approximately £170 million**
- **Board continues to believe Elis' proposal very significantly undervalues Berendsen and its prospects**
- **Board believes the risks for Berendsen's shareholders arising from a combination with Elis are significantly higher than those for Berendsen as an independent company**

On 3 March 2017, the Board of Berendsen plc ("Berendsen" or the "Company") announced a profit forecast for the financial year ended 31 December 2017 stating that adjusted operating profit[1] for 2017 was expected to be approximately £150 million (the "2017 Profit Forecast"). The Board of Berendsen today reconfirms the 2017 Profit Forecast and expresses its confidence in its delivery.

Furthermore, the Board of Berendsen today announces a forecast for adjusted operating profit[1] for the financial year ending 31 December 2018 of approximately £170 million (the "2018 Profit Forecast").

In relation to the announcement made by Elis SA ("Elis") on 18 May 2017 (the "Possible Offer"), the Board of Berendsen continues to believe that Elis' proposal very significantly undervalues Berendsen and its prospects. Berendsen continues to see no basis for discussions with Elis for the following reasons:

1. Elis' proposal fundamentally fails to reflect Berendsen's inherent value
2. Elis' approach is highly opportunistic
3. The combined business would have significantly higher leverage than Berendsen which would put at risk the delivery of Berendsen's strategy
4. A combination of Berendsen and Elis would significantly increase risks for Berendsen's shareholders

Berendsen confirms that it will upload an investor presentation to its website at www.Berendsen.com.
Please refer to the Appendix to this announcement for the Directors' confirmation with regard to, and further information on, the 2017 Profit Forecast and the 2018 Profit Forecast, including details of the assumptions on which they were made. As required by the Code, Berendsen confirms that this announcement has not been made with the agreement of Elis.

Reasons for rejection of the Elis proposal

1. Elis' proposal fundamentally fails to reflect Berendsen's inherent value

As previously stated, Berendsen is currently investing in its commercial and customer service capabilities and accelerating its capital investment in plant and machinery, improving the efficiency of existing plants and investing in plant conversions and new builds, with an expected investment of £450 million over three years, of which £300 million is growth capital investment. The £300 million of growth capital investment is expected to generate a pre-tax return on capital employed of at least 15%, equivalent to an adjusted operating profit[1] of £45 million. In addition, Berendsen sees further upside from stronger organic revenue growth. Implementation of the strategy is progressing in line with plan.

This strategy has provided the Board with greater visibility and confidence in Berendsen's medium-term growth opportunities and represents a competitive and sustainable platform for future value creation. Berendsen has good momentum in the delivery of its clearly defined strategy, underpinning the Board's confidence in its medium-term targets. This is reflected in the Board today reconfirming the 2017 Profit Forecast of approximately £150 million and announcing the 2018 Profit Forecast of approximately £170 million.

2. Elis' approach is highly opportunistic

The timing of Elis' approach is highly opportunistic in three ways, all to the detriment of Berendsen's shareholders.

Firstly, Elis' approach has been timed to take advantage of Berendsen's recently depressed share price and valuation. As of the close on 17 May 2017, being the last business day prior to the announcement of the Possible Offer, Berendsen's share price of £8.64 was 63% of its highest share price during the preceding twelve months.

Secondly, a significant portion of the consideration payable to Berendsen's shareholders under Elis' proposal is in Elis shares; its approach has also been timed to take advantage of Elis' own share price. As of 17 May 2017, being the last business day prior to the announcement of the Possible Offer, Elis' share price of €19.99 was 98% of its all-time high share price.

As a result of the above two factors, as of 17 May 2017, being the last business day prior to the announcement of the Possible Offer, Berendsen's proportion of the combined market capitalisations of both Berendsen and Elis was 38.5%. This compares to the average proportion since Elis' IPO in February 2015 of 54.7%.

Thirdly, the Board believes that Berendsen is at a point of inflection and that selling Berendsen on the terms offered by Elis would deprive Berendsen's shareholders of the full benefit that will accrue from the delivery of its strategy.

3. The combined business would have significantly higher leverage than Berendsen which would put at risk the delivery of Berendsen's strategy

Elis' reported net debt / EBITDA as at 31 December 2016 was 3.4x[2], significantly higher than Berendsen's reported net debt / EBITDA as at the same date of 1.2x[3]. The combined entity would have a pro forma net debt / EBITDA as at 31 December 2016 of 3.4x[4]. This leverage is significantly above Berendsen's and also above that of the average of relevant European Business Services peers[5].

Berendsen's strategy entails a capital investment programme of approximately £450 million over the course of this year and the next two years, of which approximately £300 million is growth investment capital with an anticipated pre-tax return of at least 15%. The Board of Berendsen believes that the ability to deliver this investment programme would be put at risk by a combination with Elis given Elis' materially higher leverage. Consequently, the expected benefit of this capital investment programme to Berendsen's shareholders would also be put at risk.

4. A combination of Berendsen and Elis would significantly increase risks for Berendsen's shareholders

The Board of Berendsen firmly believes that the Possible Offer raises other significant risks for Berendsen shareholders as follows.

Firstly, Elis has not previously acquired a business of the scale and complexity of Berendsen. Berendsen had £1.1 billion of revenues in 2016 in comparison to Lavebras, Elis' previous largest acquisition, which had 2016 revenues of £84 million[6].

Secondly, an integration of Berendsen and Elis would be highly complex given the two businesses operate across 28 geographies and have approximately 38,000 employees in total. This would be further complicated by the integration processes Elis needs to complete for its recently announced acquisitions in Spain and Brazil.

Thirdly, integration risk would be heightened by the fundamentally different business models of the two companies, with Berendsen's operations segmented primarily by business line, and Elis' split primarily by geography. This is likely to cause complications and entail additional costs in the event of a combination of the two businesses where alignment of the distinct operating models would be required.

Summary

For the reasons set out above, the Berendsen Board continues to believe that the Possible Offer neither reflects the inherent value of Berendsen as an independent company, nor provides sufficient value to compensate Berendsen's shareholders for the risks inherent in the combination.

Iain Ferguson, Chairman of Berendsen, said: *"We are pleased to underline the Board's confidence in the strategy of Berendsen by reconfirming our 2017 Profit Forecast and announcing a 2018 Profit Forecast of approximately £170 million. The Board firmly believes that Berendsen has the right strategy, management team and capital structure to deliver significant value for Berendsen's shareholders over the medium-term as an independent company."*

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As previously stated, in accordance with Rule 2.6(a) of the Code, Elis is required, by not later than 5.00 p.m. on 15 June, to either announce a firm intention to make an offer for Berendsen in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

Notes

1: Adjusted operating profit is the basis that Berendsen uses for its adjusted earnings per share calculation. Adjusted operating profit is presented to eliminate the impact of exceptional items, amortisation of customer contracts and non-recurring tax items for a transparent comparison of the year on year performance of the group's operations.
2: Elis EBITDA of €467.9 million and net debt of €1,601.3 million sourced from p.2 and p.51 of the FY16 consolidated financial statements report published on 23 March 2017.
3: Berendsen EBITDA of £348.6 million and net debt of £429.4 million sourced from p.34 of the FY16 Results Presentation published on 3 March 2017.
4: Elis and Berendsen pro-forma leverage calculated as the sum of each company's net debt and new acquisition debt of £759.5. New acquisition debt calculated as the cash portion of the offer (£4.40 per share) multiplied by the basic number of shares outstanding of 172.6m. Elis figures converted to GBP using the GBP:EUR spot FX rate of 1.17 as of 31 December 2016.
5: Peer group leverage multiples refer to each company's headline net debt / EBITDA level as reported in their full year 2016 results. The peer group comprises Compass, G4S, ISS, Rentokil, Securitas, Sodexo, Johnson Service Group and Elior.
6: Largest acquisition since 2010 based on pages 20, 23, and 31 of 20 Jan 2017 Elis Investor Presentation in connection with share capital increase. Sales figure converted into GBP using 2016 average GBP:EUR FX rate of 1.22 from Factset.

Important notices

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available on Berendsen's website at www.Berendsen.com. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

This communication is not intended to and does not constitute an offer to buy or the solicitation of an offer to subscribe for or sell or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction. The release, publication or distribution of this communication in whole or in part, directly or indirectly, in, into or from certain jurisdictions may be restricted by law and therefore persons in such jurisdictions should inform themselves about and observe such restrictions.

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HSBC Bank plc, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting as financial adviser to Berendsen and for no one else in connection with the contents of this announcement and will not be responsible to anyone other than Berendsen for providing the protections afforded to its clients or for providing advice in relation to the contents of this announcement or any other matters referred to in this announcement.

APPENDIX

Profit forecast regarding the financial year to 31 December 2017

In the announcement titled "Berendsen plc Results for the Full Year ended 31 December 2016" dated 3 March 2017, Berendsen announced that "*we expect adjusted operating profit*[1] *for 2017 to be approximately £150 million*" and "*Profitability is expected to be more weighted to the second half (approximately 40:60 split), than in previous years"* (the "**2017 Profit Forecast**").

The 2017 Profit Forecast was published before Elis made an approach with regard to a possible offer for Berendsen and therefore the requirements of Rule 28.1(c) of the City Code apply to the 2017 Profit Forecast. In accordance with Rule 28.1(c) the Berendsen Directors confirm that the 2017 Profit Forecast remains valid and confirm that the 2017 Profit Forecast has been properly compiled on the basis of the assumptions stated below and that the basis of accounting used is consistent with Berendsen's accounting policies.

The 2017 Profit Forecast does not take into account any impact of Elis' possible offer.

The Berendsen Directors prepared the 2017 Profit Forecast on the basis of the following assumptions, any of which could turn out to be incorrect and therefore affect whether the 2017 Profit Forecast is achieved:

Factors outside the influence and control of the Berendsen Board

(a) There will be no material change in the political and/or economic environment that would materially affect Berendsen;

(b) there will be no material change in market conditions in relation to customer demand or the competitive environment;

(c) there will be no material change in legislation or regulatory requirements impacting on the Berendsen Group's operations or its accounting policies;

(d) there will be no material litigation or regulatory investigations, or material unexpected developments in any existing litigation or regulatory investigation, in relation to any of Berendsen's operations, products or services;

(e) there will be no business disruptions that materially affect Berendsen, its customers, operations, supply chain or labour supply, including natural disasters, acts of terrorism, cyber-attack and/or technological issues;

(f) foreign exchange rates will be an average of GBP:EUR sterling exchange rate of 1.16; and

(g) there will be no material change in the management or control of Berendsen.

Factors within the influence and control of the Berendsen Board

(a) There will be no material acquisitions or disposals;

(b) there will be no material change in the existing operational strategy of Berendsen; and

(c) there are no material strategic investments or capital expenditure in addition to those already planned.

Profit forecast regarding the financial year to 31 December 2018

On the basis of the assumptions stated below, the Berendsen Directors expect adjusted operating profit[1] for the financial year to 31 December 2018 to be approximately £170 million (the "**2018 Profit Forecast**").

In accordance with Rule 28.2 of the City Code, the Panel has granted Berendsen a dispensation from the requirement to include reports from reporting accountants and Berendsen's financial advisers in relation to the 2018 Profit Forecast because it is for a financial period ending more than 15 months from the date of this announcement, which is the date on which it is first published.

The Berendsen Directors confirm that the 2018 Profit Forecast has been properly compiled on the basis of the assumptions stated below and that the basis of accounting used is consistent with Berendsen's accounting policies.

The 2018 Profit Forecast does not take into account any impact of Elis' possible offer.

The Berendsen Directors prepared the 2018 Profit Forecast on the basis of the following assumptions, any of which could turn out to be incorrect and therefore affect whether the 2018 Profit Forecast is achieved.

Factors outside the influence and control of the Berendsen Board

(a) There will be no material change in the political and/or economic environment that would materially affect Berendsen;

(b) there will be no material change in market conditions in relation to customer demand or the competitive environment;

(c) there will be no material change in legislation or regulatory requirements impacting on the Berendsen Group's operations or its accounting policies;

(d) there will be no material litigation or regulatory investigations, or material unexpected developments in any existing litigation or regulatory investigation, in relation to any of Berendsen's operations, products or services;

(e) there will be no business disruptions that materially affect Berendsen, its customers, operations, supply chain or labour supply, including natural disasters, acts of terrorism, cyber-attack and/or technological issues;

(f) foreign exchange rates will be an average of GBP:EUR sterling exchange rate of 1.16; and

(g) there will be no material change in the management or control of Berendsen.

Factors within the influence and control of the Berendsen Board

(a) There will be no material acquisitions or disposals;

(b) there will be no material change in the existing operational strategy of Berendsen;

(c) there are no material strategic investments or capital expenditure in addition to those already planned.

Notes

1: Adjusted operating profit is the basis that Berendsen uses for its adjusted earnings per share calculation. Adjusted operating profit is presented to eliminate the impact of exceptional items, amortisation of customer contracts and non-recurring tax items for a transparent comparison of the year on year performance of the group's operations.