PRESS RELEASE

Manutencoop Facility Management S.p.A.: The Board of Directors approves the consolidated financial statements as of and for the year ended December 31, 2016

Strong increase in Profit and significant decrease in Net Financial Indebtedness for 2016 (as compared to 2015):

- **Revenue**: **€929.1 million** (compared to €955.7 million);
- **EBITDA**[1]: **€95.9 million** (compared to €93.1 million);
- **EBIT**: **€73.3 million** (compared to €9.0 million);
- **Profit for the period**: **€33.5 million** (compared to a Loss for the period of €45.4 million);
- **Net Financial Indebtedness**: €194 million (improving from €242 million).

Our 2015 consolidated results were adversely affected, to a significant extent, by the €48.5 million provision for risks and charges that we had set aside in 2015 following the sanction issued against us by the Italian Competition Authority ("**ICA**"). Excluding the effect of the partial release of such provision in 2016, profit for 2016 would have been €17.2 million.

Zola Predosa (Bologna), March 27, 2017 – The meeting of the Board of Directors of **Manutencoop Facility Management S.p.A.** ("**MFM")**, holding company of the leading group in the Italian Integrated Faciliy Management market, chaired by Mr. Marco Canale, examined and approved the **Consolidated Financial Statements and the Financial Statements for 2016**, which registered a significant growth in **Profit for the period.**

"*Our 2016 results were solid, with a significant increase in Profit for the period, which will allow us to continue to generate cash*" – said Mr. Aldo Chiarini, **Manutencoop Facility Management S.p.A.'s CEO** – "*our goal is therefore to continue the growth process we have already started, by exploring new business opportunities which will allow our Group to enter a further growth phase, also for the upcoming years.*"

Preliminary considerations

Our 2016 results were affected, especially with regard to EBIT and Profit for the period, by the €16.3 million net reversal to the provision we had set aside in 2015 in connection with the ICA decision, following the ruling of the Administrative Regional Tribunal based in Rome, as confirmed by the Italian State Council on March 1, 2017, which substantially reduced the sanction issued by the ICA against us on the basis of an alleged

[1] "EBITDA" is defined as operating income before accrual to the provisions for risks and charges and amortization/depreciation, write-downs and write-backs of assets. EBITDA is used by management to monitor and assess the group's performance and is not an accounting measure under IFRS. Accordingly, EBITDA should not be considered as an alternative to assess the group's performance. In view of the fact that EBITDA is not regulated by accounting principles, our determination of EBITDA could differ from the determination made by other companies and, accordingly, you should exercise caution in comparing EBITDA.

infringement of competition rules in the context of a tender arranged by Consip in 2012 for the provision of cleaning services for school buildings.

In particular, MFM had set aside in its 2015 financial statements the amount of the entire sanction, equal to €48.5 million, which, following the ruling of the Administrative Regional Tribunal, was reduced to €14.7 million.

Excluding the effect of the partial release of such provision in 2016, profit for 2016 would in any event have increased, totalling €17.2 million, compared to €3.1 million in 2015[2], primarily due to the positive effects of the cost saving initiatives we have put in place for the past few years.

Main consolidated results as of and for the year ended December 31, 2016

For the year ended December 31, 2016, **total revenue** for the MFM group was **€929.1 million**, representing a 2.8% decrease from €955.7 million in 2015, primarily attributable to the difficult market and macroeconomic conditions.

EBITDA (*margine operativo lordo*) increased to **€95.9 million** from €93.1 million in 2015.

EBIT (*risultato operativo*) increased to €73.3 million from €9.0 million in 2015.

Profit for the period was €33.5 million, representing a 173.9% increase from a Loss for the period of €45.4 million in 2015. Excluding the effect of the partial release of the abovementioned provision for risks in 2016, profit for 2016 would in any event have increased, totalling €17.2 million, compared to €3.1 million in 2015 (adjusted to exclude the effect of the provision we originally made for the entire value of the ICA's original sanction), primarily due to the positive effects of the cost saving initiatives we have put in place for the past few years

Net Financial Indebtedness for 2016 was equal to **€194 million**, a significant improvement from 2015 (€242 million), primarily due to the reduction in the average collection time of trade receivables from our customers.

Business highlights

In 2016, the MFM group **won tendered contracts, or renewed existing contracts, for an aggregate amount of approximately €651 million**, compared to €742 million in 2015.

As of December 31, 2016, **the MFM group's total backlog, including both renewals and new contracts, amounted to €2,845 million**, in line with the backlog as of December 31, 2015 (€2,847 million).

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,

[2] Profit for the year ended December 31, 2015, adjusted to exclude the effect of the provision we originally made for the entire value of the ICA's original sanction

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 headquarter is located in Zola Predosa (Bologna). MFM has offices all over Italy and employs more than 20,000 people throughout the country.

For further information:

Manutencoop Facility Management S.p.A.

Press Office
Chiara Filippi
Ph. +39 051 35 15 195
Email: cfilippi@manutencoop.it

Investor Relations
Riccardo Bombardini
Ph. +39 051 35 15 544
Email: investor@manutencoop.it

Image Building
Media Relations
Simona Raffaelli, Alfredo Mele, Anna Lisa Margheriti
Ph. +39 02 89 011 300
Email: manutencoop@imagebuilding.it

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The following tables present the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of cash flows of the MFM group as of and for the year ended December 31, 2016, as well as details regarding the MFM group's Net Financial Indebtedness.

Statement of financial position of the MFM group as of December 31, 2016

(thousands of euro)	December 31, 2016	December 31, 2015
Assets		
Non-current assets		
Property, plant and equipment	64,483	62,155
Property, plant and equipment under lease	1,627	2,217
Goodwill	370,456	370,456
Other intangible assets	26,114	26,005
Investment accounted for under the equity method	30,534	28,484
Other investments	3,850	3,502
Non-current financial assets	11,769	15,657
Other non-current assets	2,323	2,180
Deferred tax assets	20,971	19,044
Total non-current assets	**532,127**	**529,700**
Current assets		
Inventories	4,382	4,763
Trade receivables and advances to suppliers	456,095	519,194
Current tax receivables	3,500	23,430
Other current assets	25,932	31,138
Current financial assets	2,387	5,257
Cash and cash equivalents	174,992	114,391
Total current assets	**667,288**	**698,173**
Assets held for sale	0	0
Total non-current assets held for sale	**0**	**0**
Total assets	**1,199,415**	**1,227,873**

(thousands of euro)	December 31, 2016	December 31, 2015
Shareholders' equity		
Share capital	109,150	109,150
Reserves	187,856	188,349
Retained earnings / (losses)	(7,518)	37,498
Profit / (loss) for the year attributable to equity holders of the Parent	33,649	(45,412)
Equity attributable to equity holders of the parent	*323,137*	*289,585*
Capital and reserves attributable to non-controlling interests	351	337
Profit / (loss) for the year attributable to non-controlling interests	(116)	43
Equity attributable to non-controlling interests	*235*	*380*
Total shareholders' equity	**323,372**	**289,965**
Non-current liabilities		
Employee termination indemnity	17,043	18,424
Provisions for risks and charges, non-current	44,522	58,738
Long-term financial debt	305,482	311,686

Deferred tax liabilities	11,812	11,167
Other non-current liabilities	50	28
Total non-current liabilities	**378,909**	**400,043**
Current liabilities		
Provisions for risks and charges, current	10,715	14,515
Trade payables and advances from customers	346,308	380,215
Current tax payables	1,363	0
Other current liabilities	85,909	94,572
Bank borrowings, including current portion of long-term debt, and other financial liabilities	52,839	48,563
Total current liabilities	**497,134**	**537,865**
Liabilities directly associated with non-current assets held for sale	0	0
Total liabilities directly associated	**0**	**0**
Total liabilities	**1,199,415**	**1,227,873**

Consolidated statement of income of the MFM group for the year ended December 31, 2016

(thousands of euro)	For the year ended December 31	
	2016	**2015**
Revenue		
Revenue from sales and services	926,758	953,813
Other revenue	2,340	1,916
Total revenue	**929,098**	**955,729**
Operating costs		
Costs of raw materials and consumables	(117,615)	(133,155)
Change in inventories of finished and semi-finished products	(55)	0
Costs for services and use of third-party assets	(331,365)	(336,114)
Personnel costs	(376,266)	(380,793)
Other operating costs	(7,900)	(12,602)
Amortization, depreciation, write-downs and write- backs of assets	(32,714)	(32,493)
Accrual (reversal) of provisions for risks and charges	10,107	(51,561)
Total operating costs	**(855,808)**	**(946,718)**
Operating income	**73,290**	**9,011**
Financial income and expenses		
Share of net profit of associates	1,688	90
Dividend and income (loss) from sale of investments	498	(459)
Financial income	1,964	984
Financial charges	(30,183)	(34,066)
Gains / (losses) on exchange rate	(38)	(10)
Profit (loss) before taxes	**47,219**	**(24,450)**
Income taxes	(14,738)	(18,032)
Profit (loss) from continuing operations	**32,481**	**(42,482)**
Profit (loss) from discontinued operations	1,052	(2,887)
Net profit (loss) for the year	**33,533**	**(45,369)**
Net profit (loss) attributable to non-controlling interests	116	(43)
Net profit (loss) for the year	**33,649**	**(45,412)**

Consolidated statement of cash flows of the MFM group for the year ended December 31, 2016

(thousands of euro)	For the year ended December 31 2016	2015
Net profit (loss) from continuing operations	32,481	(42,482)
Income taxes for the year	14,738	18,032
Profit before taxes from continuing operations	**47,219**	**(24,450)**
Profit(loss) for the period from discontinued operations	1,052	(2,887)
(Capital gains) losses from discontinued operations	(1,409)	2,225
Amortization, depreciation, write-downs and (write-backs) of assets	32,713	32,513
Accrual (reversal) of provisions for risks and charges	(10,107)	51,561
Employee termination indemnity provision	889	838
Payments of employee termination indemnity	(2,672)	(2,769)
Utilization of provisions for risks and charges	(7,503)	(11,244)
Share of net profit of associates, net of dividends collected	(1,688)	940
Financial charges (income) for the year	28,257	32,891
Operating cash flows before movements in Working Capital	**86,751**	**79,618**
Of which related to discontinued operations	*(1,409)*	*(922)*
Of which related to continuing operations	*88,160*	*80,540*
Decrease (increase) of inventories	381	(92)
Decrease (increase) of trade receivables	58,123	54,552
Decrease (increase) of other current assets	4,804	(985)
Increase (decrease) of trade payables	(33,828)	1,060
Increase (decrease) of other current liabilities	(8,621)	(28,742)
Change in Working Capital	**20,860**	**25,792**
Net interest received (paid) in the year	(26,471)	(32,639)
Income tax paid in the year	5,300	(5,072)
Net cash flow from operating activities	**86,441**	**67,699**
Purchase of intangible assets, net of sales	(6,857)	(6,502)
Purchase of property, plant and equipment	(23,677)	(17,389)
Proceeds from sales of property, plant and equipment	835	793
Acquisition of investments	(505)	848
Decrease (increase) of financial assets	(490)	(932)
Net cash used in business combinations	0	(408)
Discontinuing activities	9,274	4,932
Net cash flow used in investing activities	**(21,421)**	**(18,659)**
Proceeds from non-current borrowings	-	10,000
Repayment of non-current borrowings	-	(80,000)
Payment of financial lease liabilities	(570)	(804)
Proceeds from/(repayment of) short term bank debt	(22,207)	21,180
Proceeds from non-current borrowings	18,386	1,615

Dividends paid	(25)	(20)
Change in scope of consolidation	(4)	(1)
Net cash flow from / (used in) financing activities	**(4,419)**	**(48,030)**
Changes in cash and cash equivalents	**60,601**	**1,009**
Cash and cash equivalents at the beginning of the year	114,391	113,382
Changes in cash and cash equivalents	60,601	1,009
Cash and cash equivalents at the end of the year	**174,992**	**114,391**
Details of cash and cash equivalents:		
Cash and bank current accounts	174,992	114,391
Total cash and cash equivalents	**174,992**	**114,391**

(thousands of euro)	**December 31, 2016**	**December 31, 2015**
Long-term financial debt	305,482	311,686
Bank borrowings, including current portion of long-term debt, and other financial liabilities	52,839	48,563
Total financial liabilities	**358,321**	**360,249**
Cash and cash equivalents	(174,992)	(114,391)
Current financial assets	(2,387)	(5,257)
Total Net Financial Indebtedness	**180,942**	**240,601**
Factoring	12,883	1,400
Adjusted Total Net Financial Indebtedness	**193,825**	**242,001**