PRESS RELEASE

Manutencoop Facility Management S.p.A.: The Management Board presents the Third Quarter Financial Report as at 30 September 2016

In the first nine months of 2016 Net Result and the deleverage trend continue to improve (versus the first nine months of 2015)**:**

- **Revenues**: **€ 679.8 million** (compared to € 696.6 million);
- **EBITDA**[1]: **€ 69.6 million** (compared to € 70 million);
- **Net Profit**: **€ 13.6 million** (compared to € 7.6 million).

- **Net financial indebtedness:** € **227** (further improved compared to € 284.5 milion as at 30 September 2015 and compared to € 241 milion as at 30 December 2015).

Zola Predosa, 15 November 2016 - The Management Board of **Manutencoop Facility Management S.p.A.** ("**MFM**"), holding company of the leading Italian integrated facility management group, presented its **Third Quarter Financial Report as at 30 September 2016**, prepared in accordance with IAS/IFRS **with a strong increase in Net Result of € 13.6 million (+79%).**

Main Consolidated Results of MFM Group as at 30 September 2016

As at 30 September 2016, the MFM Group has recorded **Revenues** equal to € **679.8 million** versus € 696.6 million in the first nine months of 2015 (-2,4%). This result reflects still difficult conditions in the Italian market that shows, however, weak signs of recovery.

MFM Group **EBITDA** (**Gross Operating Margin**) amounted to **€ 69.6 million in line vs same period in 2015 (€ 70 million).** Net of non recurring cost items EBITDA *adjusted* is equal to € 73.7 million (Ebitda adj margin equal to 10.8%) up by **2.6 %** vs € 71.8 million as at 30 September 2015, that further demonstrates the positive effects of the cost reduction plan put in place by the Group over the last years.
MFM Group **EBIT** (**Operating Profit**) totalled **€ 42.8 million** vs € 44.2 million totalled as at September 30, 2015. Net of non recurring cost items, EBIT *adjusted* is equal to € 46.9 million vs € 46.1 million as at 30 September 2015.

[1] EBITDA represents the operating profit (loss) before allocations to the provisions for risks, transfer of provisions and amortisation/depreciation, write-downs and write-backs of assets. EBITDA is a measure used by the Group's management to monitor and assess its operating performance and it is not identified as an accounting measure under IFRS. Therefore, it must not be considered an alternative measurement for evaluating the trend in the Group's profit/loss. Given that the breakdown of EBITDA is not regulated by the accounting standards, the calculation criterion applied by the Group may not be the same as the one adopted by other entities and, therefore, may not be comparable.

MFM Group's **Net Profit** at 30 September 2016 was **€ 13.6 million, up by 79%,** versus € 7.6 million in the first nine months of 2015, mainly thanks to less interest expenses as a consequence of Notes buy-back issued in 2013 completed in previous years.

MFM Group **Net Financial Position** was equal to € **227 million**, in decline (€ -14 million) vs September 30, 2015, when it totalled € 284.5 million and vs December 31, 2015 when it was equal to € 241 million. Considering the net value of receivables sold on a pro-soluto basis and still not cashed-in by factor agent, the Net Financial Position "Adjusted" as at September 30, 2016 equals € 243.5 million vs € 242 million as at December 31, 2015, while as at September 30, 2015 equals € 285.9 million.

Business highlights

For the first nine months of 2016, Manutencoop Facility Management Group was awarded and re-awarded **additional contracts with a total long-term value of approximately € 405 milion** compared to € 414 million as at 30 September 2015.

The **total job order and re-awarding portfolio** of the MFM Group as at 30 September 2016 equals € 2.72 billion in line compared to € 2.77 billion in the first nine months of 2015.

September 30, 2016 subsequent events

On **October 3, 2016** MFM has been awarded two lots in the context of the second edition of the open public tender procedure for the assignment of an Integrated Technological Multiservice agreement for the supply of energy to the buildings in use, in any capacity, by the Public Health Administrations (so called "Mies 2") called by Consip S.p.A., the central purchasing agency for purchases by the Public Administration.
In the context of the two awarded lots, MFM will act as the leader and representative (mandataria) of a Temporary Association of Companies ("ATI"), of which it will hold 85% of the quotas. The individual implementing agreements will have a term of five/seven years, depending on Public Health Administrations decisions, starting from the activation of each supply, and will establish a supply ceiling of €209 million over the life of the agreement with respect to MFM's two awarded lots.
As with all Consip general agreements, the award of the lots does not constitute a purchase from the supplier, but Consip will execute an agreement with the successful tenderers, on the basis of which, each public administration will be able to issue supply orders and sign the related implementing agreements in order to meet any of its needs at the quality and price terms awarded.

On **October 7, 2016 Aldo Chiarini** has been appointed as **Managing Director** and **Marco Canale** as **Chairman**.The new Managing Director, Aldo Chiarini, has been granted the main functions and powers to manage MFM. The new Chairman, Marco Canale, has been granted the functions assigned by law, by the Bylaws of MFM and by the shareholders' agreements.The **new board elections** were conducted in accordance with the shareholders' agreements between the majority shareholder, Manutencoop Società Cooperativa, and financial investors[2], which was signed on July 19, 2016. **The new Management Board of MFM**, that will remain in charge until the Shareholders' Meeting approving the December 31, 2018 financial statements, is composed of: **Marco Canale - *Chairman*; Aldo Chiarini - *Managing Director*, Marco Bulgarelli, Giuliano Di**

[2] Private Equity Partners SGR S.p.A., Private Equity Partners S.p.A., 21 Investimenti SGR S.p.A., MPVenture SGRS.p.A., Sviluppo Imprese Centro Italia SGR S.p.A., NEIP II S.p.A. - Infrastrutture e Servizi, Norderst Società di Gestione del Risparmio S.p.A., Idea Capital Funds SGR S.p.A., Cooperare S.p.A., Unipol Banca S.p.A. and Mediobanca Banca di Credito Finanziario S.p.A.

Bernardo, Rossella Fornasari, Carlo Frau, Folco Goggioli, Paolo Leonardelli, Marco Monis, Franco Carlo Papa, Pier Paolo Quaranta, Matteo Tamburini, Pietro Testoni - *Members*.

In accordance with the New Shareholders' Agreements, the Shareholders have completed the transfer of some existing shares of MFM from Manutencoop Società Cooperativa to financial investors, which **increased their respective shareholding by between approximately 21% to 33%**.

On **October 14, 2016,** the Regional Administrative Tribunal ("TAR") in Rome has released its decision relating to the appeal filed by MFM in January 2016, challenging the fines imposed by the Italian Competition Authority ("AGCM") for suspected violations of antitrust rules in 2012 relating to a tender arranged by Consip for cleaning services in school buildings. In the TAR's decision the appeal filed by Manutencoop was partially upheld and the TAR referred the case to the Authority, requesting the Authority to reassess the fines taking into account that the alleged violations do not merit the previously imposed fine. The decision provides that the Authority shall commence procedures to revise the fines based on the following instructions from Administrative Judges: a) reduce the base amount used to calculate the fine by limiting the amount to the tender starting price; b) reduce the percentage applied to the abovementioned amount from 15% to 5% to calculate the fine. The Company may, in any case, challenge the revised fine before the TAR. MFM maintains that it has not committed the alleged violations and will appeal the Decision before the State Council within the deadline provided by law.

Manutencoop Facility Management S.p.A.
The Manutencoop Facility Management S.p.A. Group ("MFM") is the leading Italian operator and one of the main European players in the Integrated Facility Management sector, i.e. it manages and provides integrated services targeted at properties, the environment and in support of healthcare services. Specifically, the services provided by the MFM Group are divided into two main business areas: 1. **Integrated Facility Management** – property management and maintenance services (environmental hygiene, technical and maintenance services, landscaping, logistics, auxiliary services, heat management, lighting, document management, fire prevention and video surveillance systems) delivered also through specialised companies; 2. **Laundering & Sterilisation** – linen rental and industrial laundering services and linen and surgical instrument sterilisation for healthcare operations, delivered through the subsidiary Servizi Ospedalieri S.p.A.. MFM's headquarters is located in Zola Predosa (Bologna), it has offices all over Italy and employs more than 20,000 people throughout Italy.

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The consolidated Statement of Financial Position, consolidated Income Statement and consolidated Statement of Cash Flows as at 30 Semptember 2016 (with the table of Net Financial Indebtedness reported at the foot thereof) are attached below.

Consolidated statement of financial position of the MFM Group as at 30 September 2016

(in thousands of Euro)	**September 30, 2016**	**December 31, 2015**
Assets		
Non-current assets		
Property, plant and equipments	57.095	62.155
Property, plant and equipments under lease	1.728	2.217
Goodwill	370.456	370.456
Other intangible assets	24.941	26.005
Investments accounted for under the equity method	30.093	28.484
Other investments	3.925	3.502
Non-current financial assets	11.936	15.657
Other non-current assets	2.066	2.180
Deferred tax assets	19.089	19.044
Total non-current assets	**521.329**	**529.700**
Current assets		
Inventories	4.919	4.763
Trade receivables and advances to suppliers	476.266	519.194
Current taxes receivables	7.372	23.430
Other current assets	37.739	31.138
Current financial assets	7.398	5.257
Cash and cash equivalents	122.609	114.391
Total current assets	**656.303**	**698.173**
Assets classified as held for sale	0	0
Total assets classified as held for sale	**0**	**0**
Total assets	**1.177.632**	**1.227.873**

(in thousands of Euro)	**September 30, 2016**	**December 31, 2015**
Shareholders' equity and Liabilities		
Share capital	109.150	109.150
Reserves	186.730	188.349
Retained earnings	(7.519)	37.498
Profit for the period attributable to equity holders of the Parent	13.745	(45.412)
Equity attributable to equity holders of the parent	*302.106*	*289.585*
Capital and reserves attributable to non-controlling interests	347	337
Profit for the period attributable to non-controlling interests	(130)	43
Equity attributable to non-controlling interests	*217*	*380*
Total shareholders' equity	**302.323**	**289.965**
Non-current liabilities		
Employee termination indemnity	18.321	18.424
Provisions for risks and charges, non-current	58.184	58.738
Long-term financial debt	305.276	311.686
Deferred tax liabilities	10.953	11.167
Other non-current liabilities	28	28

Total non-current liabilities	**392.762**	**400.043**
Current liabilities		
Provisions for risks and charges, current	10.626	14.515
Trade payables and advances from customers	323.250	380.215
Current tax payables	3.797	0
Other current liabilities	93.119	94.572
Bank borrowings, including current portion of long-term debt, and other financial liabilities	51.755	48.563
Total current liabilities	**482.547**	**537.865**
Liabilities directly associated with assets classified as held for sale	0	0
Total liabilities directly associated with assets classified as held for sale	**0**	**0**
Total shareholders' equity and Liabilities	**1.177.632**	**1.227.873**

Consolidated income statement of the MFM Group as at 30 September 2016

(in thousands of Euro)	For the 9 months ended September 30,	
	2016	**2015**
Revenues		
Revenue from sales and services	678.620	695.616
Other revenue	1.164	986
Total revenues	**679.784**	**696.602**
Operating costs		
Costs of raw materials and consumables	(84.370)	(97.460)
Change in inventories of finished goods	5	0
Costs for services and use of third party assets	(238.000)	(241.761)
Personnel costs	(280.209)	(280.613)
Other operating costs	(7.567)	(6.808)
Amortization, depreciation, write-downs and write-backs of assets	(24.607)	(23.194)
Accrual of provisions for risks and charges	(2.219)	(2.590)
Total operating costs	**(636.967)**	**(652.426)**
Operating Income	**42.817**	**44.176**
Financial income and expenses		
Share of net profit of associates	1.837	2.064
Dividends and income from sales of investments	238	(772)
Financial income	1.286	816
Financial charges	(22.776)	(26.810)
Profit/(loss) on exchange rate	(26)	(12)
Profit (loss) before taxes from continuing operations	**23.376**	**19.462**
Income taxes	(10.813)	(10.037)
Profit (loss) from continuing operations	**12.563**	**9.425**
Profit (loss) from discontinued operation	1.052	(1.796)
Net profit (loss) for the period	**13.615**	**7.629**
Net profit (loss) attributable to non controlling interests	130	(4)
Net profit (loss) for the period attributable to equity holders of the Parent	**13.745**	**7.625**

Consolidated statement of cash flows of the MFM Group as at 30 September 2016

(in thousands of Euro)	For the 9 months ended September 30,	
	2016	**2015**
Net profit (loss) from continuing operations	12.563	9.425
Income taxes for the period	10.813	10.037
Profit before taxes from continuing operations	**23.376**	**19.462**
Profit (loss) from discontinued operation	1.052	(1.796)
(Gains) losses from the transfer of equity investments	(1.409)	830
Amortization, depreciation, write-downs and (write-backs) of assets	24.607	23.210
Accrual (reversal) of provisions for risks and charges	2.219	2.690
Employee termination indemnity provision	574	578
Payments of employee termination indemnity	(1.811)	(1.542)
Utilization of provisions	(6.228)	(8.383)
Share of net profit of associates	(1.837)	(1.148)
Financial charges (income) for the period	21.516	25.796
Operating cash flows before movements in Working Capital	**62.059**	**59.698**
Cash flows related to discontinued operations	*185*	*(1.125)*
Cash flows related to continuing operations	*(209)*	*60.823*
Decrease (increase) of inventories	(156)	(334)
Decrease (increase) of trade receivables and advances to suppliers	38.501	41.653
Decrease (increase) of other current assets	(6.591)	393
Increase (decrease) of trade payables and advances from customers	(56.894)	(25.971)
Increase (decrease) of other current liabilities	(1.453)	(28.957)
Change in Working Capital	**(26.593)**	**(13.216)**
Net interests received (paid) in the period	(26.447)	(32.387)
Income taxes paid in the period	9.056	(2.356)
Net cash flow from operating activities	**18.075**	**11.739**
Purchase of intangible assets, net of sales	(3.931)	(4.042)
Purchase of property, plant and equipment	(10.642)	(12.709)
Proceeds from sales of property, plant and equipment	736	355
Disposal (acquisition) of investments	(351)	465
Decrase (increase) of financial assets	(754)	1.222
Net cash used in business combination	0	(408)
Net cash from assets held for sale	4.204	32
Net cash flow from (used in) investing activities	**(10.738)**	**(15.085)**
Net proceeds from/(reimburse of) borrowings	910	(54.768)
Dividends paid	(25)	(20)
Change in scope of consolidation	(4)	(1)
Net cash flow from/(used in) financing activities	**881**	**(54.789)**
Changes in cash and cash equivalents	**8.218**	**(58.135)**
Cash and cash equivalents at the beginning of the year	114.391	113.382
Changes in cash and cash equivalents	8.218	(58.135)
Cash and cash equivalents at the end of the period	**122.609**	**55.247**
Details of cash and cash equivalents		
Cash and bank current accounts	122.609	55.247

Total cash and cash equivalents	**122.609**	**55.247**

(in thousands of Euro)	**September 30, 2016**	**December 31, 2015**	**September 30, 2015**
Long-term financial debt	305.276	311.686	311.505
Bank borrowings, including current portion of long-term debt, and other financial liabilities	51.755	48.563	34.810
Gross financial indebtedness	**357.031**	**360.249**	**346.315**
Cash and cash equivalents	(122.609)	(114.391)	(55.247)
Current financial assets	(7.398)	(5.257)	(6.614)
Net financial indebtedness	**227.024**	**240.601**	**284.454**
Factoring outstanding	16.459	1.400	1.412
Net financial indebtedness *adjusted*	**243.483**	**242.001**	**285.866**