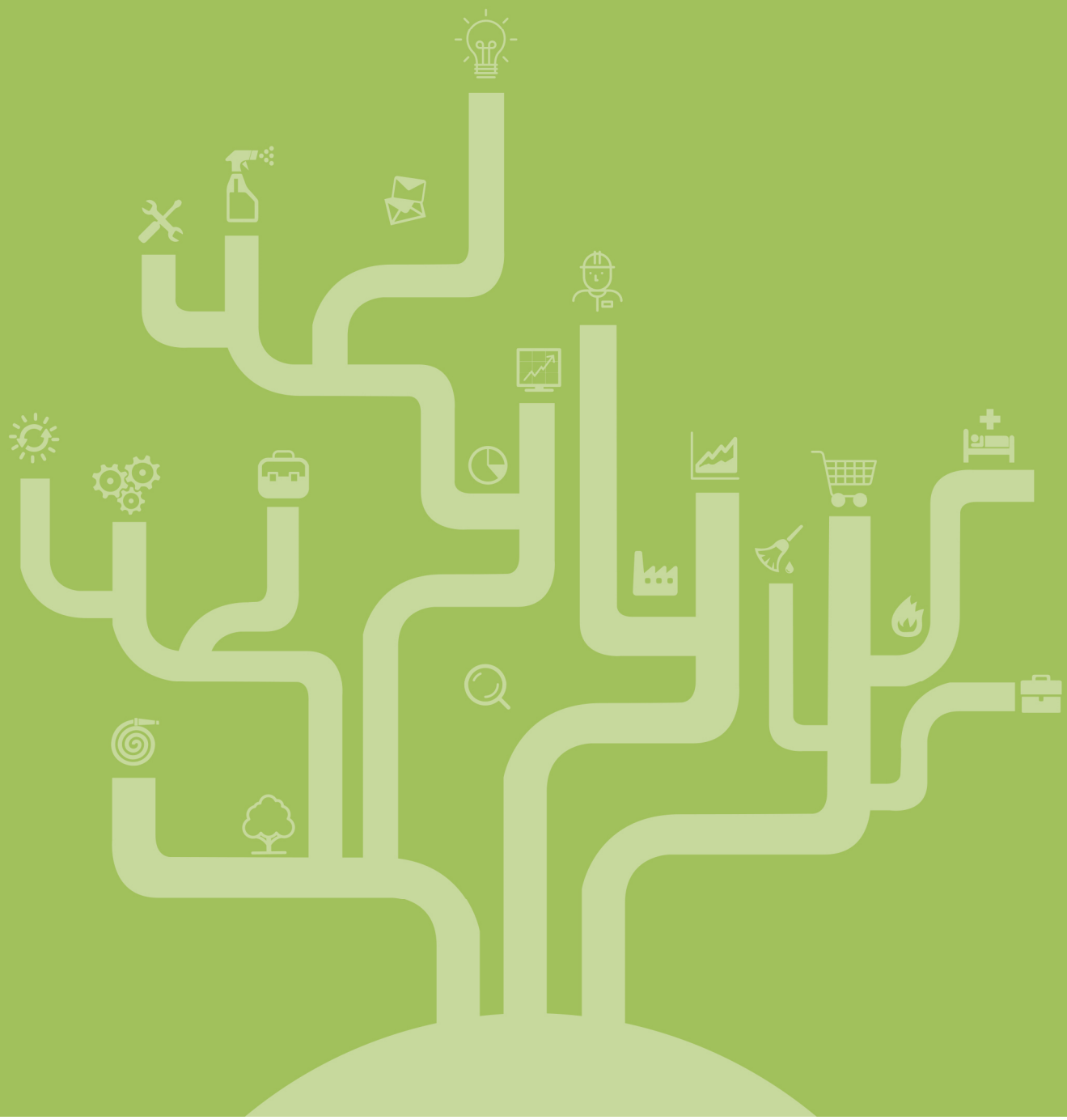
MANUTENCOOP



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INTERIM REPORT ON OPERATIONS

FOR THE PERIOD ENDED 31 MARCH 2017



GENERAL INFORMATION

REGISTERED OFFICE

Via U. Poli, 4
Zola Predosa (Bo)

BOARD OF DIRECTORS

Appointed by the Shareholders' Meeting of 30.11.2016

CHAIRMAN
Marco Canale

VICE CHAIRMAN
Giuliano Di Bernardo

CEO
Aldo Chiarini

MEMBER OF THE BOARD OF DIRECTORS
Marco Bulgarelli
Rossella Fornasari
Carlo Frau
Folco Goggioli
Paolo Leonardelli
Marco Monis
Franco Carlo Papa
Pier Paolo Quaranta
Matteo Tamburini
Pietro Testoni

BOARD OF STATUTORY AUDITORS

Appointed by the Shareholders' Meeting of 30.11.2016

STANDING AUDITORS
Germano Camellini
Monica Mastropaolo
Vieri Chimenti

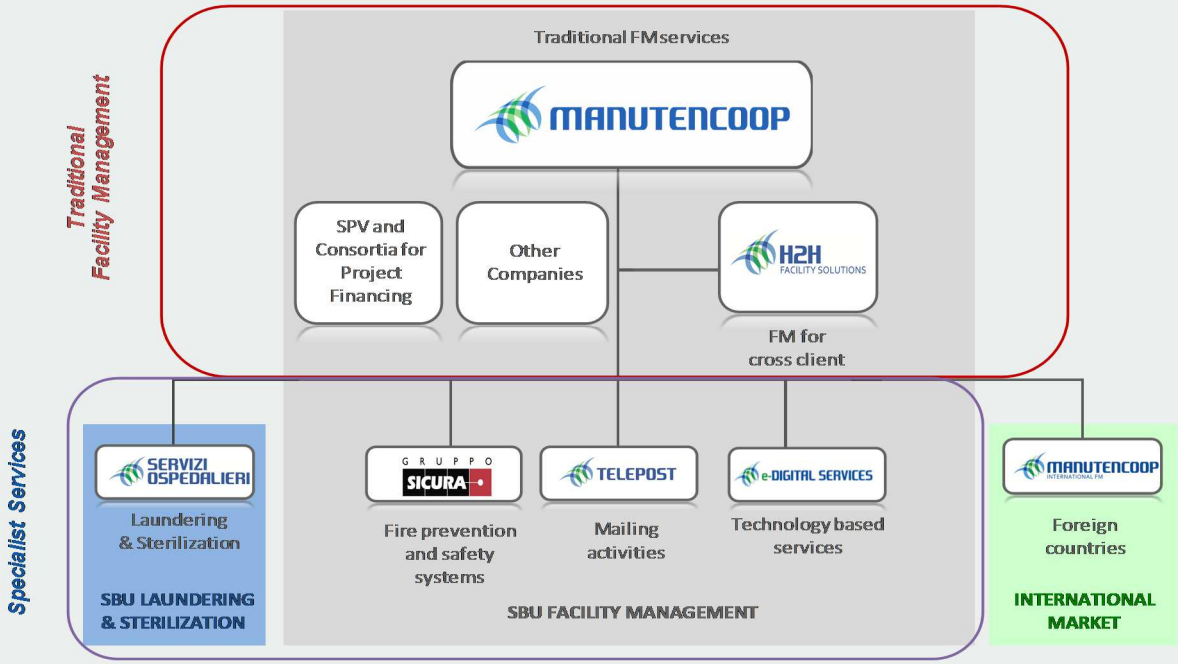
ALTERNATE AUDITORS
Antonella Musiani
Augusto Bagnoli

INDEPENDENT AUDITORS

EY S.p.A.

PREAMBLE

At 31 March 2017 the Group controlled by Manutencoop Facility Management S.p.A. ("MFM Group" and "MFM S.p.A.", respectively) was made up as follows:



The Group is active in the management and provision of integrated services to public and private customers, targeted at properties, the area and to support so-called "Integrated Facility Management" health care activities.

Currently, the MFM Group is controlled by a single operating holding company which combines so-called "traditional" facility management production resources with those related to supporting the whole Group's business. As early as in the previous financial years the holding company pursued a diversification strategy concerning: (i) the operations, also through a series of acquisitions, performing some "specialist" facility management services beside the historical core business (hygiene services, green spaces and technical and maintenance services): these services involve fire prevention and safety products and systems, in addition to linen rental and industrial laundering services and surgical instrument sterilization at healthcare facilities and B2B services with high technology content, (ii) the markets, through the sub-holding company Manutencoop International FM S.r.l., which was established at the end of 2015 to start business development in international markets.

In May 2016 diversification was further boosted by establishing Yougenio S.r.l., an innovative start-up company which is active in the delivery of services to private consumers through an e-commerce platform and which is indirectly invested in by MFM through subsidiary e-Digital Services S.r.l., which is the parent company that owns a 100% stake. This event led the Group to enter the market of B2C services.

Shareholding structure

Ordinary shares issued by the MFM Group and fully paid up at 31 March 2017 amounted to 109,149,600, with a par value of Euro 1 each. There are no other share classes.

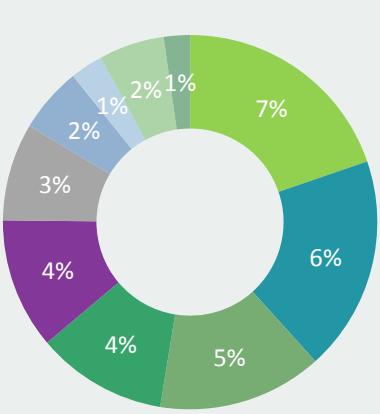
The Parent Company does not hold own shares.

At 31 March 2017 Manutencoop Società Cooperativa held a controlling interest in MFM S.p.A., equal to 66.793%, while the remaining stake was held by a pool of Private Equity Investors. On 1 July 2013 Manutencoop Società Cooperativa acquired an additional stake of 7.028% with retention of title ("*riserva di proprietà*"), pursuant to and for the purposes of article 1523 of the Italian Civil Code, for which the relevant financial and administrative rights pertain to the buyer.

On 19 July 2016 the majority shareholder Manutencoop Società Cooperativa and the Investors signed a new investment agreement and new shareholders' agreements. The new agreements have superseded those that were entered into in 2013 and provide for Manutencoop Società Cooperativa to transfer an additional stake of 12.13% to the minority Shareholders: as a result, it holds an overall stake of 66.793% in MFM S.p.A.. The new agreements do not provide for additional put options in favour of the Investors in consideration of a number of actions to be taken over subsequent periods of time, aimed at ensuring their exit from the ownership structure of MFM S.p.A. through the sale or listing of the latter's shares, while providing for a compensation obligation on Manutencoop Società Cooperativa in the case of a final sentence relating to the "Consip Scuole" tender proceedings before the Competition Authority. Furthermore, there is a provision for postponing the date of Manutencoop Società Cooperativa's payment obligations set at 1 July 2016 under the Vendor Note in relation to the quotas acquired in 2013 subject to a conditional sale, the extension being set at the earlier of the date of exit of the Investors and 30 June 2019, without prejudice to the Investors' right to further extend the latter time limit. The new agreements also lay down new governance rules that have entailed the appointment of a new Chairman and a new Chief Executive Officer, as well as a new composition of the Governing and Control Bodies.

The effectiveness of the agreements reached by the Shareholders was ratified by the Extraordinary Shareholders' Meeting held on 7 October 2016, which approved the consequent amendments to the articles of association.

As at the date of approval of this Interim Report on Operations, the minority shareholders held the following stakes in the share capital of MFM S.p.A.:

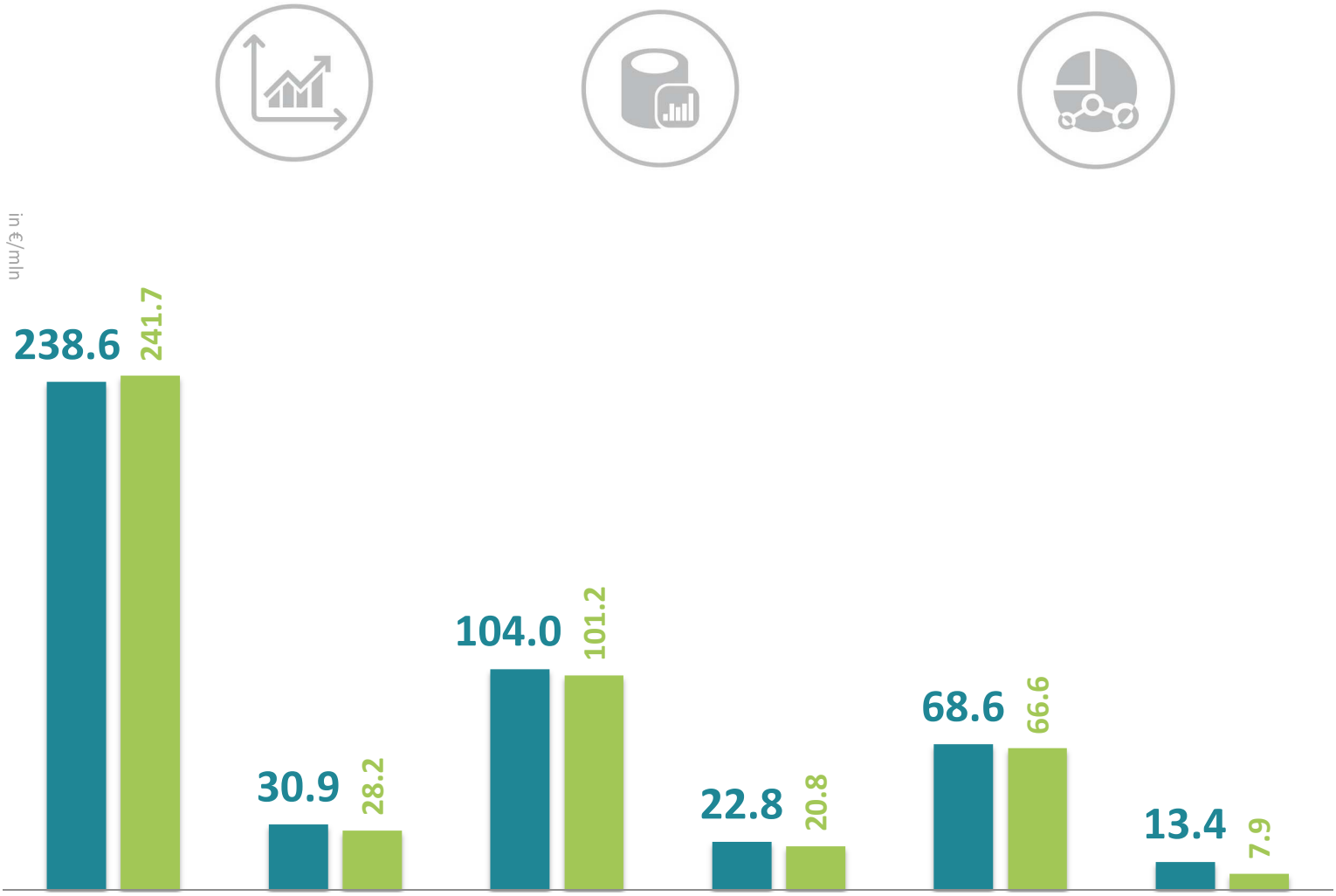

7%
6%
5%
4%
4%
3%
2%
1%
2%
1%
Value Italy
Private Equity Partners
Idea Capital
21 Investimenti
Cooperare
Unipol Banca
Nordest
NEIP II
Mediobanca
SICI

NON-GAAP FINANCIAL MEASURES

The MFM Group's management monitors and assesses the Group's business performance, results of operations and cash flows by using a number of financial ratios that are not defined under the international accounting standards IAS/IFRS ("Non-GAAP measures") and that are specified below. The Group's management considers that these financial ratios, which are not explicitly expressed in the accounting standards adopted to prepare the Consolidated Financial Statements, provide information which helps to understand and assess its overall financial and equity performance. These are widely used in the sector in which the Group operates but might not be directly comparable with those utilised by other companies, nor are they intended to replace the economic and financial performance ratios prepared in the application of the international accounting standards IAS/IFRS.

	Definition
Backlog	The Backlog is the amount of contract fees not yet accrued and connected with the residual term of the orders, which are held by the Group in the backlog.
Financial Capex	Financial capex is the net expenditure on the acquisition of equity investments on business combinations and on grants of long-term loans.
Industrial Capex	Industrial CAPEX are defined as the purchase of (i) Property, plant and equipment, (ii) Property, plant and equipment under lease and (iii) other intangible assets.
NWC	Consolidated Net Working Capital (NWC) is defined as the consolidated NWOC which is added the amount of other operating assets and liabilities (other current assets, other current liabilities, current tax receivables and payables, current provisions for risks and charges.
NWOC	Consolidated Net Operating Working Capital (NWOC) is composed of "Trade receivables and advance to supplier" and "Inventories", net of "Trade payables and advance to customers".
DPO	DPO (Days payables Outstanding) is a weighted average of days for payment of consolidated trade payables calculated as the ratio of trade payables, net of VAT on the amounts already received from the supplier, and costs over the last 12 months related to external production factors (included the capex) multiplied by the days of the reference period.
DSO	DSO (Days Sales Outstanding) is a weighted average of days for collection of consolidated trade receivables calculated as the ratio of trade receivables, net of VAT on the amounts already billed to customers, and revenues over the last 12 months multiplied by the days of the reference period.
EBIT	EBIT represents the Profit (Loss) before taxes gross of: i) Financial charges; ii) Financial income; iii) Dividend and income (loss) from sale of investments; iv) Share of net profit of associates; v) Profit (loss) on exchange rate. The Statement of Profit or Loss shows EBIT as "Operating Income/Loss".
EBITDA	EBITDA represents the Operating profit (loss) before "Allocations

	Definition
	to the accrual of provisions for risks and charges" and Amortization/Depreciation, write-downs and write-backs of assets. EBITDA is a measure used by the Company'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 criteria applied by the Group may not be comparable.
Adjusted EBIT or EBITDA	Adjusted EBITDA and Adjusted EBIT do not include non-recurring elements recorded in the consolidated Statement of Profit/Loss for the year, as described in paragraph "Non-recurring events and transactions in the period".
Gross Interest Bearing Financial Indebtedness (GIBFI)	Gross Interest Bearing Financial Indebtedness (GIBFI) is defined as the sum of: i) Current bank overdraft, advance payments and hot money; ii) Current portion of non-current bank debts; iii) Long-term bank debts; iv) Senior Secured Notes; v) Financial lease obligations.
LTM (Last Twelve Months)	LTM values relate to the economic values or financial flows identified in the last 12 months, or in the last 4 financial reporting years.
Net interest bearing financial indebtedness (NIBFI)	Net interest bearing financial indebtedness is defined as Gross Interest bearing financial indebtedness net of cash and cash equivalents.
NFP	Consolidated Net Financial Position represents the balance of Long-term debt, Derivatives, Bank borrowings (including current portion of long-term debt) and other financial liabilities, net of the amount of current financial assets and Cash and Cash equivalents.
NFP or NWOC Adjusted	Adjusted NWOC and Adjusted NFP include the balance of the trade receivables assigned in the framework of the previous years' assignment without recourse programmes (now abandoned), and not yet collected by the factoring companies.



DELTA REVENUES
-1.3%
vs 31/03/2016

EBITDA ADJ/ REVENUES
13.0%
vs 11.7% at 31/03/2016

EBITDA LTM ADJ/ REVENUES LTM
11.2%
vs 10.9% at 31/12/2016

EBIT ADJ/ REVENUES
9.6%
vs 8.6% at 31/03/2016

EBIT LTM ADJ/ REVENUES LTM
7.4%
vs 7.2% at 31/12/2016


in €/mln
(182,6)
(180,9)
(197,7)
(193,8)
176,2
175,0
124,7
114,2
139,8
127,1
NFP
ADJ NFP
CASH
NWOC
ADJ NWOC
PFN / EBITDA LTM
1,8x
vs 1,9x at 31/12/2016
PFN ADJ / EBITDA LTM
1,9x
vs 1,9x at 31/12/2016
NET CASH
138.3
vs 142.3 at 31/12/2016
CCON / REVENUES LTM
13.5%
vs 12.3% at 31/12/2016
CCON ADJ / REVENUES LTM
15.1%
vs 13.7% at 31/12/2016

MAIN EVENTS IN THE FIRST 3 MONTHS OF 2017

Amendments to regulations governing "Oneri di sistema"

The Parent Company MFM S.p.A. holds some major contracts for energy services. During 2015 costs relating to the so-called "*Oneri di Sistema*" were accounted for, on a prudential basis, on these contracts, for a total amount of € 6.2 million, of which € 3.1 million relating to the previous year, in accordance with the provisions laid down under Decree Law 91/2014, as amended and converted by Law 116/2014 and related implementing decree enacted in 2015. During 2016 the estimates of these costs were reviewed for some sites which had previously not been considered potentially eligible as SEUs (*Sistemi Efficienti di Utenza*, Efficient Utility Sytems) (to which *Oneri di Sistema* apply at a soft rate of 5%); this was accompanied by a change in the regulations governing the matter laid down in Decree Law no. 244 of 30 December 2016 ("*Milleproroghe* [Thousand Extensions] Decree"). Therefore no additional *Oneri di Sistema* were allocated during 2016.

On 23 February 2017 the Chamber of Deputies proceeded with final approval, with the consequent conversion into "*Milleproroghe* [Thousand Extensions] Law Decree". The amendments in question repealed the rule (laid down in the abovementioned laws of 2014), according to which, except for the RIUs (*Reti Interne di Utenza*, Internal Utility Networks), general *oneri di sistema* would be calculated, from the 2014 financial year, by making reference to energy consumption rather than to withdrawal from the grid, thus substantially bringing the previous law into force again, which was laid down under Bersani Decree (Legislative Decree 79/99). Therefore, according to the regulations amended as described above, the management of MFM S.p.A. believes that no additional *Oneri di Sistema* must be recognised during 2017, also given that payment obligations have ceased to apply to those relating to previous years, for which no payment was made, pending clarifications regarding their terms.

Antitrust Authority's order for sanctions on the Consip Tender of 2012 and new proceedings concerning the FM4 Tender

During the first quarter of 2017, administrative proceedings continued in relation to the fine that was imposed by the Competition Authority ("AGCM") on 20 January 2016, as a result of a breach of competition rules on the part of some companies which had taken part in a European Union tender for cleaning services in school buildings called by CONSIP in 2012.

The Parent Company MFM S.p.A., which has continued to reject the arguments based on the charges, has challenged, before the Council of State, the judgment that was issued by the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale*, TAR) on 14 October 2016, which had only partially granted the appeal filed by MFM S.p.A., referring the papers to AGCM for a new calculation of the fine, with the recommendation to reduce both the related taxable base (limiting it to the amount set for the tender) and the percentage to be applied to the abovementioned amount (from 15% to 5%).

However, the Council of State handed down its ruling on 28 February 2017, confirming the ruling of the Lazio Regional Administrative Court. In any case, MFM S.p.A. will also challenge the Council of State's judgment by filing an appeal with the Supreme Court.
Furthermore, on 23 December 2016 AGCM executed the Lazio Regional Administrative Court's ruling and published a new order, recalculating the fine at € 14,700 thousand. This order was also challenged by the Company before the Lazio Regional Administrative Court.

On 24 March 2017, the Lazio Regional Administrative Court rejected the request for suspension of payment submitted by MFM S.p.A.: therefore, the entire amount of the fine has been reclassified to "Other operating liabilities", given that it is obliged to make the payment. Finally AGCM handed down an order on 28 April 2017 concerning the payment by instalments requested by the Company, allowing the latter to pay the fine in 30 monthly instalments at the legal interest rate (currently equal to 0.1%). The first instalment was paid on 3 May 2017.

On 23 March 2017 AGCM notified MFM S.p.A. of the initiation of a preliminary investigation procedure against CNS – Consorzio Nazionale Servizi Società Cooperativa, Dussmann Service, S.r.l., Engie Servizi S.p.A. (formerly Cofely Italia S.p.A.), ManitalIdea S.p.A., MFM S.p.A., Romeo Gestioni S.p.A. and STI S.p.A. in order to establish whether these companies implemented any possible understanding restricting competition, concerning the coordination of the procedures to participate in the tender launched by Consip in 2014 for awarding the Facility Management services to be rendered to the properties that are mainly intended for office use on the part of the Public Authorities ("FM4 Tender").
To date AGCM has started preliminary investigations only. The Company firmly rejects the arguments holding an alleged collusive agreement with the other companies involved in the proceedings.

For more detailed information on the administrative proceedings that are currently pending and on any additional estimate made by the Directors as at the reporting date of the consolidated Financial Statements at 31 December 2016 and of the Interim consolidated Financial Statements at 31 March 2017, reference should be made to the abridged explanatory notes (note 13).

1. SUMMARY OF RESULTS OF THE FIRST QUARTER OF 2017

	For the quarter ended 31 March			
	2017	2016	Change	%
Revenues	238,599	241,696	(3,097)	-1.3%
Adjusted EBITDA	30,928	28,161	2,767	+9.8%
Adjusted EBITDA % of Revenues	*13.0%*	*11.7%*		
Adjusted EBIT	22,803	20,803	2,000	+9.6%
Adjusted EBIT % of Revenues	*9.6%*	*8.6%*		
Consolidated Net Result	13,370	7,903		

During the first quarter of 2017 the Group achieved ***Revenues*** of € 238.6 million, showing a decrease of € 3.1 million compared to the first quarter of 2016 (€ 241.7 million). Despite a trend showing a reduction in volumes, the quarter reported a decline in the Company's turnover that was less evident compared to that had been recorded gradually during 2016. The turnover from the Laundering&Sterilization SBU remained substantially unchanged (€ 33.2 million against € 33.4 million for the quarter ended 31 March 2016) while the negative change in consolidated Revenues was fully reflected in the turnover from the Facility Management sector, which came to € 206.1 million at 31 March 2017, with a decrease of € 3.0 million (-1.4%) compared to the same period of 2016.
The breakdown of turnover by market shows an increase in sales from the Healthcare customer out of total sales (+ € 5.6 million, equal to 48.8% of consolidated Revenues against 45.9% for the same period of the previous year); on the other hand, there was a decline in sales volumes from Public Entities (- € 5.3 million compared to the same period of the previous year). Finally, revenues from Private market recorded a decline of € 3.4 million, in absolute terms, compared to the first quarter of 2016.

As at 31 March 2017 the **Backlog** came to € 2,766 million, showing a slight decline (€ 79 million) compared to the value posted at the end of the previous quarter (€ 2,845 million at 31 December 2016). The deterioration of the Backlog during the first quarter of the year is to be considered as being physiological and in line with the values posted in previous financial years. The LTM Backlog/Revenues ratio at 31 March 2017 amounted to 3.0x (3.1x at 31 December 2016 and 3.0x at 31 March 2016).

Adjusted EBITDA for the first quarter of 2017 recorded a substantial increase (+ € 2.8 million, + 9.8%) compared to the first quarter of the previous year (€ 30.9 million against € 28.2 million), despite a performance of Revenues that continued to show a reduction trend. The recovery in terms of average margins (**Adjusted EBITDA/Revenues**) was substantial compared to the same period of the previous year (13.0% against 11.7%). **LTM Adjusted EBITDA** (€ 104.0 million at 31 March 2017, equal to 11.2% of related LTM Revenues) was also higher than the Adjusted EBITDA recorded at the end of 2016 (€ 101.2 million,

equal to 10.9% of related LTM Revenues), thus strengthening the effects of the production cost efficiency actions that more than offset the trend of reduction in volumes.

Adjusted EBIT for the quarter ended 31 March 2017 came to € 22.8 million (9.6% of related Revenues), showing an increase compared to € 20.8 million (8.6% of related Revenues) in the same period of the previous year (+ € 2.0 million). In absolute terms, the trend was affected by the performance already reported for EBITDA (+ € 2.8 million), to which must be added lower *amortisation and depreciation* for € 0.1 million and lower write-downs of *Other investments* for € 0.1 million. Furthermore, higher write-downs of receivables (+ € 0.7 million) were recorded, which were due to higher risks assessed on specific positions of the parent company MFM S.p.A., as were higher accruals to provisions for future risks and charges for € 0.3 million.

Finally, the **Consolidated Net result** in the quarter was equal to € 13.4 million, against a net profit of € 7.9 million in the quarter ended 31 March 2016, due to consolidated **EBIT** that was significantly higher (+ € 7.4 million), mainly as a result of the recognition of proceeds on the *Oneri di Sistema* from previous years (+ € 6.2 million), which are no longer payable following the recent regulatory amendments that have affected the Energy market (for which reference should be made to the following paragraph on "Non-recurring events and transactions"). Furthermore, net financial costs remained almost unchanged (+ € 0.1 million), given the absence of significant changes in consolidated financial debt.

	31 March 2017	31 December 2016	Change
Adjusted Net Working Operating Capital (NWOC)	139,783	127,052	12,731
Adjusted Net Financial Position (NFP)	(197,697)	(193,825)	(3,872)

In equity and financial terms, the data relating to the Adjusted Net Working Operating Capital (**NWOC**) at 31 March 2017 recorded an increase of € 12.7 million compared to the value posted at the end of the previous year.
DSO on 31 March 2017 was 177 days, against 170 days at 31 December 2016. Furthermore, DPO remained substantially unchanged during the first quarter of 2017 compared to the value posted at the end of 2016 (227 days at 31 March 2017 against 226 days at 31 December 2016).
The performance described in terms of receipts from customers and payments to suppliers has then showed an overall absorption of cash flows during the quarter; the absorption generated by a physiological slowdown in receipts from customers was not followed by an extension of terms of payment.

In the quarter, adjusted Financial Position (**NFP**) recorded an increase of € 3.9 million. The flows absorbed by the change in Adjusted NWOC (€ 13.6 million) were offset by cash flow generated from current

operations of € 28.4 million, while net industrial investments amounted to € 9.9 million against € 1.6 million due to utilisations of provisions for future risks and charges and employee termination indemnity during the quarter. Furthermore, there was negative cash flows of € 7.2 million for the changes that were recorded in other operating assets and liabilities during the quarter, and in particular in higher net credit balances concerning the Group companies' VAT (+ € 4.4 million).

Non-recurring events and transactions

In the course of the first quarter of 2017, the Group recognized in the Statement of profit or loss some "non-recurring" financial items which impacted on the normal dynamics of the consolidated results. Pursuant to CONSOB Communication DEM/6064293 of 28 July 2006, "*significant non-recurring events and transactions*" mean events or transactions whose occurrence is non-recurring or those transactions or events that are not repeated frequently as part of normal operations and have a significant impact on the financial position, economic result and cash flows of Group companies.

The following non-recurring costs are recorded in the Consolidated Statement of Profit/Loss for the period:

(in thousands of Euro)	For the quarter ended 31 March	
	2017	2016
Legal advice on pending administrative disputes	84	403
Costs from reorganisation of company units	1,557	
Oneri di sistema relating to previous years	(6,152)	
Consulting advice on contracts of assignments of trade receivables without recourse		510
NON-RECURRING EXPENSES (INCOME) IMPACTING ON EBIDTA AND EBIT	**(4,511)**	**913**

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

(in thousands of Euro)	For the quarter ended 31 March	
	2017	2016
EBITDA	**35,439**	**27,248**
Non-recurring operating changes (income) impacting on EBITDA	(4,511)	913
ADJUSTED EBITDA	**30,928**	**28,161**
ADJUSTED EBITDA % REVENUES	**13.0%**	**11.7%**
EBIT	**27,314**	**19,890**
Non-recurring operating charges (income) impacting on EBITDA and EBIT	(4,511)	913
ADJUSTED EBIT	**22,803**	**20,803**

(in thousands of Euro)	For the quarter ended 31 March	
	2017	2016
ADJUSTED EBIT % REVENUES	9.6%	8.6%

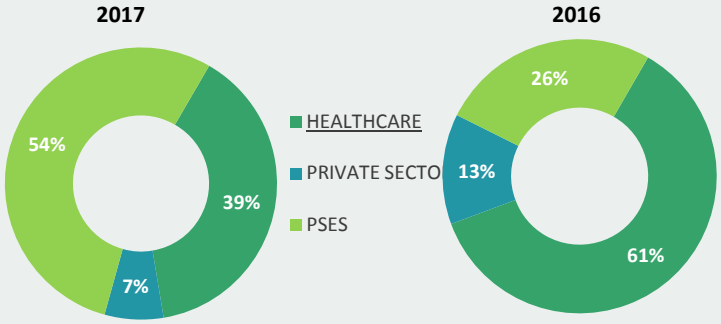
2. BUSINESS DEVELOPMENT

During the first three months of 2017 the Group brought orders for an overall multi-year amount of € 81.8 million, which include extensions and renewals of contracts already present in its commercial backlog for € 50 million.

As in the past, this figure regards only long-term contracts obtained in the context of services for "traditional" facility management, for linen rental and industrial laundering services as well as for the sterilization of surgical instruments, in addition to B2B technology services with the recent start-up of e-Digital Services S.r.l.. On the contrary, the figure does not include the commercial portfolio of the companies of the sub-Group owned by Sicura S.p.A., whose contracts have an average term of less than one year and, therefore, a future minor visibility. However, these companies have a not particularly significant impact (of less than 4% in the first 3 months of 2017) on consolidated production volumes.

New contracts in the Healthcare sector continued to impact on the total in a significant manner (an overall percentage of 39%, equal to € 32 million) during the quarter, against substantial orders gained in the Public market segment (€ 44 million) during the quarter.

CONTRACTS ACQUIRED BY REFERENCE MARKET AT 31 MARCH



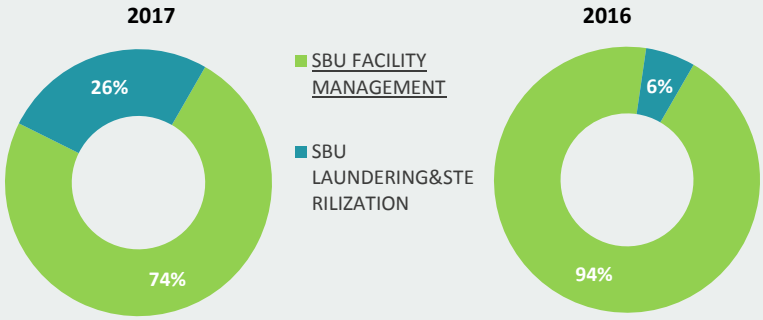
During the first quarter the Group gained a major 9-year contract, in the Healthcare sector, through Ospedalieri S.p.A., concerning both linen rental and industrial laundering and surgical instrument sterilisation services at the new private hospital Mater Olbia in Sardinia.

MFM S.p.A. also gained the order for Lot 2 of the contract for redevelopment and provision of energy services at the ASUR Marche –San Benedetto del Tronto Hospital.

In the Public market segment, the Group obtained the renewal of the order for cleaning services under the 3-year Intercenter 4 agreement, at facilities owned by the Municipality of Bologna and by the provincial governments of Bologna and Modena. Finally, note the order gained in the Private market segment for cleaning services at the hypermarkets of the IPER Montebello S.p.A. chain.

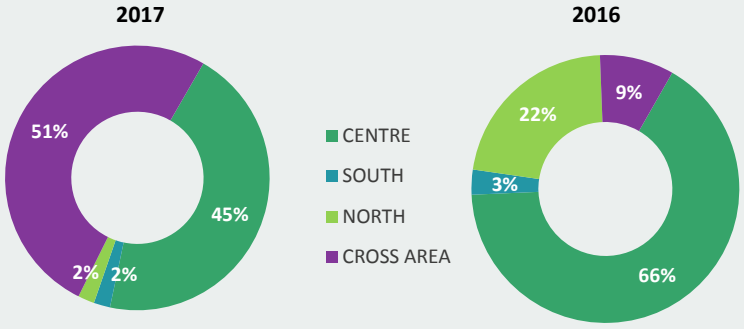
Regarding the new orders in terms of Strategic Business Unit (SBU), the Facility Management segment obtained contracts of € 61 million and the Laundering & Sterilization of € 22 million. The contract gained at Mater Olbia that has already been described above falls within the latter scope.
As regards the Facility Management SBU, a substantial 5-year order was gained for the global service of the real estate and system assets pertaining to HERA S.p.A. all over the country.

CONTRACTS ACQUIRED BY SBU AT 31 MARCH



Furthermore, a geographical distribution of the commercial portfolio of new acquisitions in the period is provided below:

CONTRACTS ACQUIRED BY GEOGRAPHICAL AREA AT 31 MARCH



3. THE GROUP'S CONSOLIDATED PERFORMANCE OF OPERATIONS AND FINANCIAL POSITION FOR THE 3 MONTHS ENDED 31 MARCH 2017

3.1 Consolidated performance of operations in the first quarter of the 2017 financial year

Below are reported the main income figures relating to the period ended 31 March 2017, compared to the figures of the corresponding period of 2016:

(in thousands of Euro)	For the quarter ended 31 March		Change	%
	2017	2016		
Total revenues	238,599	241,696	(3,097)	-1.3%
Total costs of production	(203,160)	(214,448)	11,288	-5.3%
EBITDA	**35,439**	**27,248**	**8,191**	**+30.1%**
EBITDA %	**14.9%**	**11.3%**		
Amortization, depreciation, write-downs and write-backs of assets	(7,572)	(7,150)	(422)	
Accrual of provisions for risks and charges	(553)	(208)	(345)	
Operating Income (EBIT)	**27,314**	**19,890**	**7,424**	**+37.3%**
EBIT %	**11.4%**	**8.2%**		
Share of net profit of companies	1,227	871	356	
Net financial charges	(7,125)	(7,076)	(49)	
Profit before taxes (EBT)	**21,416**	**13,685**	**7,731**	**+56.5%**
EBT %	**9.0%**	**5.7%**		
Income taxes	(8,046)	(5,782)	(2,264)	
Profit (loss) for the year from continuing operations	**13,370**	**7,903**	**5,917**	
Profit (loss) for the year from discontinued operations	**0**	**0**	**0**	
NET PROFIT (LOSS)	**13,370**	**7,903**	**5,917**	
NET PROFIT %	**5.6%**	**3.3%**		
Minority interests	(22)	170	(192)	
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**13,348**	**8,073**	**5,725**	
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	**5.6%**	**3.3%**		

REVENUES

During the first quarter of 2017 the Group achieved Revenues of € 238.6 million, showing a slight decline (-€ 3.1 million, equal to -1.3%) compared to Revenues of € 241.7 million in the same period of the previous year. Although the trend of reduction in sales volumes recorded a slowdown compared to recent financial years, it was confirmed during the current quarter.

The breakdown of consolidated revenues by reference Market in the first 3 months of 2017 is provided below, compared to the value poste during the same period of the previous year.

REVENUES BY MARKET

(in thousands of Euro)	For the quarter ended 31 March			
	2017	% of total revenue	2016	% of total revenue
PSEs	66,234	27.8%	71,503	29.6%
Healthcare	116,492	48.8%	110,920	45.9%
Private sector	55,873	23.4%	59,273	24.5%
CONSOLIDATED REVENUES	**238,599**		**241,696**	

During the first quarter of 2017 the breakdown of turnover by market showed increased sales from the Healthcare sector (including public and private healthcare facilities) out of total (+ € 5.6 million, equal to 48.8% of consolidated revenues against 45.9% for the same period of the previous year). The effect is attributable to the start of operations, between the end of 2016 and the first months of 2017, on some new significant contracts, including some major contracts concerning the local health units of Frosinone and Roma 2, in addition to the acknowledgment by various customers of revenues relating to previous years for adjustments to amounts and/or ISTAT (National Statistics Institute) index revaluations for a significant total amount.

During the quarter there was a decline in sales volumes from Public Authorities, both in absolute terms (-€ 5.3 million compared to the same period of the previous year) and in terms of contribution compared to consolidated Revenues (27.8% against 29.6% of the first 3 months of 2016). In fact, the end of 2016 saw the completion of some major contracts (including those relating to the Consip "Scuole Belle" agreement, as well as those relating to the Provinces of Vicenza and Venezia), which were only partly replaced by the start of operations on new contracts (including major contracts concerning, during 2017, the start of operations for the concession of services at the Municipality of Alessandria and the global service contract, which has been already started, for the road network of the Municipality of Bologna, which has only partially contributed to consolidated Revenues of 2016).

Finally, Revenues from Private market reported, in absolute terms, a decline of € 3.4 million compared to the first quarter of 2016 and showed a reduction, also in terms of incidence, in total Revenues, which passed from 24.5% at 31 March 2016 to 23.4% at 31 March 2017. The trend, which had already arisen in previous years, is linked to the gradual renewal of contracts in portfolio against considerations and lower amounts on average, combined with a business development that had quite limited effects during the quarter.

Analysis of revenues by Segment

A comparison of Group revenues by business segment is provided below.

The business segments were identified on the basis of IFRS 8 and correspond to the following business areas: "*Facility Management*" and "*Laundering&Sterilization*".

REVENUES BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2017	% of total revenue	2016	% of total revenue
Facility Management	206,074	86.4%	209,051	86.5%
Laundering & Sterilization	33,175	13.9%	33,352	13.8%
Intra-group elimination	(651)	-0.3%	(707)	-0.3%
CONSOLIDATED REVENUES	**238,599**		**241,696**	

The breakdown of turnover by operating segments confirms that the relative weight of sectors remained substantially unchanged, being equal to 86.4% in the first quarter of 2017 (86.3% in the same period of the previous year) for the *Facility Management* segment and to 13.9% (13.8% in the same period of the previous year) e per il *Laundering&Sterilization* segment.

The change in consolidated Revenues fully reflected in the sales from the *Facility Management* segment, which came to € 206.1 million at 31 March 2017, showing a decrease of € 3.0 million (-1.4%) compared to the same period in 2016, mainly due to the completion of operations relating to some Consip agreements, which were not yet replaced by additional agreements being awarded.

The *Laundering&Sterilization* sector achieved Revenues of € 33.2 million in the quarter ended 31 March 2017 against € 33.4 million in the quarter ended 31 March 2016. The sales in the sector remained substantially stable against a portfolio turnover that was not particularly significant. Furthermore, higher settlements were recorded in both services for a total differential amount of € 0.4 million during the first quarter of 2017.

EBITDA

At 31 March 2017 the Group's EBITDA came to € 35.4 million against € 27.3 million in the quarter ended 31 March 2016. However, EBITDA in the first quarter of 2017 was affected by non-recurring costs of € 1.6 million, while non-recurring costs amounted to € 0.9 million in the same period of the previous year. On the other hand, EBITDA include a non-recurring income arising from the contingent item concerning "*Oneri di sistema*" for € 6.2 million during the first quarter of 2017. Therefore, Adjusted EBITDA, which does not include these non-recurring items, came to € 30.9 million at 31 March 2017, against Adjusted EBITDA of €

28.2 million at 31 March 2016, with relative margins compared to Revenues which passed from 11.7% at 31 March 2016 to 13.0% at 31 March 2017.
Furthermore, the Group continued to incur start-up costs arising from the new projects (B2C and international development) against reduced initial business volumes. The effect of these projects entailed lower EBITDA for € 1.8 million during the first quarter of 2017 (against € 0.6 million at 31 March 2016).

Below is provided a comparison of EBITDA by business segment for the quarter ended 31 March 2017 and the values recorded in the quarter ended at 31 March 2016:

EBITDA BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2017	% of segment revenues	2016	of segment revenues
Facility Management	26,496	12.9%	18,716	9.0%
Laundering&Sterilization	8,943	27.0%	8,532	25.6%
CONSOLIDATED EBITDA	**35,439**	**14.9%**	**27,248**	**11.3%**

The *Facility Management* sector showed a considerable improvement in percentage margins compared to respective Revenues (12.9% at 31 March 2017 against 9.0% at 31 March 2016), in consideration of the abovementioned non-recurring items that significantly affected the results for the sector (a net profit of € 4.5 million). However, the results confirmed an increase in the sector's EBITDA, equal to € 2.6 million, net of non-recurring items, which was mainly attributable to the abovementioned acknowledgment of ISTAT (National Statistics Institute) index revaluations and adjustments to amounts relating to previous years, as recognised under the sector's Revenues, as well as to the substantial contribution given by rescheduling activities carried out with suppliers. The effects of production efficiency actions are evident in the so-called "traditional" facility management segment, which also offset the volume effect and costs arising from start-up business projects, which currently fall within the scope of this SBU.

During the period ended 31 March 2017 EBITDA in the *Laundering&Sterilization* sector came to € 8.9 million, showing an increase of € 0.4 million compared to € 8.5 million in the same period in 2016. However, the positive result can be appreciated in terms of margins, which passed from 25.6% to 27.0% of related Revenues. The performance for the period was also affected by the abovementioned positive differential balance of settlements concerning Revenues (+ € 0.4 million), as well as by a lower impact of costs for property leases involving industrial buildings (+ € 0.3 million) following the acquisition of the properties located in Teramo, Ferrara and Lucca within the scope of a general reorganisation of production

sites between the end of 2016 and the first quarter of 2017. On the other hand, there was a slight increase in personnel costs, mainly due to a different weight in using accrued leaves.

Cost of production

At 31 March 2017, cost of production, which amounted to € 203.2 million, showed a decrease of € 11.3 million in absolute terms compared to € 214.4 million recorded at 31 March 2016 (-5.3%).

(in thousands of Euro)	For the quarter ended 31 March			
	2017	% of total	2016	% of total
Consumption of raw materials and consumables	38,004	18.7%	41,694	19.4%
Change in inventories of finished and semi-finished products	0	0.0%	(20)	0.0%
Costs for services and use of third-party assets	75,169	37.0%	75,782	35.3%
Personnel costs	95,255	46.9%	95,188	44.4%
Other operating costs	(5,203)	-2.6%	1,804	0.8%
Capitalisation of lower internal construction costs	(65)	0.0%	0	
COSTS OF PRODUCTION	**203,160**		**214,448**	

Costs of raw materials and consumables, for the first 3 months of 2017, came to € 38.0 million, showing a decrease of € 3.7 million (-8.9%) compared to the same period of 2016, with an incidence on consolidated Revenues that fell from 19.4% to 18.7%. The period under examination also recorded a decrease in fuel consumption (- € 5.0 million) against an increase in consumption of materials (+ € 1.3 million), mainly as a result of a different mix of services rendered compared to the previous year and, consequently, of the use of the basic raw material. Furthermore, in 2017 the Group's efficiency objectives considerably focused on energy and heat management services, including the abovementioned rescheduling activities, which also involved some suppliers of utilities.

Costs for services and use of third-party assets remained substantially unchanged during the period ended 31 March 2017 compared to the period ended 31 March 2016, showing a reduction of € 0.6 million (-0.8%) in absolute terms and a stable impact on consolidated Revenues (31.5% against 31.4%).
Specifically, lower *costs for use of third-party assets* were recorded for € 0.4 million during the quarter, mainly due to lower leases involving the industrial buildings of Servizi Ospedalieri S.p.A. (- € 0.3 million), following the acquisition of the same under ownership and finance lease agreements between the end of 2016 and the first quarter of 2017.

Personnel costs also remained unchanged (€ 95.3 million at 31 March 2017 against € 95.2 million at 31 March 2016), showing a slight increase in their impact on consolidated Revenues (39.9% against 39.4%).

During the first quarter of 2017 the average number of employees was equal to 16,197 people against 16,470 in the same period in the previous year (of which manual workers: 14,884 against 15,129). The trend in the number of Group employees, and specifically in the number of manual workers, was closely linked to the mix of services being performed. Furthermore, non-recurring personnel costs totalling € 1.3 million were also accounted for during the first quarter of 2017.

At 31 March 2017, *Other operating costs* posted a positive value of € 5.2 million against costs of € 1.8 million at 31 March 2016.
At 31 March 2016 this item included costs of € 0.8 million relating to "*Oneri di sistema*", which affected some energy service contracts until the previous year. The Parent Company MFM S.p.A. recognised total costs of € 6.2 million until 31 December 2016, in accordance with the regulatory provisions laid down under Decree Law 91/2014, as amended and converted by Law 116/2014 and the related implementing decree that was enacted in 2015. However, the related payments were not made because the procedures for collection on the part of the Tax Office had not yet been notified. On 23 February 2017 the Chamber of Deputies proceeded with final approval, with the consequent conversion of Decree Law 244 of 30 December 2016 ("*Milleproroghe* [Thousand Extensions] Decree") into Law. The amendments in question affected the current regulations governing "*Oneri di Sistema*" and specifically, they repealed the rule (laid down in the abovementioned laws of 2014), according to which, except for the RIUs (*Reti Interne di Utenza*, Internal Utility Networks), general *oneri di sistema* would be calculated, from the 2014 financial year, by making reference to energy consumption, thus substantially bringing the previous law rule force again, which was laid down under Bersani Decree (Legislative Decree 79/99). Therefore, according to the regulations amended as described above, the management of MFM S.p.A. believe that no additional *Oneri di Sistema* must be recognised during 2017, also given that payment obligations have ceased to apply to those relating to previous years and that a contingent asset has been recognised for the debt that had been stated at the end of the previous year.

Operating Income (EBIT)

In the first 3 months of 2017, consolidated Operating Income (**EBIT**) stood at € 27.3 million (equal to 11.4% of Revenues) against € 19.9 million (equal to 8.2% of Revenues) in same period of the previous year. Net of the non-recurring items already described for EBITDA, **Adjusted EBIT** came to € 22.8 million (€ 20.8 million at 31 March 2016), with a considerable improvement in relative margins (Adjusted EBIT/Revenues) which passed from 8.6% to 9.6%.
EBIT was mainly affected by the abovementioned consolidated performance in terms of EBITDA (+ € 2.8 million), from which must be deducted *amortization and depreciation of* € 6.7 million (€ 6.8 million at 31 March 2016), *accruals of provisions for risks and charges (net of reversals)* of € 0.6 million (€ 0.2 million at 31 March 2016), as well as *write-downs of receivables* and *reversals* of € 0.9 million (against € 0.2 million at 31 March 2016, when impairment losses had also been recognised on *Other equity investments* for € 0.1 million).

Below is reported a comparison of Operating Income (EBIT) by segment in the quarter ended 31 March 2017, compared to the amounts recorded in the same period of the previous year:

EBIT BY SEGMENT

(in thousands of Euro)	For the quarter ended 31 March			
	2017	% of segment revenues	2016	% of segment revenues
Facility Management	22,895	11.1%	16,290	7.8%
Laundering&Sterilization	4,419	13.3%	3,600	10.8%
CONSOLIDATED EBIT	**27,314**	**11.4%**	**19,890**	**8.2%**

At 31 March 2017, EBIT in the *Facility Management* segment was equal to € 22.9 million (11.1% of the related Segment revenues), against EBIT of € 16.3 million at 31 March 2016 (7.8% of the related Revenues). First of all, the amount reflects the abovementioned performance in terms of EBITDA (+ € 7.8 million) against higher amortisation and depreciation for € 0.2 million (linked in particular to investments in hardware and software infrastructures) and higher write-downs of trade receivables for € 0.7 million, which mainly include a risk assessment concerning some specific positions of MFM S.p.A.. During the first quarter of 2016, write-downs of € 0.1 million were recognised on non-strategic investments. Finally, there were higher net accruals to provisions for future risks and charges for € 0.4 million in relation to minor adjustments to risk forecasts included in the Financial Statements at 31 December 2016.

To the positive performance of EBITDA in the *Laundering&Sterilization* sector in the first quarter of 2017 (+ € 0.4 million compared to the same period in the previous year) must be added, at the level of sector EBIT, lower amortisation and depreciation for € 0.3 million (mainly relating to the linen rental and industrial laundering segment, and specifically to linen management) and lower write-downs of receivables for € 0.1 million, against net accruals to provisions for future risks and charges recognised for insignificant amounts in both comparative periods. Therefore, the fact that the segment Revenues remained substantially stable entailed a substantial improvement in the margins from the sector (+2.5% of related Revenues).

Profit before taxes

To the consolidated EBIT must be added net income from companies valued at equity equal to € 1.2 million (€ 0.9 million at 31 March 2016), which reflected, among others, the Group's share of the result of associate Roma Multiservizi S.p.A. for € 0.4 million (€ 0.7 million at 31 March 2016). Furthermore, there was the recognition of net financial charges of € 7.1 million (unchanged compared to the first quarter of

2016), thus obtaining a Profit before taxes equal to € 21.4 million, at 31 March 2017, (€ 13.7 million at 31 March 2016).

Below is provided the breakdown by nature of net financial charges for the first quarter of 2017 and for the same period of the previous year:

(in thousands of Euro)	For the quarter ended 31 March	
	2017	2016
Financial income	219	777
Financial charges	(7,344)	(7,853)
NET FINANCIAL CHARGES	**(7,125)**	**(7,076)**

Financial income recorded a decrease of € 0.6 million compared to the same period of the previous year, when, among other items, there was € 0.6 million in default interest, which was received in the framework of the settlement agreement reached on the previous debt position of a specific client in the Healthcare segment.

The impact of *financial charges* on the consolidated economic results in the period was equal to € 7.3 million, with a decrease of € 0.5 million over the same period of 2016, when they amounted to € 7.9 million.
First of all, the item recorded financial costs on the bond coupons equal to € 6.4 million, which remained unchanged compared to the previous year as a result of the absence of market operations involving quotas of Senior Secured Notes.
On the other hand, there was the recognition of financial costs for assignments of receivables with recourse for € 0.2 million (relating to the contract in place with Unicredit Factoring) and costs for interest discount relating to the agreements of assignments of receivables without recourse in place with Banca Farmafactoring for € 0.1 million during the first quarter of 2017. Finally, during the first 3 months of 2016, higher interest discount charges of € 0.6 million were recognised in connection with an assignment of tax receivables without recourse under Decree Law 201 of 6 December 2011, as amended and converted by Law no. 214 of 22 December 2011, which, in 2012, allowed various Group companies to submit applications for the refund of IRES corporate income tax, owing to the failure to deduct IRAP regional production activity tax for a total of € 12.4 million.

Consolidated net profit for the year

From the profit before taxes for the quarter (€ 21.4 million) must be deducted taxes of € 8.0 million thus obtaining a negative Net profit from continuing operations of € 13.4 million (€ 7.9 million at 31 March 2017).

The consolidated tax rate is shown below:

(in thousands of Euro)	For the quarter ended 31 March	
	2017	2016
Profit before taxes	**21,416**	**13,685**
Current, prepaid and deferred IRES tax	(6,330)	(4,417)
Current, prepaid and deferred IRAP tax	(1,715)	(1,365)
CONSOLIDATED NET PROFIT	**13,370**	**7,903**
TOTAL TAX RATE	**37.6%**	**42.3%**

Compared to the first 3 months of the previous year, the Profit before taxes showed an increase of € 7.7 million, against a total increase in the tax burden of € 2.3 million. The tax rate for the quarter ended 31 March 2017 was 37.6% against 42.3% over the same period of 2016, because some tax components were practically unchanged (IRAP tax and non-deductible IRES tax charges), the impact of which reduces when the result before taxes increases.

3.2 Analysis of the statement of financial position as at 31 March 2017

(in thousands of Euro)	31 March 2017	31 December 2016	Change
USES			
Trade receivables and advances to suppliers	468,619	456,095	12,524
Inventories	4,579	4,382	197
Trade payables and advances from customers	(348,484)	(346,308)	(2,176)
Net commercial working capital	**124,714**	**114,169**	**10,545**
Other elements of working capital	(84,110)	(68,555)	(15,555)
Net working capital	**40,604**	**45,614**	**(5,010)**
Property, plant and equipment	70,094	66,110	3,984
Goodwill and other intangible assets	395,834	396,570	(736)
Investments accounted for under the equity method	31,147	30,534	613
Other items of non-current assets	39,393	38,913	480
Fixed assets	**536,468**	**532,127**	**4,341**
Non-current liabilities	(58,316)	(73,427)	15,111
NET INVESTED CAPITAL	**518,756**	**504,314**	**14,442**
SOURCES			
Equity attributable to non-controlling interests	257	235	22
Equity attributable to equity holders of the Parent	335,871	323,137	12,734
Shareholders' equity	**336,128**	**323,372**	**12,756**
Net financial indebtedness	182,628	180,942	1,686
FINANCING SOURCES	**518,756**	**504,314**	**14,442**

Net working capital

At 31 March 2017, Consolidated Net Working Capital (**NWC**) amounted to € 40.6 million, showing a decrease of € 5.0 million compared to 31 December 2016 (€ 45.6 million).

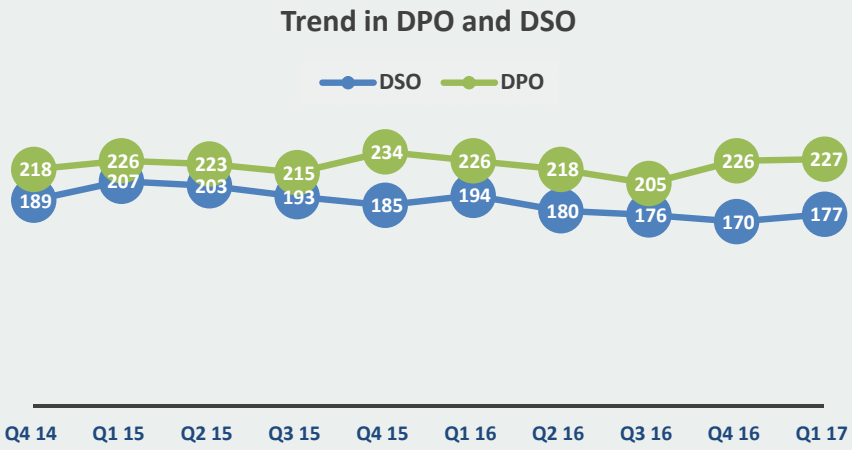
At 31 March 2017, consolidated net operating working capital (**NWOC**), composed of trade receivables and advances to suppliers and inventories, net of trade payables and advances from customers, was equal to € 124.7 million against € 114.2 million at 31 December 2016. Considering the balance of receivables assigned without recourse by the Group and not yet collected by the factoring agencies (equal to € 15.1 million at 31 March 2017 against € 12.9 million at 31 December 2016), **Adjusted NWOC** came to € 139.8 million and € 127.1 million, respectively.

The change recorded in the latter item (+ € 12.7 million) was mainly due to an increased balance of trade receivables (+ € 14.7 million, considering the balance of receivables assigned without recourse by the Group and not yet collected by the factoring agencies) against a decrease in the stock of trade payables, which came to € 348.5 million at 31 March 2017 (- € 2.2 million compared to the balance of € 346.3 million at 31 December 2016).

Average DSO at 31 March 2017 was 177 days, against 170 days at 31 December 2016 and 194 days at 31 March 2016.

The first quarter of 2017 confirmed that DPO remained substantially unchanged compared to the value posted at the end of 2016 and during the first quarter of 2016 (227 days at 31 March 2017 against 226 days at 31 December 2016 and at 31 March 2016).

As regards overall cash flow management, there is historically a natural slowdown in collections during the first part of the year and a quarter by quarter improvement which ends with a more satisfactory level by the end of the financial year. However, the trend was weaker during the first quarter of 2017 compared to the same period in previous years (+9 days compared to 2016 and +18 days compared to 2015, which was also affected by usual delays linked to the introduction of VAT regulations governing Split Payments). On the other hand, the financial planning of payments to suppliers maintained DPO in line with the average values recorded for the period in question and at 31 December 2016, without the slowdown reported by collections impacting payments.



The balance of the other elements in working capital at 31 March 2017 was a net liability of € 84.1 million, up by € 15.6 million compared to a net liability of € 68.6 million at 31 December 2016:

(in thousands of Euro)	31 March 2017	31 December 2016	Change
Current tax receivables	387	3,500	(3,113)
Other current assets	29,210	25,932	3,278
Provisions for risks and charges, current	(10,346)	(10,715)	369
Current tax payables	(6,188)	(1,363)	(4,825)
Other current liabilities	(97,173)	(85,909)	(11,264)
OTHER ELEMENTS IN WORKING CAPITAL	**(84,110)**	**(68,555)**	**(15,555)**

The increase in net liability of the other working capital elements was due to a combination of factors, mainly including:

- the seasonal movements of payables to/receivables from employees and the relative payables to/receivables from social security institutions and the tax authorities, which accounted for an increase in net liabilities of € 4.3 million;
- the increase in the Group companies' net VAT credit balance for € 6.1 million, due to balances that are now systematically generated as a result of the introduction of the new regulations governing "Split payment" and "Reverse charge" as early as in 2015;
- the recognition, under "Other current operating liabilities", of the debt of € 14.7 million relating to the fine that was imposed by AGCM during 2016, which had been previously stated under provisions for risks and charges, following the enforcement of the order issued by the Authority on 23 December 2016; the request for suspension of related payments was rejected by the Lazio Regional

Administrative Court on 24 March 2017, while allowing payments in 30 monthly instalments by an order issued by AGCM on 28 April 2017;

- the decrease, under "Other current operating liabilities", in the debt relating to "*Oneri di sistema*" for € 6.2 million, following the final conversion of Decree Law no. 244 of 30 December 2016 ("*Milleproroghe* [Thousand Extensions] Decree") into Law on 23 February 2017, which, as stated above, has allowed MFM S.p.A. not to recognise additional *Oneri di Sistema* during 2017, thus also cancelling the payment obligations for those relating to previous years for which no payment had yet been made.

At 31 March 2017 a net current tax debt was also recognised for € 5.8 million against a net credit of € 2.2 million at 31 December 2016, with the recognition of taxes for the period amounting to € 8.0 million.

Other long-term liabilities

"Other long-term liabilities" mainly include liabilities relating to:

- TFR (employee benefits), equal to € 16.5 million and € 17.0 million at 31 March 2017 and 31 December 2016, respectively;
- long-term portion of Provisions for risks and charges (€ 29.9 million at 31 March 2017 against € 44.5 million at 31 December 2016, when it included the provision set aside for the fine imposed by AGCM, subsequently classified under "Other current liabilities");
- deferred tax liabilities of € 11.9 million (€ 11.8 million at 31 December 2016).

Consolidated net financial indebtedness

Details of net financial indebtedness at 31 March 2017 are shown below, compared to the figures at 31 December 2016, as determined on the basis of the instructions laid down in CONSOB Communication no. DEM/6064293 of 28 July 2006.

(in thousands of Euro)	31 March 2017	31 December 2016	Change
A. Cash	36	38	(2)
B. c/a, bank deposits and consortia, non-proprietary accounts	176,195	174,954	1,241
C. Securities held for trading			
D. Cash and cash equivalents (A) + (B) + (C)	**176,231**	**174,992**	**1,239**
E. Current financial assets	**2,051**	**2,387**	**(336)**
F. Current bank overdraft	15,988	11,857	4,131
G. Current portion of non-current debt	4,979	11,176	(6,197)
H. Other current financial liabilities	31,112	29,806	1,306
I. Current financial indebtedness (F)+(G)+(H)	**52,079**	**52,839**	**(760)**
J. Current net financial indebtedness (I) - (D) - (E)	**(126,203)**	**(124,540)**	**(1,663)**
K. Long-term bank debts and Senior Secured Notes	304,969	304,648	321
L. Other non-current financial liabilities	3,862	834	3,028

(in thousands of Euro)	31 March 2017	31 December 2016	Change
M. Derivatives			
N. Non-current financial indebtedness (K) + (L) + (M)	**308,831**	**305,482**	**3,349**
O. NET FINANCIAL INDEBTEDNESS (J) + (N)	**182,628**	**180,942**	**1,686**

In the first 3 months of 2017 the consolidated net financial debt recorded a slight increase, passing from € 180.9 million at 31 December 2016 to € 182.6 million at 31 March 2017.

On 23 February 2016 the Parent Company MFM S.p.A. and Servizi Ospedalieri S.p.A. entered into a 3-year maturity factoring contract, without recourse (*pro-soluto*), in relation to the assignment of receivables from entities in the National Health System, for an annual cumulative amount of up to € 100 million with Banca Farmafactoring S.p.A.. During the first quarter of 2017 assignments of receivables were made without recourse, for which the related derecognition was applied according to IAS 39, for € 11.3 million, while the amount of receivables assigned but not yet collected by the factor at 31 March 2017 amounted to € 13.9 million (to which must be added an amount of € 1.2 million relating to programmes involving assignments without recourse that were applied in previous years and that at present are no longer implemented). The consolidated net "adjusted" financial debt for the amount of receivables assigned to factoring companies that had not been collected by the latter at the reporting date (equal to € 15.1 million at 31 March 2017 against € 12.9 million at 31 December 2016) came to € 197.7 million (€ 193.8 at 31 December 2016).

At 31 March 2017 the balance of Cash and cash equivalents, net of short-term liabilities, came to € 138.3 million (€ 142.3 million at 31 December 2016):

(in thousands of Euro)	31 March 2017	31 December 2016
Cash and cash equivalents	176,231	174,992
Current bank overdraft, advance payments and hot money	(15,988)	(11,857)
Payables for assignments of trade receivables with recourse	(21,934)	(20,805)
NET CASH AND CASH EQUIVALENTS	**138,309**	**142,330**

The following is a breakdown of the net financial exposure for bank credit lines and obligations for finance leases ("*Net interest bearing financial indebtedness*"), compared to 31 December 2016:

(in thousands of Euro)	31 March 2017	31 December 2016
Cash and cash equivalents	(176,231)	(174,992)
Current bank overdraft, advance payments and hot money	15,988	11,857
Current portion of non-current bank debts	4,310	10,681
Long-term bank debts	10,000	10,000
Senior Secured Notes	294,969	294,648
Finance lease obligations	4,116	914
NET INTEREST BEARING FINANCIAL INDEBTEDNESS	**153,152**	**153,108**

The Net interest bearing financial Indebtedness remained substantially unchanged compared to 31 December 2016 (€ 153.2 million against € 153.1 million).
The current portion of non-current bank debt included net accrued expenses at 31 March 2017 and at 31 December 2016, relating to interest on the bond coupons, to be paid in August and in February, respectively (€ 4.3 million and € 10.7 million, respectively).

The increase in the residual debt for finance leases (+ € 3.2 million) was fully attributable to the real property lease transaction that was completed by Servizi Ospedalieri S.p.A. for the acquisition of the property located in Lucca during the quarter. This property had already been used, under a lease agreement, for industrial laundering operations and was acquired from Manutencoop Immobiliare S.p.A., a company in the Manutencoop Cooperativa Group, within a complex reorganization of production sites of the *Laundering&Sterilization* SBU.

The increase in the balance of consolidated Cash and cash equivalents is analysed in the table below. The cash flows for the first quarter of 2017 are compared to the values posted in the same period of the previous year. Annex IV to the Interim Report on Operations, to which reference should be made, contains a reconciliation between the items in this table and those in the statutory Statement of Cash Flows schedule presented in the Condensed Explanatory Notes pursuant to IAS 7.

	2017	2016
At 1 January	**174,992**	**114,391**
Cash flow from current operations	28,446	21,065
Uses of provisions for risks and charges and for employee termination indemnity	(1,591)	(2,275)
Change in adjusted NWOC	(13,636)	(39,237)
Industrial capex, net of disposals	(9,914)	(3,812)
Financial capex, net of disposals	11	4,676
Change in adjusted net financial liabilities	(5,111)	3,747

	2017	2016
Other changes	(7,188)	5,295
AT 31 MARCH	**176,231**	**103,850**

The overall cash flows mainly reflect:

- a positive cash flow from operations of € 28.4 million (€ 211 million at 31 March 2016);
- € 1.6 million in outflows from the utilisation of the provision for future risks and charges and for employee termination indemnity (€ 2.3 million at 31 March 2016);
- a cash flow of € 13.6 million absorbed from changes in adjusted NWOC (compared with an absorbed cash flow of € 39.2 million at 31 March 2016) resulting from a negative flow correlated to a change in adjusted trade receivables for € 15.6 million (€20.5 million in the first 3 months of 2016) against a flow generated from an increased balance of trade payables of € 13.4 million (€ 18.9 million in the first 3 months of 2016);
- a € 10.0 million net cash flow used in investing activities (€ 3.8 million at 31 March 2016), net of disposals for € 0.1 million (€ 0.2 million at 31 March 2016), against financial investments and financial disinvestments of an insignificant amount (+ € 4.7 million at 31 March 2016, mainly due to the accounting reclassification of the second and last tranche of sums previously escrowed in connection with the sale of MIA S.p.A., which took place in December 2014, among short-term financial assets for € 5 million, following the fulfilment of some contract conditions governing the sale;
- an increase in net adjusted financial liabilities for € 5.1 million, due to a change in the balance of accrued coupon interest on the Senior Secured Notes (+ € 6.4 million compared to 31 December 2016) owing to their timing and an increase in financial liabilities from assignments of receivables with recourse during the quarter (+ € 1.1 million) and in liabilities for finance leases (+ € 3.2 million), as well as to an increased balance of short-term credit facilities used for hot money and advances on invoices (+ € 4.1 million). During the first quarter of 2016, on the other hand, there was a decrease in net adjusted financial liabilities of € 3.7 million, mainly arising from a change in interest accrued on coupons of Senior Secured Notes (+ € 6.4 million compared to 31 December 2015), an increased financial liability relating to the assignments of receivables with recourse during the quarter (+ € 15.9 million) against an increase in short-term financial assets for € 5.0 million following the abovementioned reclassification as short-term asset of the last portion equal to € 5 million of the price not yet collected on the transfer of the equity investment of MIA S.p.A. in December 2014, previously escrowed;
- changes in other assets and liabilities, which absorbed a total outflow of € 7.2 million, as a result of the net effect of an increased consolidated net VAT credit balance (+ € 6.1 million compared to 31 December 2016), an increase in the balance of payables to/receivables from employees and related payables to/receivables from social security institutions and the tax authorities for withholdings (+ € 4.3 million). On the other hand, the same item showed a decrease in an amount of € 6.2 million

relating to "*Oneri di sistema*", following the abovementioned changes in regulations that cancelled the payment obligations placed on MFM S.p.A. for the charges relating to previous years (for which no payment had yet been made), as well as for the recognition of new *Oneri di Sistema* during 2017. Finally, other changes recorded during the first quarter of 2016 generated inflows of € 5.3 million, mainly as a result of the net effect of the positive flow of € 11.7 million generated from the assignment of tax receivables without recourse, net of changes reported in the other operating assets and liabilities during the quarter, and in particular in the higher net credit balances concerning the Group companies' VAT (+ € 7.0 million).

Financial and industrial Capex

In the first quarter of 2017, the Group made net capital expenditures which totalled € 10.0 million, compared to disinvestments of € 0.1 million:

(in thousands of Euro)	For the quarter ended 31 March	
	2017	2016
Acquisitions of properties under finance leases	4,484	
Purchases of plant and equipment	4,462	2,928
Other capital expenditures in intangible assets	1,077	1,042
INDUSTRIAL CAPEX	**10,023**	**3,970**

On 3 March 2017 the subsidiary Servizi Ospedalieri S.p.A. entered into a 12-year finance lease agreement with Unicredit Leasing S.p.A. for the acquisition of the plant located in Lucca, which had been previously used under a lease agreement with Manutencoop Immobiliare S.p.A. (a company in the Manutencoop Società Cooperativa Group, which was the owner of the same). Purchases of plant and equipment include the purchases of linen by Servizi Ospedalieri S.p.A. for the linen rental and industrial laundering activity, in which frequent periodic replacements are necessary (€ 3.4 million at 31 March 2017, against € 2.3 million at 31 March 2016). Investments in intangible assets for the financial year amounted to € 1.1 million (€ 1.0 million at 31 March 2016) and mainly related to ICT investments. Of these investments, an amount of € 0.3 million relates to investments in the technology platform of subsidiary Yougenio S.r.l..
Finally, disinvestments of tangible assets were recorded equal to € 0.1 million (€ 0.2 million at 31 March 2016).

Below is reported the breakdown of capital expenditures in terms of SBU:

(in thousands of Euro)	For the quarter ended 31 March	
	2016	2015
Facility Management	1,607	1,213
Laundering & Sterilization	8,416	2,757
INDUSTRIAL CAPEX	**10,023**	**3,970**

The cash flow from financial investments was positive but posted an insignificant amount and related to the changes that were recorded in the shareholder loans granted to project companies during the quarter. This flow was positive for € 4.7 million at 31 March 2016 and emerged from the accounting reclassification, under short-term financial assets, of the second and last tranche of sums previously escrowed in connection with the disposal of MIA S.p.A., which took place in December 2014, for € 5 million, following the fulfilment of some contract conditions relating to the disposal itself.

Change in net financial liabilities

The table below shows the changes that were recorded in the quarter in the items making up consolidated financial liabilities, including the balance of the receivables assigned without recourse not yet collected by the factoring companies:

(in thousands of Euro)	31 December 2016	New loans	Reimbursements and payments for the period	Other changes	31 March 2017
Bank loans	10,000				10,000
Current account overdrafts, advance payments and hot money	11,857	15,988	(11,857)		15,988
Accrued income and prepaid expenses on loans	10,634		(12,750)	6,375	4,259
Senior Secured Notes	294,648			321	294,969
BANK DEBTS	**327,139**	**15,988**	**(24,607)**	**6,696**	**325,217**
Finance lease obligations	914	4,467	(1,265)		4,116
Payables for non-performing trade receivables assignment	20,805	11,254	(10,125)		21,934
Due to factoring agencies – without recourse	2,744	2,920	(2,744)		2,920
Other financial liabilities	6,719			4	6,723
FINANCIAL LIABILITIES	**358,321**	**34,629**	**(38,741)**	**6,701**	**360,910**
Current financial assets	(2,387)			336	(2,051)
NET FINANCIAL LIABILITIES	**355,934**	**34,629**	**(38,741)**	**7,037**	**358,859**
Outstanding amount of receivables assigned to factoring companies – without recourse	12,883	11,278	(9,092)		15,069
ADJUSTED NET FINANCIAL LIABILITIES	**368,817**	**45,907**	**(47,833)**	**7,037**	**373,928**

The first 3 months of 2017 saw the payment of the net six-monthly coupon on the Senior Secured Notes for a total of € 12.8 million; the settlement date was 2 February. In the last quarter of the 2014 and in June 2015, MFM S.p.A. formalised buy-back operations of some of its Senior Secured Notes for a total nominal amount of € 125 million. The bond issue is stated in the accounts in accordance with IAS39 for a net nominal value of € 300 million and has entailed the recognition of financial costs for the period for the related amortised cost for € 0.3 million. The Notes in the portfolio were not cancelled and kept in a securities account. A part of these securities (amounting to a nominal value of € 14 million) was pledged against a € 10 million committed credit line from CCFS, due 2018.

At the reporting date of the period, short-term uncommitted credit lines for hot money and advances on invoices for € 16.0 million were used (€ 11.9 million at 31 December 2016), to meet temporary cash requirement peaks in the normal course of business.

Furthermore, MFM S.p.A. has an agreement in place for the assignment with recourse (*pro-solvendo*), of trade receivables with Unicredit Factoring S.p.A., concerning receivables from customers in the Public sector. In the first 3 months of 2017 assignments were made for a total nominal value of € 11.3 million, while the amount of receivables assigned but not yet collected by the factor at 31 March 2017 amounted to € 21.9 million (€ 20.8 million at 31 December 2016).

Furthermore, MFM S.p.A. and Servizi Ospedalieri S.p.A. have entered into a maturity factoring contract, without recourse (*pro-soluto*), with Banca Farmafactoring S.p.A. in relation to the assignment of receivables from entities in the National Health System, for an annual amount of up to € 100 million. It is a committed credit line expiring in 2019. During the period assignments of receivables without recourse were made for € 11.3 million, while the amount of receivables assigned but not yet collected by the factor amounted to € 13.9 million at 31 March 2017 (to which must be added an amount of € 1.2 million relating to programmes concerning assignments without recourse that were implemented in previous financial years and that have been currently discontinued). Furthermore, the Group collected amounts of € 2.9 million at 31 March 2017, concerning receivables included in said assignments without recourse, for which the respective debtors have not made any payment to the bank accounts specified by the factor. These amounts constitute a financial liability for the Group, which gave rise to the payment of said amounts in the first days of the subsequent quarter.

Finally, the Group recognises, under “Other financial liabilities”, the liability estimated against the put option held by minority shareholders Sicura S.p.A. over the residual 15% of the capital quotas held by them, according to the investment agreement signed at the time of the acquisition in 2008 (€ 5.4 million).

Finally, the balance of short-term financial assets decreased by € 0.3 million mainly due to a change in the balance of pledged current bank accounts dedicated to the operation of the collection service within the scope of the abovementioned agreement for the assignment of trade receivables without recourse signed with Banca Farmafactoring.

4. SUBSEQUENT EVENTS

Resolution on the distribution of dividends

On 27 April 2017 the Shareholders' Meeting of the Parent Company MFM S.p.A. called to approve the 2016 Financial Statements resolved to distribute a dividend of € 25,091,207.12 to shareholders, to be paid by 31 May 2017.

Consip Scuole

24 April 2017 saw the publication of Decree Law no. 50 in the Official Gazette, which, under Article 64 (Services rendered to schools), provides, as regards the regions in which the Consip framework agreements "*for the acquisition of cleaning and other ancillary services, as well as for interventions to preserve the decorum and maintain functionality of properties used for state school and educational institutions"* ("Consip Scuole" agreements), have been terminated, for the continuation of acquisition of cleaning and other auxiliary services until 31 August 2017.

Naples Public Prosecutor's Office investigation into the tender for awarding cleaning services at A.O.R.N. Santobono Pausilipon Hospital

On 3 April 2017 the Naples Public Prosecutor's Office served a search order against some executives of the Company, which was executed at the registered office of the same. These executives are involved in the investigation started by the Naples Public Prosecutor's Office as to the tender for awarding cleaning services at A.O.R.N. Santobono Pausilipon Hospital in Naples. The executives are charged, among other things, with the offence of corruption pursuant to Articles 319 and 319-*bis* of the Italian Criminal Code, which is potentially relevant pursuant to Legislative Decree 231 of 2001.

Initially the Judge for Preliminary Investigations of Naples issued a precautionary measure (obligation to reside in a given place pursuant to Article 283 of the Italian Code of Criminal Procedure) against the sole executive of the Company under investigation, who was a head of department at the time of the facts in question; however, at the end of the custodial interrogation, he revoked said measure. Finally, on 27 April 2017, a notice was formally served on MFM S.p.A., whereby the date was set to hold the hearing for discussing the request for application of precautionary disqualification measure submitted against the Company by the Public Prosecutor's Office pursuant to Legislative Decree 231/2001. On 3 May 2017, the hearing was postponed to 26 May 2017 given the declared strike on the part of the associations of Criminal Lawyers.

The Company declares that it is completely extraneous to the offences charged to its executives and has taken actions, within the normal relations with the control bodies, to define any appropriate in-depth analysis to be conducted.

5. OUTLOOK

The first quarter of 2017 was characterised by a business development that was not fully in line with the Group's targets, was affected both by additional delays in awarding contracts and agreements and by a development of start-up businesses (B2C and international markets) that was slower than expected. These events, together with the confirmation of a trend of reduction in sales volumes during the quarter, even if lower compared to recent years, might be the sign of a slowdown in the expected recovery of volumes.

Nevertheless, the income performance for the quarter was fully satisfactory, although it was also marked by non-recurring items, and the outlook concerning the remaining months of the year shows that margins will remain substantially stable, also thanks to additional efficiency improvement actions taken by the production units in order to counter the pressure on volumes and margins.

In financial terms, the Group reported a good performance during the first quarter, thus also confirming substantial available cash funds at 31 March 2017. The recent order issued by AGCM as to the instalment payment of the fine imposed in 2016 will allow MFM S.p.A. to meet the outlay requirements (equal to a total of € 14.7 million) over a period of 30 months; in any case, it will continue to defend itself in the dispute that arose therefrom in order to assert its claims in this regard. The Group will continue to implement its deleverage plan, which was already well established in recent years, without taking account of the information reported above and of the forthcoming payment of the dividend that was approved by a resolution passed by the Shareholders' Meeting of MFM S.p.A. held on 27 April 2017.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	NOTES	31 March 2017	31 December 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	64,080	64,483
Property, plant and equipment under lease	3	6,014	1,627
Goodwill	4-5	370,456	370,456
Other intangible assets	4	25,378	26,114
Investments accounted for under the equity method	6	31,147	30,534
Other investments	7	3,850	3,850
Non-current financial assets	7	11,758	11,769
Other non-current assets	7	2,819	2,323
Deferred tax assets		20,966	20,971
TOTAL NON-CURRENT ASSETS		**536,468**	**532,127**
CURRENT ASSETS			
Inventories		4,579	4,382
Trade receivables and advances to suppliers	8	468,619	456,095
Current tax receivables		387	3,500
Other current assets	8	29,210	25,932
Current financial assets	11	2,051	2,387
Cash and cash equivalents	11	176,231	174,992
TOTAL CURRENT ASSETS		**681,077**	**667,288**
Non-current assets classified as held for sale		0	0
TOTAL NON-CURRENT ASSETS AS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,217,545**	**1,199,415**

(in thousands of Euro)	NOTES	31 March 2017	31 December 2016
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		187,463	187,856
Retained earnings		25,910	(7,518)
Profit (loss) attributable to equity holders of the Parent		13,348	33,649
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**335,871**	**323,137**
Capital and reserves attributable to non-controlling interests		235	351
Profit for the period attributable to non-controlling interests		22	(116)
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**257**	**235**
TOTAL SHAREHOLDERS' EQUITY	10	**336,128**	**323,372**
NON-CURRENT LIABILITIES			
Employee termination indemnity	12	16,459	17,043
Provisions for risks and charges, non-current	13	29,933	44,522
Long-term debt	11	308,831	305,482
Deferred tax liabilities		11,853	11,812
Other non-current liabilities		71	50
TOTAL NON-CURRENT LIABILITIES		**367,147**	**378,909**
CURRENT LIABILITIES			
Provisions for risks and charges, current	13	10,346	10,715
Trade payables and advances from customers	14	348,484	346,308
Current tax payables		6,188	1,363
Other current liabilities	14	97,173	85,909
Bank borrowings, including current portion of long-term debt, and other financial liabilities	11	52,079	52,839
TOTAL CURRENT LIABILITIES		**514,270**	**497,134**
Liabilities directly associated with non-current assets classified as held for sale		0	0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		**0**	**0**
TOTAL LIABILITIES		**1,217,545**	**1,199,415**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2017	31 March 2016
REVENUE			
Revenue from sales and services		238,356	241,390
Other revenue		243	306
TOTAL REVENUE		**238,599**	**241,696**
OPERATING COSTS			
Costs of raw materials and consumables		(38,004)	(41,694)
Change in inventories of finished and semi-finished products		-	20
Costs for services and use of third party assets		(75,169)	(75,782)
Personnel costs		(95,255)	(95,188)
Other operating costs		5,203	(1,804)
Capitalisation of lower internal construction costs		65	
Amortization, depreciation, write-downs and write-backs of assets	4-5-8	(7,572)	(7,150)
Accrual of provisions for risks and charges	13	(553)	(208)
TOTAL OPERATING COSTS		**(211,285)**	**(221,806)**
OPERATING INCOME		**27,314**	**19,890**
FINANCIAL INCOME AND EXPENSES			
Share of net of associates	6	1,227	871
Financial income		219	777
Financial charges		(7,344)	(7,853)
PROFIT (LOSS) BEFORE TAXES		**21,416**	**13,685**
Income taxes		(8,046)	(5,782)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**13,370**	**7,903**
Profit (loss) from discontinued operations		0	0
PROFIT (LOSS) FOR THE PERIOD		**13,370**	**7,903**
Net profit (loss) for the period attributable to non-controlling interests		(22)	170
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**13,348**	**8,073**

	For the quarter ended	
	31 March 2017	31 March 2016
Basic earnings per share	0.122	0.074
Diluted earnings per share	0.122	0.074
Basic earnings per share from continuing operations	0.122	0.074
Diluted earnings per share from continuing operations	0.122	0.074

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2017	31 March 2016
NET PROFIT FOR THE PERIOD		**13,370**	**7,903**
Other components of the comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Share of other comprehensive income of entities accounted for using the equity method, which will be subsequently reclassified under profit/loss for the year	6	(614)	(406)
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/loss for the year		**(614)**	**(406)**
TOTAL PROFITS (LOSSES) IN THE STATEMENT OF COMPREHENSIVE INCOME, NET OF TAXES		**(614)**	**(406)**
TOTAL COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**12,756**	**7,497**
Equity holders of the Parent		12,734	7,667
Non-controlling interests		22	(170)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the quarter ended	
		31 March 2017	31 March 2016
Net profit (loss) from continuing operations for the period		**13,370**	**7,903**
Income taxes for the period		8,046	5,782
Profit before taxes from continuing operations		**21,416**	**13,685**
Amortization, depreciation, write-downs and (write-backs) of assets		7,572	7,151
Accrual (reversal) of provisions for risks and charges		553	208
Employee termination indemnity provision		195	208
Payments of employee termination indemnity		(780)	(423)
Utilization of provisions		(811)	(1,852)
Share of net profit of associates		(1,227)	(871)
Financial charges (income) for the period		7,125	7,076
Operating cash flows before movements in Working Capital		**34,043**	**25,182**
Decrease (increase) of inventories		(197)	185
Decrease (increase) of trade receivables		(13,429)	(20,514)
Decrease (increase) of other current assets		(3,774)	(2,093)
Increase (decrease) of trade payables and advances from customers		2,176	(18,909)
Increase (decrease) of other current liabilities		(3,415)	(2,083)
Change in working capital		**(18,639)**	**(43,414)**
Net interest received (paid) in the period		(13,131)	(12,519)
Income tax paid in the period		(62)	9,875
Net cash flow from operating activities		**2,211**	**(20,875)**
Purchase of intangible assets, net of sales	4	(1,077)	(1,042)
Purchase of property, plant and equipment	3	(8,946)	(2,928)
Proceeds from sales of property, plant and equipment	3	108	158
(Purchase of investments)		0	(197)
Decrease (increase) of financial assets		(69)	(108)
Discontinuing activities	9	100	0
Net cash flow used in investing activities		**(9,883)**	**(4,118)**
Change in the finance lease debt	11	3,202	(159)
Net registration (repayment) of short-term bank loans	11	4,131	(877)
Other net changes in loans payable	11	1,577	15,487
Net cash flow from / (used in) financing activities		**8,911**	**14,452**
Changes in cash and cash equivalents		**1,239**	**(10,541)**
Cash and cash equivalents at the beginning of the period		174,992	114,391
Changes in cash and cash equivalents		1,239	(10,541)
Cash and cash equivalents at the end of the period		**176,231**	**103,850**
Details of cash and cash equivalents:			
Cash and bank current accounts		176,231	103,850
TOTAL CASH AND CASH EQUIVALENT		**176,231**	**103,850**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the quarter ended	
	31 March 2017	31 March 2016
Interest paid	(13,354)	(13,857)
Interest received	223	1.058
Dividends received	0	0

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Issued capital	Reserves	Retained earnings	Result of the period	Group's shareholders' equity	Non-controlling interests	Total shareholders' equity
1 January 2017	**109,150**	**188,349**	**(7,518)**	**33,649**	**323,138**	**235**	**323,373**
Allocation of prior year result		221	33,428	(33,649)	**0**		**0**
Total comprehensive income for the period		(614)		13,348	**12,734**	22	**12,756**
31 March 2017	**109,150**	**187,463**	**25,910**	**13,348**	**335,871**	**257**	**336,128**

	Issued capital	Reserves	Retained earnings	Result of the period	Group's shareholders' equity	Non-controlling interests	Total shareholders' equity
1 January 2016	**109,150**	**188,349**	**37,498**	**(45,412)**	**289,585**	**380**	**289,965**
Allocation of prior year result		(395)	(45,018)	45,412	**0**		**0**
Total comprehensive income for the period		(407)		8,073	**7,666**	(170)	**7,496**
31 March 2016	**109,150**	**187,547**	**(7,520)**	**8,073**	**297,250**	**210**	**297,460**

1. GENERAL INFORMATION

The interim Report on operations of the Manutencoop Facility Management Group ("the MFM Group" or "the Group") for the period ended 31 March 2017 consists of the Interim Report and of the Condensed Consolidated Interim Financial Statements at 31 March 2017, which were prepared in the application of IAS 34 – Interim Financial Reporting. The publication of the Interim Report on operations of MFM Group for the period ended 31 March 2017 was authorized by a resolution of the Board of Directors of 15 May 2017.

At 31 March 2017, the Group was 59.765% owned by Manutencoop Società Cooperativa, with registered office in Zola Predosa (BO), which in turn exercises management and coordination activities over the Group. Furthermore, on 1 July 2013 the company acquired an additional stake of 7.028% with retention of title ("*riserva di proprietà*"), whereby it is vested with related financial and administrative rights, pursuant to and for the purposes of article 1523 of the Italian Civil Code.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

The condensed consolidated interim financial statements at 31 March 2017 comprise the Consolidated statement of financial position, the Consolidated Statement of profit or loss, the Consolidated Statement of other comprehensive income, the Consolidated Statement of cash flows, the Consolidated Statement of changes in Shareholders' Equity and the Condensed explanatory notes.

The amounts presented in the Statements and in the Explanatory notes are compared with those as at 31 December 2016, while the economic values included in the Statement of other Comprehensive Income and in the statement of Cash Flows are compared with those in the first 3 months of 2016. The condensed consolidated interim Financial Statements at 31 March 2017 were prepared on a historical cost basis, except for the derivative financial instruments that have been measured at fair value.

The Statement of Financial Position sets forth assets and liabilities distinguishing between current and non-current. The Statement of profit or loss classifies costs by nature and the Statement of other comprehensive income sets forth the result for the period added with income and expenses, that in accordance with IFRS, are directly recognized in the Shareholders' Equity. The statement of Cash Flows has been prepared on the basis of the indirect method and presented in accordance with IAS 7, distinguishing between cash flow from operating, investing and financing activities.

The condensed consolidated interim financial statements at 31 March 2017 have been presented in Euro, which is the Group's functional currency. All values showed in the statements and in the condensed explanatory Notes are in thousands of Euro, unless otherwise stated.

2.1 Statement of compliance with international accounting standards (IFRS)

The condensed consolidated interim financial statements at 31 March 2017 have been prepared in compliance with IAS 34 - *Interim Financial Reporting*.
The condensed consolidated interim financial statements do not include all the information required for the complete annual financial statements prepared according to IAS 1, and must be read together with the Consolidated Financial Statements as at 31 December 2016.

2.2 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the condensed consolidated interim Financial Statements at 31 March 2017 are consistent with those used to prepare the annual consolidated Financial Statements as at 31 December 2016, to which reference is made for their detailed presentation, with the exception of the standards and interpretations which are newly issued and applicable from 1 January 2017, in addition to the amendments to the standards already in force.
Specifically, some amendments entered into force in relation to already existing standards:

- *Amendments to IAS7 – Statement of Cash Flows.* These amendments give indications on the disclosures to be provided in relation to the liabilities that arise from financing activities, including any cash and non-cash changes (such as, for example, foreign exchange gains or losses).
- *Amendments to IAS12 – Recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value*. An entity must establish whether tax regulations restrict the tax deduction from which the temporary difference arises. Furthermore, the amendments give indications on how an entity should calculate future taxable income and explain the circumstances in which taxable income can ensure the recoverability of these assets.

The application of the standards and interpretations referred to above has not entailed any impact on the Consolidated interim abridged financial statements of the Group. The Group did not provide for the early adoption of any standard, interpretation or improvement issued but still not obligatorily in force.

2.3 Discretionary assessments and significant accounting assumptions

The preparation of the consolidated Financial Statements requires Management Boards to make discretionary assessments, estimates and assumptions that affect the amounts of revenues, costs, assets and liabilities, and the indication of contingent liabilities at the date of the financial statements. However, the uncertainty of these assumptions and estimates could lead to outcomes which may require a significant adjustment to the carrying amount of said assets and/or liabilities in the future.

Discretionary assessments

The main decisions taken by the Directors, on the basis of discretionary assessments (excluding those relating to accounting estimates), in the application of the accounting standards of the Group, with a significant effect on the values recognized in the accounts relate to the adoption, starting from 2007, of the *continuity of values* principle for the recognition of business combinations under common control. Application of this principle gives rise to the recognition in the statement of financial position of values equal to those that would be recorded if the companies involved in the business combination had always been combined. The net assets of the acquiree and the acquiring entity are therefore recorded on the basis of the carrying amounts included in their respective accounts before the transaction.

Uncertainty of estimates

The key assumptions regarding the future and other significant sources of uncertainty relating to estimates as at the period ending date of the condensed consolidated interim Financial Statements are detailed below.

Impairment test

Goodwill is subject to impairment test at least annually, or more frequently if there is an indication of potential impairment in the carrying amounts. This requires an estimate of the value in use of the CGU (cash-generating unit) to which the goodwill is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate. At 31 March 2017, the carrying amount of the goodwill stood at € 370,456 thousand (which remained unchanged, € 370,456 thousand at 31 December 2016). More details are given in note 5.

Recognition of the present value of liabilities for Put Option on minority shares of subsidiaries and of the present value of liabilities for Earn-outs on acquisitions made

The Group holds majority interests in subsidiaries in relation to which the minority shareholders hold PUT options, which can be exercised in the future at prices determined on the basis of certain parameters that require estimates from management for the purposes of reliable valuation. Similarly, the contracts for the purchase/sale of majority interests in subsidiaries may provide for the transferors to be granted an earn-out upon the fulfilment of given conditions on a certain future date. In this case, the correct recognition in the financial statements of the related liability requires management to make some estimates to determine the expected relevant parameters.

Income taxes for the period

The income taxes for the period have been recognized by applying the best estimate of the expected weighted-average tax rate for the entire current financial year to the results for the period. A separate estimate is determined for IRES and IRAP, as provided by IAS 34 B.14. The amounts allocated for taxes in

the interim period are adjusted in subsequent interim periods of the same year pursuant to any changes in the estimated annual tax rate.

Other financial position items

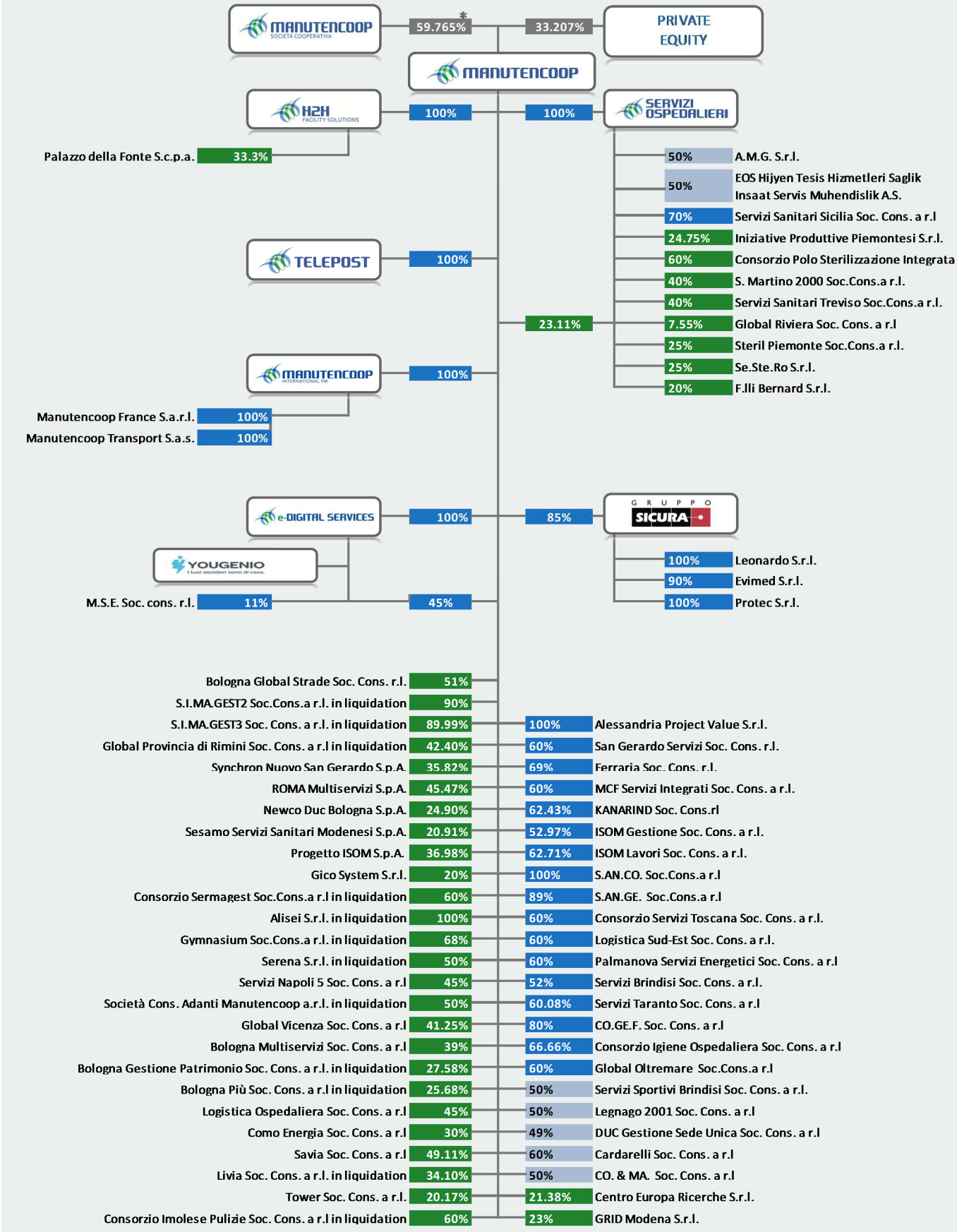
Management also needed to use estimates in determining:

- accruals to bad debt provision and provisions for future risks and charges;
- main assumptions applied to the actuarial valuation of the TFR (employee benefits), such as the future turnover rate and discount financial rates;
- inventories of contract work in progress, particularly in relation to the total amount of estimated costs to complete used to determine the percentage of completion.

Consolidation principles

The condensed Consolidated Interim Financial Statements include the financial statements of Manutencoop Facility Management S.p.A. (the ‘‘Parent Company, “MFM S.p.A.” or simply “MFM”) and its subsidiaries, prepared as at 31 March 2017. The financial statements of the subsidiaries have been prepared by adopting for each closing date the same accounting standards as those applied for the parent company. All Intra-Group balances and intercompany transactions, including unrealized profits and losses arising from intra-Group transactions, which are recognized under assets, are eliminated in full. Subsidiaries are fully consolidated starting from the acquisition date, i.e. the date on which the Group acquires control, and are deconsolidated on the date in which control is transferred out of the Group. Acquisitions of subsidiaries, with the exception of those deriving from combinations of entities subject to common control, are accounted for using the purchase method. This involves the allocation of the cost of the business combination to the fair values of assets, liabilities and contingent liabilities acquired at the acquisition date and the inclusion of the result of the company acquired starting from the date of acquisition until the end of the fiscal year. Joint-venture with other shareholders and associates are accounted for under equity method. Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Minority interests represent the portion of profits or losses and net assets not held by the Group and are disclosed under a separate item in the consolidated Statement of profit or loss and in the Consolidated Statement of Financial Position under Equity items, separately from the Group’s Equity.

The consolidation area as at 31 March 2017 is shown below.



Legend:

- Subsidiaries consolidated on a line-by-line basis
- Joint Ventures consolidated by equity method
- Associates and other companies consolidated

* On 1 July 2013 an additional shareholding of 7.028% was acquired by Manutencoop Cooperativa with retention of title ("riserva di proprietà"), pursuant to and for the purpose of art. 1523 of the Italian Civil Code. The financial and administrative rights related to this share are attributed to the purchaser.

As regards the first quarter of 2017, note the establishment of Manutencoop Transport S.a.S. on 20 March 2017, with a share capital wholly held by Manutencoop France S.a.r.l..

3. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment (owned and under a financial lease) in the period ended 31 March 2017.

	Properties	Plant and Equipment	Properties under lease	Plant and equipment under lease	Total
At 1 January 2017, net of accumulated depreciation and impairment	**13,705**	**50,779**	**26**	**1,601**	**66,110**
Additions from acquisitions		4,462	4,484		**8,946**
Disposals		(108)			**(108)**
Depreciation for the period	(85)	(4,672)	(10)	(86)	**(4,854)**
Others		1		(1)	**0**
At 31 March 2017	**13,619**	**50,460**	**4,500**	**1,515**	**70,094**
At 1 January 2017					
Historical cost	16,005	334,864	236	4,950	**356,055**
Accumulated depreciation and impairment losses	(2,301)	(284,086)	(210)	(3,349)	**(289,945)**
NET BOOK VALUE	**13,705**	**50,779**	**26**	**1,601**	**66,110**
At 31 March 2017					
Historical cost	16,005	339,219	4,720	4,949	**364,893**
Accumulated depreciation and impairment losses	(2,386)	(288,758)	(220)	(3,434)	**(294,799)**
NET BOOK VALUE	**13,619**	**50,460**	**4,500**	**1,515**	**70,094**

The additions from acquisitions in the first 3 months of the year relate to the linen in the Laundering&Sterilization segment for € 3,445 thousand and to the purchases of other machinery and specific equipment for € 1,017 thousand. On 3 March 2017 the subsidiary Servizi Ospedalieri S.p.A. entered into a finance lease agreement with Unicredit Leasing S.p.A. for the acquisition of the plant located in Lucca, which had been already used under a lease agreement by Manutencoop Immobiliare S.p.A. (a company in the Manutencoop Società Cooperativa Group, which was the owner of the same). The financed value is equal to € 4,467 thousand, to which must be added additional charges of € 17 thousand. The finance lease term is 12 years, with an initial maxi-rental of € 1,117 thousand and unvaried monthly instalments.

Furthermore, plant and machinery were disposed of for an additional total amount of € 108 thousand.

4. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the period ended 31 March 2017.

	Other intangible assets	Goodwill	Total
At 1 January 2017, net of accumulated amortization and impairment	**26,114**	**370,456**	**396,570**
Additions from acquisitions	1,077	0	**1,077**
Amortization of the period	(1,813)	0	**(1,813)**
At 31 March 2017	**25,378**	**370,456**	**395,834**
At 1 January 2017			
Cost	102,934	372,849	**475,783**
Accumulated amortization and impairment losses	(76,820)	(2,393)	**(79,213)**
NET BOOK VALUE	**26,114**	**370,456**	**396,570**
At 31 March 2017			
Cost	104,012	372,849	**476,861**
Accumulated amortization and impairment losses	(78,634)	(2,393)	**(81,027)**
NET BOOK VALUE	**25,378**	**370,456**	**395,834**

Goodwill is tested annually for impairment; for more details please refer to note 5.

Other intangible assets, amounting to € 25,378 thousand at 31 March 2017, mainly consist of investments in software carried out as part of the projects aimed at upgrading and enhancing the corporate information systems. The additions from acquisitions made in the period (€ 1,077 thousand) were mainly attributable to the Facility Management SBU (€971 thousand) and specifically to investments relating to subsidiary Yougenio S.r.l. for € 250 thousand.

5. IMPAIRMENT TEST OF GOODWILL

The corporate restructuring process that involved the Group in the course of the previous financial years led to a redefinition of the CGUs, coinciding with the SBUs, regardless of legal entities. The Group's Management believe that the SBU structure should be reflected, consistently with the provisions of the accounting standards, also at the level of the CGUs used for impairment tests. The SBUs identified and their composition, in corporate terms, are defined as follows.

SBU – Facility Management

The SBU is identified with:

- Manutencoop Facility Management S.p.A.
- H2H Facility Solutions S.p.A.

- the Group controlled by Sicura S.p.A., which operates in the facility management segment as suppliers of specialist services
- Telepost S.p.A., specialized in internal mailing services
- e-Digital Services S.r.l., which is active in the sector of high technology content services to businesses
- Yougenio S.r.l., dedicated to facility management targeted at the B2C market
- Manutencoop International F.M. S.r.l. and its foreign subsidiaries, dedicated to business development at international level
- other minor investee companies operating in the same segment.

SBU – Laundering & Sterilization

The SBU is identified with:

- Servizi Ospedalieri S.p.A., operating in the linen rental and industrial laundering segment for hospitals and the sterilization of linen and surgical instruments
- other minor investee companies operating in the same segment.

The table below sets forth the carrying amounts of the goodwill recognized in the consolidated interim Financial Statements at 31 March 2017, relating to the different CGUs, which remained unchanged compared to the value reported in the Consolidated Financial Statements at 31 December 2016.

	31 March 2017	31 December 2016
Goodwill allocated to Facility Management CGU	358,693	358,693
Goodwill allocated to Laundering&Sterilization CGU	11,763	11,763
CONSOLIDATED GOODWILL	**370,456**	**370,456**

Goodwill is subject to impairment testing on an annual basis or more frequently if there are indications that the asset may have suffered an impairment loss.

At 31 March 2017, the Management did not identify any elements for impairment on the cash generating units and, therefore, it did not proceed to update the impairment test performed at the time of the preparation of the consolidated Financial Statements as at 31 December 2016.

6. INVESTMENTS IN COMPANIES VALUED AT EQUITY

The Group holds some investments, which for the purpose of consolidation are accounted under the equity method. These companies include associates, joint-ventures and subsidiaries in liquidation, as listed in Annex I.

At 31 March 2017, the value of investments valued at Equity was equal to a net amount of € 31,073 thousand, against a net amount of € 30,462 thousand at the end of the previous year.

	Net assets 31 March 2017	Net assets 31 December 2016
Investments valued at Equity	31,147	30,534
Provision for risks on investments	(74)	(72)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**31,073**	**30,462**

Details of changes during the period are shown in Annex II attached to the Interim Report on Operations, to which reference should be made.

In the first 3 months of 2017 investments accounted for under the equity method recorded a positive result equal to € 1,227 thousand, for the share attributable to the Group, as a result of the recording of income from equity investments of € 1,308 thousand and write-downs of € 81 thousand. Furthermore, negative effects were recognised directly under consolidated Equity for a total of € 614 thousand.

7. OTHER ELEMENTS OF NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets at 31 March 2017 and at 31 December 2016:

	31 March 2017	31 December 2016
Other investments	3,850	3,850
Non-current financial assets	11,758	11,769
Other non-current assets	2,819	2,323
OTHER NON-CURRENT ASSETS	**18,427**	**17,942**

The financial assets accounted for as "*Other investments*" relate to investments in companies in which the Group has no significant or controlling interests and that have been acquired for strategic/production purposes. There are also investments in National Cooperative Consortia, as well as investments in production sites, or in other minor activities such as industrial laundering services, performed by minor companies that may also act as sub-contractors.

The other investments are measured at purchase or establishment cost, since there is no active market in the securities concerned, which for the most part cannot be freely transferred to third parties due to limitations and restrictions preventing their free circulation.

Non-current financial assets and other securities, , amounting to € 11,758 thousand at 31 March 2017 (€ 11,769 thousand at 31 December 2016), are composed of:

- € 7,695 thousand of non-current financial receivables due from associates, affiliates and joint-ventures (€ 7,616 thousand at 31 December 2016). The face value of these receivables is € 7,803 thousand, while the discounting fund amounts to € 108 thousand. Some of these are non-interest bearing since they were drawn down proportionally from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying Eurirs as the reference interest rate, plus a spread;
- € 3,962 thousand of non-current financial receivables from third parties, in line with the balance at 31 December 2016 (€4,053 thousand);
- € 101 thousand of securities held to maturity, unchanged compared to 31 December 2016.

Other non-current assets, amounting to € 2,819 thousand as at 31 March 2017 (€2,323 thousand at 31 December 2016), mainly consist of security deposits related to long-term income-generating manufacturing contracts (€ 1,634 thousand) and long-term deferrals relating to some contracts (€ 887 thousand).

8. TRADE RECEIVABLES, ADVANCES TO SUPPLIERS AND OTHER CURRENT RECEIVABLES

The following table includes the breakdown of Trade receivables and advances to suppliers and Other current operating receivables at 31 March 2017 and 31 December 2016:

	31 March 2017	of which from related parties	31 December 2016	of which from related parties
Inventories of contract work in progress	16,934		18,178	
Trade receivables, gross	437,619		428,037	
Allowance for doubtful accounts	(32,071)		(33,410)	
Trade receivables from third parties	**422,482**	**0**	**412,805**	**0**
Trade receivables from Parent Companies	64	64	60	60
Trade receivables from Associates	39,496	39,496	36,261	36,261
Trade receivables from Affiliates and Joint Ventures	3,584	3,584	4,090	4,090
Trade receivables from Manutencoop Group	**43,144**	**43,144**	**40,411**	**40,411**
Advances to suppliers	2,993	20	2,879	21
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**468,619**	**43,164**	**456,095**	**40,432**
Other tax receivables due within 12 months	18,018		13,629	
Other current receivables from third parties	5,274		6,987	
Short-term receivables from social security institutions	3,101		2,700	
Short-term receivables from employees	404		480	
Other current assets from third parties	**26,797**	**0**	**23,796**	**0**
Current assets from Manutencoop Società Cooperativa	3	3	7	7

	31 March 2017	of which from related parties	31 December 2016	of which from related parties
Current assets from associates	661	661	826	826
Other current assets from Manutencoop Group	**664**	**664**	**833**	**833**
Accrued income	0		0	
Prepaid expenses	1,749		1,303	
Accrued income and prepaid expenses	**1,749**	**0**	**1,303**	**0**
OTHER CURRENT ASSETS	**29,210**	**664**	**25,932**	**833**

The balance of trade receivables and advances to suppliers, which also includes inventories of contract work in progress, amounted to € 468,619 thousand as at 31 March 2017, up by € 12,524 thousand compared to 31 December 2016 (€ 456,095 thousand). The change in question was mainly contributed to by trade receivables from third parties, equal to € 422,482 thousand at 31 March 2017 (31 December 2016: € 412,805 thousand).

The 2017 financial year saw the continuation of assignments of trade receivables without recourse, under the agreement entered into by the Parent Company MFM S.p.A. and by Servizi Ospedalieri S.p.A. with Banca Farmafactoring S.p.A. during 2016 concerning receivables from the National Health System for an annual transferrable amount of € 100 million. The committed credit line will expire in 2019. During the first 3 months of the year assignments were made in an overall nominal amount of € 11,278 thousand, subject to derecognition pursuant to IAS 39 in consideration of the features of the transactions, against interest discount costs of € 175 thousand. As at 31 March 2017 the balance of receivables assigned without recourse but not yet collected by Banca Farmafactoring amounted to € 13,836 thousand, to which must be added an amount of € 1,234 thousand relating to assignments without recourse that were made to Credit Agricole in previous financial years and that were no longer implemented starting from the 2013 financial year.

Finally, trade receivables from the Group amounted to € 43,144 thousand (€ 40,411 thousand at 31 December 2016), in addition to advances of € 20 thousand (€21 thousand at 31 December 2016).

A specific allowance for doubtful accounts was recorded in connection with non-performing receivables, which are difficult to fully recover, amounting to € 32,071 thousand at 31 March 2017 (at 31 December 2016: € 33,410 thousand). Changes in the provision during the quarter are detailed as follows:

	31 December 2016	Increases	Utilizations	Releases	Other changes	31 March 2017
Allowance for doubtful accounts	**33,410**	920	(2,245)	(15)	0	**32,071**

Other current assets, equal to € 29,210 thousand (€ 25,932 thousand at 31 December 2016), increased by an overall amount of € 3,278 thousand in the period.

This item includes the receivables arising from the VAT settlements of some Group companies (€ 16,593 thousand compared to € 12,197 thousand at 31 December 2016).
Finally, the item also recognizes € 2,175 thousand of credit balances of current accounts held at Unicredit, managed in the name and on behalf of INPDAP (Social Security Institute for employees in public administration), as envisaged in a property management contract stipulated with the aforementioned authority. At present some restrictions have been placed on said accounts as a result of the dispute that has arisen with INPDAP. Therefore, for the purposes of an accurate presentation, it was deemed appropriate to classify said item under *Other current receivables*.

9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

During the first quarter of 2017 there was no recognition of "*Non-current assets held for sale*" and related "Liabilities associated with non-current assets held for sale" pursuant to IFRS 5.
Furthermore, no charges or income were recognised in relation to Discontinued operations.
During the quarter partial collections continued, for a total of € 100 thousand, for the residual receivable claimed by MFM S.p.A. from the purchaser of Energyproject S.r.l., which was disposed of in 2014.

10. SHARE CAPITAL AND RESERVES

	31 March 2017	31 December 2016
Share Capital - Ordinary shares	109,150	109,150

Ordinary shares have a nominal value of Euro 1 each. Ordinary shares issued and fully paid up at 31 March 2017 amounted to 109,149,600.
Company does not hold own shares.

Reserves and Retained Earnings

The table below shows changes in shareholders' equity reserves in the period:

	Share premium reserve	Legal reserve	SE reserves companies valued at equity	Cash flow hedge reserve	SORIE reserve	Other reserves	Total reserves
1 January 2016	**145,018**	**18,383**	**3,079**	**0**	**(4,465)**	**26,334**	**188,349**
Allocation of profits of previous years					(396)		**(396)**
Economic effects on shareholders' equity			285		(370)	(11)	**(96)**
31 December 2016	**145,018**	**18,383**	**3,364**	**0**	**(5,233)**	**26,323**	**187,856**
Allocation of profits of previous years					221		**221**
Economic effects on shareholders' equity			(614)				**(614)**
31 March 2017	**145,018**	**18,383**	**2,750**	**0**	**(5,012)**	**26,323**	**187,463**

The item *Other reserves* includes the following items, among the other:

- The reserve originating from the recognition of transactions under common control, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between entities under common control, for a negative amount of € 45,400 thousand as at 31 March 2017.
- The Parent Company's extraordinary reserve (€ 73,229 thousand).

The table below shows changes in *Retained earnings*:

	Retained earnings of the Parent Company	Consolidation reserve	Total retained earnings
1 January 2016	**3,809**	**33,689**	**37,498**
Allocation of profits of previous years	(44,256)	(760)	(45,016)
31 December 2016	**(40,447)**	**32,929**	**(7,518)**
Allocation of profits of previous years	17,845	15,583	33,248
31 March 2017	**(22,602)**	**48,512**	**25,910**

Below is the breakdown of Shareholders' Equity attributable to minority shareholders. For a detailed list of the companies in which minority interests are held, reference should be made to the paragraph on Consolidation principles.

	31 March 2017	31 December 2016
Equity attributable to minority interests	**257**	**235**
of which attributable to:		

	31 March 2017	31 December 2016
Subsidiaries of Sicura S.p.A.	186	164
Other minor consortia	71	71

MFM S.p.A. holds a stake of 85% in the share capital of Sicura S.p.A.. However, no equity attributable to minority interests has been recognized as the Parent Company holds a Call option on the minority interest, linked to a put option in favour of the minority shareholder which is recognised as a financial liability. Therefore, the equity and the result for the period attributable to minority interests relates to the minorities present in some indirect subsidiaries relating to the same sub-group.

11. NET FINANCIAL INDEBTEDNESS

Net financial indebtedness as of 31 March 2017 amounted to € 182,628 thousand, compared to € 180,942 thousand as of 31 December 2016. Below is the related breakdown by balance sheet line:

	31 March 2017	31 December 2016	Change
Long-term financial debt	308,831	305,482	3,349
Bank borrowings, including current portion of long-term debt, and other financial liabilities	52,079	52,839	(760)
FINANCIAL LIABILITIES	**360,910**	**358,321**	**2,589**
Medium/long-term derivatives	0	0	0
GROSS FINANCIAL INDEBTEDNESS	**360,910**	**358,321**	**2,589**
Cash and cash equivalents	(176,231)	(174,992)	(1,239)
Current financial assets	(2,051)	(2,387)	335
NET FINANCIAL INDEBTEDNESS	**182,628**	**180,942**	**1,686**

Bank borrowings, including current portion of long-term debt and other financial liabilities

The tables below set forth the qualitative breakdown by current and non-current financial liabilities at 31 March 2017 and 31 December 2016.

	31 March 2017	within 1 year	from 1 to 5 years	after 5 years
Senior Secured Notes	294,969		294,969	
C.C.F.S. loan	10,000		10,000	
Prepaid interest expenses	(50)	(50)		
Accrued interest expense	4,310	4,310		

	31 March 2017	within 1 year	from 1 to 5 years	after 5 years
Long-term bank borrowings and current portion of long-term bank borrowings	**9,228**	**4,259**	**304,969**	**0**
Current account overdrafts, advance payments and hot money	15,988	15,988		
Finance lease obligations	4,116	669	1,492	1,956
Loans from syndicated shareholders	360	360		
Other current financial liabilities	7	7		
Obligations arising from assignments of receivables with recourse	2,920	2,920		
Obligations from assignments of receivables with recourse	21,934	21,934		
Debt for the acquisition of investments	226	226		
Options on subsidiaries' minority shareholdings	5,438	5,438		
Capital contribution to be paid into investee companies	692	277	415	
TOTAL FINANCIAL LIABILITIES	**360,910**	**52,079**	**306,875**	**1,956**

	31 December 2016	within 1 year	from 1 to 5 years	after 5 years
Senior Secured Notes	294,648		294,648	
C.C.F.S. loan	10,000		10,000	
Prepaid interest expenses	(47)	(47)		
Accrued interest expense	10,681	10,681		
Long-term bank borrowings and current portion of long-term bank borrowings	**315,282**	**10,634**	**304,648**	**0**
Current account overdrafts, advance payments and hot money	11,857	11,857		
Finance lease obligations	914	495	419	
Loans from syndicated shareholders	357	357		
Other current financial liabilities	7	7		
Collections on behalf of assignees of trade receivables	2,744	2,744		
Obligations from assignments of receivables with recourse	20,805	20,805		
Debt for the acquisition of investments	226	226		
Options on subsidiaries' minority shareholdings	5,438	5,438		
Capital contribution to be paid into investee companies	692	277	415	
TOTAL FINANCIAL LIABILITIES	**358,321**	**52,839**	**305,482**	**0**

Senior Secured Notes (MFM S.p.A.)

On 2 August 2013 the Parent Company MFM S.p.A. issued secured High Yield bonds (Senior Secured Notes) due 1 August 2020, restricted to institutional investors. The proceeds of the transaction were used to repay most of the existing bank loans and replace the revolving programmes for the assignment of trade receivables without recourse. The bonds, which are listed on the Euro MTF Market of the Luxembourg Stock Exchange and on the Extra MOT Pro Segment of the Italian Stock Exchange, was issued for a nominal value of € 425 million, with an issue price below par by 98.713%, with a fixed annual 8.5% coupon on a six-monthly settlement basis.

At 31 March 2017 the nominal value of the debt was € 300 million, given the buy-back operations carried out in 2014 and 2015, respectively, for € 45 million and € 80 million of nominal portions. None of the notes purchased (nominal value € 125 million) were cancelled; they were deposited in a securities account with Unicredit S.p.A. and are reported in the Statement of Financial Position as a straight reduction of total financial debt since, from the accounting point of view, they constitute the repayment of a debt. A portion of the notes (in a nominal amount of € 14 million) was pledged against the committed credit line of € 10 million, due 2018, obtained from CCFS.
Finally, financial costs were accounted for in the period for € 321 thousand, against the upfront fees paid when the bonds were issued, accounted for according to the amortised cost method, in compliance with IAS 39.

To protect the investment of the Bondholders of the so-called notes, the rules governing the bond issue provide for a system of guarantees and restrictions (covenants). In fact, some limitations are envisaged on the financial operations of the Issuer and of its subsidiaries, while leaving the Group the freedom of movement insofar as the operations undertaken contribute, at least potentially, added value and cash flows to the Group. These restrictions consist of limitations on the possibility of incurrence of indebtedness and of making distributions of dividends, investments and some types of payments that fall outside the scope of the so-called Restricted Group payments. Furthermore, there are provisions in relation to the allocation of sums obtained from the transfer of fixed assets, extraordinary operations and transactions with related parties and the issue of collaterals to third parties on corporate assets. The restrictions in question lie not so much in the absolute prohibition on carrying out the abovementioned operations, but rather in checking for compliance with certain financial ratios (incurrence base financial covenants), the presence of certain conditions or a quantitative limit on the performance of the above operations. Finally, periodic disclosure obligations are provided for in relation to the Group's financial position, results of operation and cash flows. The limits and provisions envisaged in the rules governing the bond issue are in line with the market practice for similar operations. The failure by the Issuer to comply with one or more covenants, in addition to significant events that express a state of insolvency, constitute events of default. For the most of them, there is the possibility of remediation within a certain period of time. The event of default relating to the state of insolvency or the absence of remediation of any other events of default are a reason for acceleration, i.e. the forfeiture of the right to the time limit and the early redemption of the bonds.
As at the reporting date of these financial statements, no events of default had occurred and the financial covenants, in relation to which no periodic check is required, had been complied with.

C.C.F.S. loan

On 6 August 2015, the Parent Company entered into a loan agreement with CCFS of € 10,000 thousand, due August 2018. The loan has a fixed interest rate, net of a spread with quarterly settlement and is backed by a pledge over the Notes for € 14 million.

Accrued interest expense

At 31 March 2017, the Group recognised accrued expenses on interest payable of € 4,310 thousand, of which € 4,250 thousand relating to the amount accrued on the coupon of the Senior Secured Notes due 2 August 2017. The balance of the latter items includes an amount accrued on the total accruing coupons equal to € 6,021 thousand, net of accrued income of € 1,771 thousand relating to the Notes held on securities accounts.

Obligations arising from finance lease

The lease agreements entered into are not secured and refer to the companies Servizi Ospedalieri S.p.A. and Sicura S.p.A.. They refer to motor vehicles and plant and machinery mainly used by Servizi Ospedalieri S.p.A. in the laundering and sterilization production processes.

On 3 March 2017 the subsidiary Servizi Ospedalieri S.p.A. entered into finance lease agreement with Unicredit Leasing S.p.A. for the acquisition of the plant located in Lucca, which had been previously used under a lease agreement by Manutencoop Immobiliare S.p.A. (a company in the Manutencoop Società Cooperativa Group, which was the owner of the same). The financed value is equal to € 4,467 thousand. The finance lease term is 12 years, with an initial maxi-rental of € 1,117 thousand and unvaried monthly instalments, allowing for redemption at maturity.

Syndicated loans

This item refers to financing provided by third-party syndicated shareholders to consortium companies included within the scope of consolidation as they are controlled or held under a joint venture (50%). In certain cases, these loans are non-interest-bearing loans and are repayable on request. In other cases, they have a contractually defined maturity and, in others still, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract, on the basis of which the consortium company was established.

The balance of this item, equal to € 357 thousand, remained unchanged compared to 31 December 2016.

Due to factoring agencies

This item includes receipts from customers on receivables assigned within the factoring of trade receivables without recourse, which was entered into with Banca Farmafactoring S.p.A., in relation to which the Parent Company MFM performs the service of receipts. The amounts collected (equal to € 2,920 thousand at 31 March 2017) were transferred to the factor in the first days of the subsequent financial year.

Obligations from assignments of receivables with recourse

During 2015 MFM S.p.A. entered into an agreement for the assignment with recourse (*pro-solvendo*), of trade receivables with Unicredit Factoring S.p.A., concerning receivables from Public Authorities. The

assignments took place in more than one tranche starting from the last quarter of 2015. During 2017 assignments were made at a nominal value of receivables of € 11,254 thousand, while the amount of receivables assigned but not yet collected by the factor at 31 March 2017 amounted to € 21,934 thousand.

Options on minority interests in subsidiaries

The options on minority interests in subsidiaries, recognised to an amount of € 5,435 thousand (unchanged compared to 31 December 2016), fully related to the residual value of the Put option held by the minorities of Gruppo Sicura S.r.l. (acquired in 2008 and now merged into Sicura S.p.A.).

Current financial assets

At 31 March 2017, Current financial assets amounted to € 2,051 thousand (at 31 December 2016: € 2,387 thousand) including:

- the residual balance, equal to € 950 thousand, of the receivable for the earn-out paid on the disposal of SMAIL S.p.A., which remained unchanged compared to 31 December 2016;
- € 769 thousand of receivables from short-term loans and financial accounts held with non-consolidated companies belonging to the Group;
- the balance of pledged current accounts dedicated to the operation of the service within the scope of assignments of trade receivables without recourse with Banca Farmafactoring, equal to € 208 thousand.

12. EMPLOYEE TERMINATION INDEMNITY

Changes in employee termination indemnity (''T.F.R.'') occurred during the first three months of 2017 are shown below, compared with changes in the same period of the last year.

	For the quarter ended	
	31 March 2017	31 March 2016
At 1 January	**17,043**	**18,424**
Service cost	134	118
Interest costs on benefit obligation	61	90
Benefits paid	(786)	(370)
Net actuarial (gains)/ losses recognized in the period		
Other changes	8	(50)
AT 31 MARCH	**16,459**	**18,212**

Below is reported the breakdown of the net cost of employee benefits relating to the termination indemnity:

	For the quarter ended	
	31 March 2017	31 March 2016
Current service cost	134	118
Interest costs on benefits obligation	611	90
NET COST OF THE BENEFITS RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS	**195**	**208**
Net actuarial (gains)/ losses recognized in the period		
TOTAL COST OF THE BENEFIT	**195**	**208**

Below are reported the data relating to the average number of the Group's employees and of the workers provided to the Group by Manutencoop Società Cooperativa:

	For the quarter ended	
	31 March 2017	31 March 2016
Executives	59	59
Office workers	1,254	1,282
Manual workers	14,884	15,129
AVERAGE STAFF	**16,197**	**16,469**

The average number of leased employees provided to the Group by Manutencoop Società Cooperativa was equal to no. 432 units at 31 March 2017 (31 March 2016: no. 480 units).

13. PROVISIONS FOR RISKS AND CHARGES

Below are reported the breakdown and changes in provisions for risks and charges for the period ended 31 March 2017:

	Risks on investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Restructuring	Bonuses	Other provisions	Total
At 1 January 2017	**72**	**8,153**	**43,037**	**478**	**202**	**2,000**	**0**	**1,294**	**55,237**
Accruals	2	33	566						**600**

	Risks on investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Restructuring	Bonuses	Other provisions	Total
Utilizations (payments)		(72)	(257)			(466)		(17)	**(811)**
Unused and reversed		(5)	(42)						**(47)**
Other			(14,732)			32			**(14,700)**
At 31 March 2017	**74**	**8,109**	**28,571**	**478**	**202**	**1,567**	**0**	**1,278**	**40,279**
At 31 March 2017:									
Current	*74*	*7,780*	*422*	*478*	*0*	*1,567*	*0*	*24*	***10,346***
Non-current	*0*	*329*	*28,149*	*0*	*202*	*0*	*0*	*1,254*	***29,933***
At 31 December 2016:									
Current	*72*	*7,779*	*362*	*478*	*0*	*2,000*	*0*	*24*	***10,715***
Non-current	*0*	*374*	*42,676*	*0*	*202*	*0*	*0*	*1,270*	***44,522***

Provision for risks on investments

The item, amounting to €74 thousand as at 31 March 2017 includes the provision for unrecoverable future losses of Group companies and related to the subsidiary Alisei S.r.l. in liquidation..

Provision for risks on job orders

This provision includes, at consolidated level:

- estimated risks relating to potential disputes with customers, on the report of works;
- estimated penalties charged by customers
- estimated costs to complete job orders, in respect of which no additional revenues will be paid.

The year-end balance was equal to € 8,109 thousand, against accruals of € 33 thousand, in addition to uses, releases and other changes that entailed a decrease of € 77 thousand in the provision.

Provision for pending disputes

At the end of the financial year, the company assesses the risk of having to pay future compensation in the event of unsuccessful legal disputes with customers, suppliers, employees and other. During the period ended 31 March 2017 the provision, totalling € 28,571 thousand, reported increases for accruals of € 566 thousand and decreases for uses, releases and other changes totalling € 15,032 thousand.

Accruals were mainly recognized to cover risks of Servizi Ospedalieri S.p.A. for € 29 thousand and of the Parent Company MFM S.p.A. for € 452 thousand. Utilization and reversal in the period (€ 299 thousand) refer to the provisions recorded in previous years due to the settlement of disputes with suppliers and legal proceedings with other parties.

On 20 January 2016 AGCM considered that it had found a breach of competition rules on the part of some companies which had taken part in a European Union tender for cleaning services in school buildings called by CONSIP in 2012 and levied a fine of € 48,510 thousand against the parent company MFM S.p.A., which has rejected the arguments on which the charge was based and challenged the Authority's order before

the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale*, TAR). On 14 October 2016 the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale*, TAR) handed down its ruling, only partially granting the appeal filed by MFM S.p.A. and referring the papers to AGCM for a new calculation of the fine, with the recommendation to reduce both the related taxable base (limiting it to the amount set for the tender) and the percentage to be applied to the abovementioned amount (from 15% to 5%). MFM S.p.A. challenged the judgment on the merits before the Council of State, which, on 28 February 2017, handed down its ruling, confirming the order issued by the Lazio Regional Administrative Court. In any case, MFM S.p.A. intends to also challenge the Council of State's judgment, filing an appeal with the Supreme Court. Finally, on 23 December 2016, AGCM executed the Lazio Regional Administrative Court's ruling and adopted a new order, calculating the fine in € 14,700 thousand. This order was also challenged before the Lazio Regional Administrative Court.

When closing the Financial Statements at 31 December 2016, in the light, among other things, of the appeals lodged by the parties, on which the competent courts have already ruled, the Directors recalculated the risk of outflows related to the Competition Authority fine as a maximum amount of € 14.7 million. On 24 March 2017, the Lazio Regional Administrative Court rejected the request for suspension of payment submitted by MFM S.p.A.: therefore, the entire amount of the fine has been reclassified to "Other operating liabilities" and reported in the statement of changes in provisions under "Other changes". Finally, AGCM handed down an order on 28 April 2017 concerning the payment by instalments requested by MFM S.p.A., allowing the latter to pay the fine in 30 monthly instalments at the legal interest rate (currently equal to 0.1%). The first instalment was paid by the Company on 3 May 2017.

As a result of the Competition Authority fine ruling, on 4 February 2016 Consip S.p.A. initiated a procedure to terminate the Agreements entered into within the tender in question, also informing the Company that it would consider the possibility of excluding it from future tenders for "work of the same type" (including pursuant to article 38, paragraph 1, letter f) of Legislative Decree 163/06). On 23 November 2016 Consip S.p.A. gave MFM S.p.A. notice of the final termination of the agreements, expressly stating that it would confiscate the part of the final guarantee deposit (performance bond) which remained after the deposit had been partially released considering the work done normally up to the termination date. It also notified the intention to report the events to the Italian Anti-Corruption Authority (*Autorità Nazionale Anti-Corruzione*, ANAC) and to the Public Prosecutor's Office. Although ANAC issued an unfavourable opinion, which was considered to be unlawful and was promptly challenged by the Company), MFM S.p.A. considers that the termination of the agreement does not entail the automatic termination of existing contracts with individual schools but that termination is a mere right on the schools' part, which has not yet been exercised by any of them in relation to the abovementioned order. 24 April 2017 saw the publication of Decree Law no. 50 in the Official Gazette, which, under Article 64 (Services rendered to schools), provides, as regards the regions in which the Consip framework agreements have been terminated, for the continuation of acquisition of cleaning and other auxiliary services until 31 August 2017.

Finally, on 2 December 2016 Consip S.p.A. formally notified the Italian Anti-Corruption Authority (*Autorità Nazionale Anti-Corruzione*, ANAC) of its accusations against MFM S.p.A., as already announced in the letter of termination of the Agreements, together with the intention to submit a report to the Public Prosecutor's Office. On 7 January 2017 the Company served a writ of summons on the entity, asking the Ordinary Court of Rome to establish the unlawfulness of the notice of termination of the agreements and order Consip S.p.A. to compensate for any damage suffered by the company.

The tender performance bond (initially equal to € 24.5 million) might also be partially enforced if the Company loses the case against Consip S.p.A.. After the Regional Administrative Court's judgment of 14 October 2016, which was confirmed by the Council of State's judgment of 1 March 2017 and which substantially reduced the fine that had previously been imposed while not accepting the Company's argument that it was completely extraneous to the accusations, the Directors made an adjustment of the provisions for future charges in the Financial Statements at 31 December 2016, also taking account of the risk of enforcement of the abovementioned performance bond. MFM S.p.A. could submit sound arguments against the enforcement of the bond in court, but in any case the maximum estimated liability of € 17.5 million, which is the part of the bond which would remain after its partial release owing to the work carried out normally until termination, was allocated to the provision for legal disputes as early as at 31 December 2016.

On 23 March 2017 AGCM notified MFM S.p.A. of the initiation of a preliminary investigation procedure against CNS – Consorzio Nazionale Servizi Società Cooperativa, Dussmann Service, S.r.l., Engie Servizi S.p.A. (formerly Cofely Italia S.p.A.), ManitalIdea S.p.A., MFM S.p.A., Romeo Gestioni S.p.A. and STI S.p.A. in order to establish whether these companies implemented any possible understanding restricting competition, concerning the coordination of the procedures to participate in the tender launched by Consip in 2014 for awarding the Facility Management services to be rendered to the properties that are mainly intended for office use on the part of the Public Authorities ("FM4 Tender").
To date AGCM has started preliminary investigations only. The Company firmly rejects the arguments holding an alleged collusive agreement with the other companies involved in the proceedings. The Directors believe that in no case are the requirements met in terms of probability, as well as of reliable estimate, required by the international accounting standards to set aside a provision for risks.

With reference to the events referred to above, the Directors also believe that: (i) the risk of being excluded from future Consip tenders for "work of the same type", as a result of the specific clause mentioned above, which is regarded as probable, should not entail significant effects, given that it should be limited to possible Consip tenders that should mainly concern school cleaning services, which at present do not fall within the scope of the pipeline of the tenders still being awarded; (ii) the risk of being excluded from public tenders (including, but not limited to, the tenders launched by Consip) at the initiative of the contracting authority or upon appeal by a competitor appears to be not probable; in fact, despite a context

that is significantly affected by new laws and more restrictive approaches with respect to previous rules, the Company believes, also according to the opinions provided by its own legal counsels, that the risk may mainly arise from delays in awarding some tenders attributable to situations of further worsening of the disputes connected with the participation in or the awarding of said tenders; (iii) to date the risk of the Company being temporarily excluded from public tenders as a result of an order issued by the ANAC can be reasonably regarded as not probable, in consideration of the defence arguments discussed with the Company's legal counsels, which may be submitted both upon participation in the ANAC procedure and at the time of any possible appeal filed with administrative courts, if required. ANAC shall complete its preliminary investigations within 180 days from the opening of the same, which has not yet occurred to date.

The Directors believe that there are no significant uncertainties for the purposes of assessing whether the Company meets the going-concern principle, as they fully rely on the arguments discussed with its own legal counsels and have also considered the financial soundness of the Company and of the Group, as well as the substantial amount of contracts that had already been gained as at the reporting date.

Severance provision

This provision relates to the amounts due for severance and employee redundancy costs, as part of the restructuring plans implemented by some Group companies over the last few years. At 31 December 2016 the Group had recognized provisions totalling € 2,000 thousand (of which € 1,014 thousand in MFM S.p.A., € 460 thousand in Telepost S.p.A. and € 92 thousand in Servizi Ospedalieri S.p.A.). In the first quarter of 2017 there were uses of € 466 thousand (€ 418 thousand of which in MFM S.p.A.).

14. TRADE PAYABLES, ADVANCES FROM CUSTOMERS AND OTHER CURRENT LIABILITIES

The table below sets forth the breakdown of the item as at 31 March 2017 and 31 December 2016:

	31 March 2017	of which to related parties	31 December 2016	of which to related parties
Trade payables	315,344		315,137	
Trade payables to third parties	**315,344**	**0**	**315,137**	**0**
Trade payables to Manutencoop Cooperativa	4,347	4,347	4,770	4,770
Trade payables to associates within 12 months	15,824	15,824	14,648	14,648
Trade payables to related parties	**20,171**	**20,171**	**19,418**	**19,418**
Advances from customers and payables for work to be performed	12,969	1	11,753	5
TRADE PAYABLES AND ADVANCES FROM CUSTOMERS	**348,484**	**20,172**	**346,308**	**19,423**
Payables to directors and statutory auditors	323		396	

	31 March 2017	of which to related parties	31 December 2016	of which to related parties
Tax payables	8,169		9,799	
Payables to social security within 12 months	5,348		8,080	
Other payables to TJA (*"Associazione temporanea di Imprese"*)	4,611		6,017	
Payables to employees within 12 months	55,483		46,661	
Other payables within 12 months	19,353		11,360	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**95,463**	**0**	**84,489**	**0**
Other current payables to Manutencoop Cooperativa	42	42	62	62
Other payables to associates	461	461	(17)	(17)
Other current operating payables to the related parties	503	**503**	**45**	**45**
Accrued expenses	6		9	
Deferred income	1,201		1,366	
Accrued expenses and deferred income	**1,207**	**0**	**1,375**	**0**
OTHER CURRENT LIABILITIES	**97,173**	**503**	**85,909**	**45**

Trade payables do not accrue interest and are settled for, on average, 90/120 days from the invoice date. The other payables are non-interest bearing payables and are settled, on average, after 30 days, excluding payables due to employees for accrued 13th and 14th monthly pay and holidays paid at 6 months on average, and the amounts due to the Tax Authorities for VAT.

Trade payables and advances from customers as at 31 March 2017 amounted to € 348,484 thousand, against a balance of € 346,308 thousand at 31 December 2016.

Other current operating payables showed a balance of € 97,173 thousand at 31 March 2017(€ 85,909 at 31 December 2016) and are mainly made up of the following items:

- payables to employees of € 55,483 thousand, including the current monthly salaries to be paid in the months after the closing of the financial year, as well as payables for additional monthly salary to be paid (a portion of the 14th salary, to be paid in the month of July, and of the 13th salary, to be paid every year in December). Furthermore, the corresponding payables to social security institutions were recognized for € 5,348 thousand;
- payables due to tax authorities for € 8,169 thousand, mainly related to the balance of the payable relating to the employees' IRPEF personal income tax (€ 9,799 thousand at 31 December 2016).
- collections on behalf of Temporary Associations of Companies (ATI) for € 4,611 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mainly relating to job orders under CONSIP agreement (€ 6,017 thousand at 31 December 2016).

"Other payables within 12 months" included, until 31 December 2016, the debt relating to "*oneri di sistema*". The Parent Company MFM S.p.A., in fact, holds some major contracts for energy services for which operating payables relating to "*Oneri di Sistema*" had been recognised for a total amount of € 6,152 thousand in previous years (according to the regulatory provisions laid down under Decree Law 91/2014,

as amended and converted by Law 116/2014 and the related implementing decree enacted in 2015). On 23 February 2017 the Chamber of Deputies finally approved Decree Law 244 of 30 December 2016, the "*Milleproroghe*" Decree, and converted it into law. Specifically, the amendments affect the current regulations governing "*Oneri di sistema*" and in particular the rule was repealed, which, except for the RIUs (*Reti Interne di Utenza*, Internal Utility Networks), general *oneri di sistema* are calculated by making reference to energy consumption. According to the previous Bersani Decree (Legislative Decree 79/99), *oneri di sistema* are payable according to the energy withdrawn from the grid and, accordingly, any entity that does not withdraw energy from the grid, because it produces electricity on its own account, is exempt from the payment of said charges. Therefore, according to the new regulations, the management of MFM S.p.A. believe that no additional *Oneri di Sistema* must be recognised during 2017, also given that payment obligations have ceased to apply to those relating to previous years, for which no payment has yet been made.

During the first quarter of 2017, the same item included the recognition of the debt relating to the fine imposed by AGCM (€ 14,700 thousand) following the rejection by the Lazio Regional Administrative Court of the request for suspension of payments submitted by MFM S.p.A. (for more details, reference should be made to note 13 above). By an order dated 28 April 2017, AGCM granted the payment of the fine in 30 monthly instalments, at the legal rate of interest, which is currently equal to 0.1%. Therefore, MFM S.p.A. has reclassified the provision for legal disputes that had already been set aside in previous years.

15. COMMITMENTS AND CONTINGENT LIABILITIES

Financial leasing

The Group signed financial leases primarily for plant and machinery used in the production processes of the Laundering&Sterilization SBU and for motor vehicles. On 3 March 2017 the subsidiary Servizi Ospedalieri S.p.A. also entered into the abovementioned real property lease agreement in order to acquire the plant located in Lucca.

The table below details the amount of future rental fees deriving from financial leases and the current value of these fees:

	31 March 2017		31 December 2016	
	Rental fees	Current value of rental fees	Rental fees	Current value of rental fees
Within one year	805	669	523	495
From one year to five years	1,625	1,492	439	419
After five years	2,685	1,956	0	0

	31 March 2017		31 December 2016	
	Rental fees	Current value of rental fees	Rental fees	Current value of rental fees
TOTAL LEASE FEES	5,115	4,116	962	914
Financial charges	(998)		(48)	
CURRENT VALUE OF LEASE FEES	4,116	4,116	914	914

As at 31 March 2017, the Group granted sureties to third parties for:

- guarantees in favour of associates for bank overdrafts and other obligations amounting to € 15,659 thousand (31 December 2016: € 16,057 thousand);
- guarantees in favour of Factoring Financial Institutions for € 2,104 thousand (unchanged compared to 31 December 2016), to ensure correct fulfilment of factoring contracts;
- other sureties granted to third parties: i) to ensure the correct fulfilment of contract obligations in place with customers amounting to € 226,194 thousand (31 December 2016: € 225,516 thousand); ii) guarantees to secure financial obligations for € 2,225 thousand (unchanged compared to 31 December 2016); iii) to replace security deposits required to activate utilities or for lease contracts, as well as for VAT refunds from Inland Revenue Agency, for a total amount of € 4,883 thousand (31 December 2016: € 4,657 thousand).

Guarantees given within the bond issue

The Parent Company MFM S.p.A. and the subsidiaries Servizi Ospedalieri S.p.A. and H2H Facility Solutions S.p.A. have issued, in favour of the bondholders the following collaterals:

- first-recorded pledge on the shares held by MFM S.p.A. H2H Facility Solutions S.p.A. and in Servizi Ospedalieri S.p.A., equal to 100% of the capital of the same;
- assignment as security of receivables from private customers claimed by MFM S.p.A. and H2H Facility Solutions S.p.A.. At 31 March 2017 the receivables assigned as security amounted to € 70,018 thousand (€ 68,285 thousand at 31 December 2016);
- execution of a deed of pledge on the current accounts held with Unicredit S.p.A., which were credited with the amounts collected from private customers assigned as security. The balance of these current accounts at 31 March 2017 was equal to € 7,223 thousand (€ 13,627 thousand at 31 December 2016);
- the release by Servizi Ospedalieri S.p.A. and H2H Facility Solutions S.p.A. of a personal security for an overall maximum amount of € 48,411 thousand and € 16,907 thousand, respectively, at 31 March 2017.

The guarantees listed above may be enforced by the counterparties only in the case that one of the events of default envisaged in the abovementioned contracts occurs; up to the occurrence of the same, the assets

covered by the guarantee are fully available to the Group. At 31 March 2017 no events of default had occurred.

Contingent liabilities

As at the date of approval of this Interim Report on Operations at 31 March 2017, no contingent liabilities had arisen for the MFM Group which had not been recognised in the accounts, in addition to the information already reported in the Notes to the 2016 Consolidated Financial Statements, to which reference should be made, and for which the Management believe that the related financial risks can be regarded as possible but unlikely.

Specifically:

- as regards the proceedings that are involving MFM S.p.A. as liable for the offences of arson recklessly endangering life and breach of safety regulations following the fire that occurred in the former Olivetti area in Scarmagno (Turin) hearings continued to be held before the Court of Ivrea, until the Court of first instance's ruling was issued on 24 February 2016, whereby the defendants were acquitted "for not having committed the crime". The insurance companies involved paid the injured parties over € 38 million in damages and then formalised their application to recover the sum from both the individual persons charged and their employers, including MFM S.p.A.. The claim for damages amount to about € 50 million in all, including the claims from the owners of the properties affected and the above insurance company claims. After careful consideration of the facts available and following the decision of acquittal at first instance , the Directors have deemed that the risk is possible but absolutely not probable. On 24 February 2017 AIG Europe Limited (one of the insurance companies which are party to the dispute) served a writ of summons on MFM S.p.A. and the persons involved, in order to seek, by way of subrogation, compensation for the amount already paid to Telesystem Electronics S.r.l (the owner of the goods stored at the plant in Scarmagno) for a value equal to € 187 thousand.
- On 3 April 2017 the Naples Public Prosecutor's Office served a search order against some executives of the MFM S.p.A., which was executed at the registered office of the same. These executives are involved in the investigation started by the Naples Public Prosecutor's Office as to the tender for awarding cleaning services at A.O.R.N. Santobono Hospital in Naples. The executives are charged, among other things, with the offence of corruption pursuant to Articles 319 and 319-*bis* of the Italian Criminal Code, which is potentially relevant pursuant to Legislative Decree 231 of 2001. The Judge for Preliminary Investigations of the Court of Naples had initially taken a precautionary measure (obligation to stay pursuant to Article 283 of the Italian Code of Criminal Procedure) against the Company's executive who was the only one to be investigated and who was a Company's function manager at the time of the facts being contested, ordered the revocation of the precautionary measure at the end of the custodial interrogation. Finally, on 27 April 2017, a notice was formally served on MFM S.p.A., whereby the date was set to hold the hearing for discussing the request for application of precautionary disqualification measure submitted against the Company by the Public

Prosecutor's Office. On 3 May 2017, the hearing was postponed to 26 May 2017 given the declared strike on the part of the associations of Criminal Lawyers. The Company declares that it is completely extraneous to the offences charged to its executives and has taken actions, within the normal relations with the control bodies, to define any appropriate in-depth analysis to be conducted.

16. MANAGEMENT OF FINANCIAL RISKS

Management of financial requirements and the relative risks (mainly interest rate and liquidity risk) is performed centrally by the Group's finance function on the basis of guidelines approved by the Parent Company's Board of Directors, which are reviewed periodically. The main objective of these guidelines is to guarantee the presence of a liability structure that is balanced with the composition of the balance sheet assets, in order to maintain a high level of capital strength.

In 2013 the Parent Company issued secured high-yield bond due August 2020, which radically revised the composition of the sources of financing. The bond issue that has been described has then rationalised our debt structure with a view to greater future financial stability that is more consistent with medium- and long-term strategic growth and development targets. The other financial instruments that are traditionally used by the Group Companies are made up of:

- short-term loans and revolving non-recourse and recourse factoring transactions targeted at funding working capital;
- the very short-term credit facilities used for contingent cash requirements;
- medium/long-term loans with a multi-year repayment plan to cover investments in fixed assets and acquisitions of companies and business units.

The Group also uses trade payables deriving from operations as financial instruments. The Group's policy is not to trade financial instruments.

The Group's financial instruments were classed into three levels provided by IFRS 7. In particular, the fair value hierarchy is defined in the following levels:

- Level 1: corresponds to prices of similar liabilities and assets listed on active markets;
- Level 2: corresponds to prices calculated through features taken from observable market data;
- Level 3: corresponds to prices calculated through other features that are different from observable market data.

The table below shows the hierarchy for each class of financial asset measured at fair value at 31 March 2017 and 31 December 2016.

		Hierarchy				Hierarchy		
	31 March 2017	Level 1	Level 2	Level 3	31 December 2016	Level 1	Level 2	Level 3
Financial assets carried at fair value in the income statement								
Financial receivables, securities and other non-current financial assets	101	101			101	101		
- of which securities	101	101			101	101		
Available-for-sale financial assets								
Financial receivables and other current financial assets	0	0			0	0		
- hedging derivatives	0	0			0	0		
- non-hedging derivatives	0	0			0	0		
TOTAL FINANCIAL ASSETS	**101**	**101**			101	101		

The other financial assets posted in the Statement of financial position are not measured at fair value. The Group has no financial liabilities measured at fair value at 31 March 2017 and 31 December 2016. During the period under examination there were no transfers between fair value measurement levels.

There were no changes in allocation of financial assets that led to a different classification of asset. The Group does not hold instruments to warrant amounts receivable to mitigate credit risk. The carrying amount of financial assets, therefore, represents its potential credit risk.

Capital management

The key objective of the Group's capital management is to guarantee that a solid credit rating is maintained as well as adequate capital ratios to support operations and to maximise value for shareholders.

The Group manages the capital structure and amends it on the basis of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the dividends paid to shareholders, repay principal or issue new shares.

The Group checks its debt ratio, by assessing the ratio of net debt to the total of own equity and net debt: interest-bearing loans, trade payables, other payables and provisions for employee severance indemnity net of cash and cash equivalents.

	31 March 2017	31 December 2016
Employee termination indemnity	16,459	17,043
Interest-bearing loans	351,603	305,489
Trade payables and advances from customers	348,484	346,308
Other current payables	97.173	85.909

	31 March 2017	31 December 2016
Other current financial liabilities	9,307	52,832
Cash and cash equivalents	(176,231)	(174,992)
Other current financial assets	(2,051)	(2,387)
Total Net Debt	**644,744**	**630,202**
Group shareholders' equity	335,871	323,137
Undistributed net profit (loss)	(13,348)	(33,649)
Total capital	**322,523**	**289,488**
EQUITY AND NET DEBT	**967,267**	**919,690**
Indebtedness ratio	66,7%	68,5%

A decrease was recorded in the debt ratio compared to 31 December 2016, which was mainly due to an increase in the Capital for € 33 million (for the recognition of the profit for the previous year under profits carried forward), which was more than proportional compared to the increase in net Debt, equal to € 14.5 million.

17. OPERATING SEGMENTS

The services provided by the MFM Group can be divided into two primary areas of business, which coincide with the Strategic Business Units (SBU) where business is channelled. The latter is not affected by significant seasonality factors. The SBUs identified coincide with the CGUs where the Group's activities are conducted and are summarised below.

Facility Management SBU

The Facility Management Segment offers a collection of logistic and organizational support services targeted at users of properties and aimed to optimize the management of property-related activities.

The so-called ''traditional'' Facility Management services provided by the MFM Group include the following activities:

- Cleaning;
- Technical Services;
- Landscaping.

Cleaning activity includes cleaning and hygiene services, sanitation, disinfection, pest control and rat extermination, collection, transport and disposal of hospital waste and employs the highest number of Group employees.

The so-called Technical Services encompass the management, running and maintenance services of property-related systems (including heating and air conditioning systems, electrical systems, fire prevention and safety systems), including therein:

- design and implementation of redevelopment and adjustment work into line with the safety legislation;
- design and installation of devices for energy saving and for the reduction of emissions of polluting agents into the atmosphere.

Finally, a third type of activities attributable to the Facility Management service rendered by the Group is the so-called Landscaping, i.e. a service for the maintenance of green spaces, which include both the planning and implementation of maintenance of properties' green areas, and services for the area.

Furthermore, the Group expanded its range of services through a series of acquisitions, providing certain specialist facility management services alongside its ''traditional'' Facility Management services, such as:

- services related to building security;
- mail services;
- document management.

Finally, through the establishment of e-Digital Services S.r.l. at the end of 2015 and of Yougenio S.r.l. during 2016, the Group embarked on a path to development in "business to business" (B2B) and "business to consumer" (B2C) services market. Specifically, the B2B business sector focuses on the use of expertise developed and strengthened within the scope of applications, management and *sourcing*. The B2C business sector, on the other hand, is aimed at entering the 'Consumer' market of services for homecare and persons, also by building on the implementation of a digital platform that can be easily accessed by a wide range of potential customers.

SBU Laundering&Sterilization

The so-called Laundering and Sterilization is an industrial activity given in support of health care activities. The activity, provided by the MFM Group, in particular through Servizi Ospedalieri S.p.A. and its subsidiaries, mainly involves (i) the rental and industrial laundering of bed linens, packaged linen and mattress provider (linen rental and industrial laundering), (ii) sterilization of linen and (iii) sterilization of surgical equipment.

Laundering&Sterilization services provided by the Group include the following activities:

- collection and distribution of linen in the individual departments;
- management of the linen rooms in the health care facilities;
- supply of disposable items;
- rental of linen with special materials for operating rooms;
- acceptance, treatment, sterilization and redelivery of surgical instruments;
- rental of surgical instruments;
- creation and management of sterilization systems.

The following table shows the economic results by segment for the periods ended 31 March 2017 and 31 March 2016:

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	206,074	33,175	(651)	238,599
Segment costs	(183,180)	(28,757)	651	(211,285)
Operating income (loss) by segment	**22,895**	**4,419**	**0**	**27,314**
Share of net profit of associates	1,170	57		1,227
Net financial income (charges)				(7,125)
Profit (loss) before taxes				**21,416**
Income taxes				(8,046)
SEGMENT LIABILITIES AT 31 MARCH 2017				13,370

	Facility Management	Laundering & Sterilization	Eliminations	Total
Segment revenues	209,051	33,352	(707)	241,696
Segment costs	(192,762)	(29,752)	707	(221,806)
Operating income (loss) by segment	**16,290**	**3,600**	**0**	**19,890**
Share of net profit of associates	839	32		871
Net financial income (charges)				(7,076)
Profit (loss) before taxes				**13,685**
Income taxes				(5,782)
SEGMENT LIABILITIES AT 31 MARCH 2016				7,903

Below are reported the data related to assets and liabilities by operating segments of the Group at 31 March 2017 and 31 December 2016.

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	**480,304**	**119,625**	**(2,050)**	**597,879**
Goodwill	358,693	11,763		370,456
Investments	28,962	6,035		34,997
Other assets not allocated and related taxes				214,212
SEGMENT ASSETS AT 31 MARCH 2017	867,959	137,424	(2,050)	1,217,545
Liabilities allocated to the segment	**453,509**	**50,936**	**(2,050)**	**502,395**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Other liabilities not allocated and related taxes				379,023
SEGMENT LIABILITIES AT 31 MARCH 2017	**453,509**	**50,936**	**(2,050)**	**881,417**

	Facility Management	Laundering & Sterilization	Eliminations	Total
Assets allocated to the segment	465,278	116,058	(2,703)	578,633
Goodwill	358,693	11,763		370,456
Investments	28,406	5,978		34,384
Other assets not allocated and related taxes				215,942
SEGMENT ASSETS AT 31 DECEMBER 2016	**852,377**	**133,799**	**(2,703)**	**876,043**
Liabilities allocated to the segment	454,924	52,274	(2,703)	504,495
Other liabilities not allocated and related taxes				371,548
SEGMENT LIABILITIES AT 31 DECEMBER 2016	**454,924**	**52,274**	**(2,703)**	**876,043**

18. RELATED PARTIES TRANSACTIONS

Related party transactions were performed under normal market conditions, i.e. in line with conditions that would be applied between aware and independent parties. Market prices are applied to both commercial and financial transactions.

Non-interest bearing loans are only disbursed in the case of pro-quota financing granted by syndicated shareholders to consortium companies. These loans were, however, discounted in the financial statements of the Parent Company MFM S.p.A..

The Parent Company not only provides technical-production services relating to the core business, but also administrative and IT services for certain Group companies. The Parent Company also has some administrative, financial and lease service contracts in place with its parent company Manutencoop Società Cooperativa.

The main contracts in place with other MFM Group companies, controlled by Manutencoop Società Cooperativa, with the latter and its subsidiaries, are shown below:

- e-Digital Solutions S.r.l. signed a contract with associate Roma Multiservizi S.p.A. on the basis of which it is committed to providing an Information System service. The contract makes provision for an annual consideration of € 815 thousand and will expire on 31 December 2017.

- Manutencoop Cooperativa sub-leased to MFM S.p.A. the part of the property located in Zola Predosa, via Poli no. 4 (BO), for office use. The lease is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 1,325 thousand, to be paid in monthly instalments.
- The affiliate company Manutencoop Immobiliare S.p.A. leased to Sicura S.p.A. the property located in Vicenza (VI), at via Zamenhof 363, for use as offices/warehouse The duration of the lease has a 6-year term and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 370 thousand, to be paid in 12 monthly instalments.
- The affiliate company Manutencoop Immobiliare S.p.A. leased to MFM S.p.A. the part of the property located in Mestre (VE), via Porto di Cavergnago no. 6, for office use. Annual rent is expected to be € 320 thousand, to be paid in 12 monthly instalments.
- On 6 July 2007, MFM S.p.A. signed a framework agreement with its parent company, Manutencoop Cooperativa, in order to regulate the essential contents of subsequent personnel leases from Manutencoop Cooperativa to MFM S.p.A, pursuant to Title III, Chapter I of Legislative Decree 276/2003. The contract has a five-year term, and is tacitly renewed, unless terminated by one of the parties. As a result of said agreement, which has the legal nature of a legislative contract that does not provide rights to third parties, MFM S.p.A. and the parent company Manutencoop Cooperativa set out the conditions that regulate any future contracts for the leasing of shareholding personnel of Manutencoop Cooperativa, and the operating rules for establishing and resolving said contracts.
- Manutencoop Cooperativa is committed, on the basis of contracts stipulated with the individual companies of the MFM Group, to preparing pay packets.
- MFM S.p.A. signed agreements with Manutencoop Cooperativa and its subsidiaries, for the provision of tax consultancy services.

The breakdown of the balances relating to the transactions carried out by the Group Companies with related parties is provided in Annex III attached to the Interim Report on Operations.

The MFM Group is subject to the management and coordination activities of Manutencoop Società Cooperativa.

Zola Predosa, 15 May 2017

The Chairman of the Board of Directors

Marco Canale

ANNEX I

GROUP COMPANIES

PARENT COMPANY

Name	Registered Office	City
Manutencoop Facility Management S.p.A.	Via Poli no. 4	Zola Predosa (BO)

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Name	Registered Office	City	% held	Type
Alessandria Project Value S.r.l.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
CO.GE.F. Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	80%	Subsidiary
Consorzio Igiene Ospedaliera Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	66.66%	Subsidiary
Consorzio Servizi Toscana Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Evimed S.r.l.	Via Zamenhof 363	Vicenza	90%	Subsidiary
e-Digital Services S.r.l.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Ferraria Soc. cons. a r.l.	Via Poli 4	Zola Predosa (BO)	69%	Subsidiary
Global Oltremare Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
H2H Facility Solutions S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
ISOM Lavori Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	62.71%	Subsidiary
ISOM Gestione Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	52.97%	Subsidiary
KANARIND Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	62.43%	Subsidiary
Leonardo S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
Logistica Sud Est Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Manutencoop International FM S.r.l.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Manutencoop France S.a.r.l.	4 place Louis Armand-Tour de l'Horloge	Parigi	100%	Subsidiary
Manutencoop Transport S.a.S.	4 place Louis Armand-Tour de l'Horloge	Parigi	100%	Subsidiary
MCF servizi Integrati Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Palmanova Servizi Energetici Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Protec S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
S.AN.CO S.c.a.r.l.	Via A. Saffi, 51	Bologna	100%	Subsidiary
S.AN.GE S.c.a.r.l.	Viale Sarca 336 – Strada Privata Breda – Edificio 12	Milan	89%	Subsidiary
San Gerardo Servizi Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Servizi Brindisi Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	52%	Subsidiary
Servizi Ospedalieri S.p.A.	Via Calvino 33	Ferrara	100%	Subsidiary
Servizi Sanitari Sicilia Soc.Cons. a r.l.	Via Calvino 33	Ferrara	70%	Subsidiary
Servizi Taranto Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60,08%	Subsidiary
Sicura S.p.A.	Via Zamenhof 363	Vicenza	85%	Subsidiary
Telepost S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary

Name	Registered Office	City	% held	Type
Yougenio S.r.l.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary

JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% held	Type
AMG S.r.l.	SS Laghi di Avigliana 48/a	frazione Roata Raffo Busca (CN)	50%	Joint Venture
Cardarelli Soc.cons.r.l.	S.S. Appia 7 bis Km. 11,900 Zona A.s.i. Aversa Nord	Carinaro (CE)	60%	Joint Venture
CO. & MA. Soc. Cons. a r.l.	Via del Parco no. 16	Tremestieri Etneo (CT)	50%	Joint Venture
DUC Gestione Sede Unica Soc.cons.r.l.	Via Poli 4	Zola Predosa (BO)	49%	Joint Venture
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	Üniversiteler Mahallesi, Bilkent Plaza, A3 Blok, no. 4	Çankaya/ Ankara	50%	Joint Venture
Legnago 2001 Soc.cons.r.l.	Via Poli 4	Zola Predosa (BO)	50%	Joint Venture
Servizi Sportivi Brindisi Soc.cons.r.l.	Via Licio Giorgieri 93	Rome	50%	Joint Venture

ASSOCIATES AND OTHER COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% held	Type
Alisei S.r.l. in liquidation	Via Cesari 68/1	Modena	100%	In liquidation
Bologna Gestione Patrimonio Soc.Cons. r.l. in liquidation	Via della Cooperazione 9	Bologna	27.58%	In liquidation
Bologna Global Strade Soc.Cons. r.l.	Via Zanardi n372	Bologna	51%	Associate
Bologna Multiservizi Soc.Cons. r.l.	Via Del Lavoro 23/4	Casalecchio di Reno (BO)	39%	Associate
Bologna Più' Soc.Cons.r.l in liquidation	Via M.E. Lepido 182/2	Bologna	25.68%	In liquidation
Centro Europa Ricerche S.r.l.	Via G. Zanardelli no. 34	Rome	21.38%	Associate
Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation	Via Poiano 22	Imola (BO)	60%	In liquidation
Como Energia Soc.Cons. r.l.	Via Pietro Strazzi 2	Como	30%	Associate
Consorzio Polo Sterilizzazione Integrata a r.l.	Via Facciolati 84	Padova	60%	Associate
Consorzio Sermagest Soc.Cons. a r.l. in liquidation	Via Filippo Corridoni 23	Rome	60%	In liquidation
F.lli Bernard S.r.l.	Stradella Aquedotto 21	Bari	20%	Associate
Gico System S.r.l.	Via Finelli 8	Calderara di Reno (BO)	20%	Associate
Global Provincia Di Rimini Soc.Cons. r.l. in liquidation	Via Poli 4	Zola Predosa (BO)	42.40%	In liquidation
Global Riviera Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	30.66%	Associate
Global Vicenza Soc.Cons. a r.l.	Via Grandi 39	Concordia Sulla Secchia (MO)	41.25%	Associate
Gymnasium Soc.Cons. r.l. in liquidation	Via Poli 4	Zola Predosa (BO)	68%	In liquidation
GRID Modena S.r.l.	Via Divisione Acqui, 129	Modena (MO)	23%	Associate
Iniziative Produttive Piemontesi S.r.l.	Corso Einaudi 18	Turin	24.75%	Associate
Livia Soc.Cons. a r.l. in liquidation	Via Roma 57/B	Zola Predosa (BO)	34.10%	In liquidation

Name	Registered Office	City	% held	Type
Logistica Ospedaliera Soc. Cons. a r.l	Via C. Alberto Dalla Chiesa 23/I	Caltanissetta (CL)	45%	Associate
Newco Duc Bologna S.p.A.	Via M.E. Lepido 182/2	Bologna	24.90%	Associate
Palazzo della Fonte S.c.p.a.	Via Calamandrei, 255	Arezzo (AR)	33.30%	Associate
Progetto ISOM S.p.A.	Via Poli 4	Zola Predosa (BO)	36.98%	Associate
Roma Multiservizi S.p.A.	Via Tiburtina 1072	Rome	45.47%	Associate
San Martino 2000 Soc.Cons. a r.l.	Via al Molo Vecchio	Calata Gadda (GE)	40%	Associate
Savia Soc.Cons. a r.l.	Via B. Vanzetti 1	Forlì	49.11%	Associate
Società Consortile Adanti Manutencoop a r.l.in l liquidation	Via Poli 4	Zola Predosa (BO)	50%	In liquidation
Serena S.r.l. in liquidation	Via Poli 4	Zola Predosa (BO)	50%	In liquidation
Se.Ste.Ro S.r.l.	Via San Pietro 59/B	fraz. Castellina - Soragna (PR)	25%	Associate
Servizi Napoli 5 Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	45%	Associate
Servizi Sanitari Treviso Soc.Cons.a r.l.	Via al Molo Vecchio	Calata Gadda (GE)	40%	Associate
Sesamo S.p.A.	Via C. Pisacane 2	Carpi (MO)	20.91%	Associate
Simagest 2 Soc. Cons. a r.l in liquidation	Via Poli 4	Zola Predosa (BO)	90%	In liquidation
Simagest 3 Soc. Cons. a r.l in liquidation	Via Poli 4	Zola Predosa (BO)	89.99%	In liquidation
Synchron Nuovo San Gerardo S.p.A.	Via Poli 4	Zola Predosa (BO)	35.82%	Associate
Steril Piemonte Soc.Cons. r.l.	Corso Einaudi 18	Turin	25%	Associate
Tower Soc.Cons. a r.l. in liquidation	Via Zanardi 372	Bologna	20.17%	Associate

ANNEX II

VALUATION OF INVESTMENTS USING THE EQUITY METHOD

	%	Net Book Value, December 31, 2016	Changes of the period					Net Book Value, March 31, 2017	Book value	Investment Provision
			Additions/Disposals	Dividends	Share of net profit / Write-downs	Provision	Reserves			
Alisei S.r.l. in l liquidation	100%	(72)				(2)		(74)		(74)
A.M.G. S.r.l.	50%	2,339			45			2,384	2,384	
Bologna Gestione Patrimonio Soc. Cons. a. r.l. in liquidation	27.58%	6						6	6	
Bologna Global Strade Soc. Cons. a. r.l.	51%	51						51	51	
Bologna Multiservizi Soc. Cons. a r.l.	39%	4						4	4	
Bologna Più Soc. Cons. a r.l.	25.68%	5						5	5	
Cardarelli Soc. Cons. a r.l.	60%	5						5	5	
Centro Europa Ricerche S.r.l.	21.38%	69						69	69	
Co. & Ma. Soc. Cons. a r.l.	50%	5						5	5	
Como Energia Soc. Cons. a r.l.	30%	11						11	11	
Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation	60%	6						6	6	
Consorzio Polo sterilizzazione Integrata	60%	1						1	1	
Consorzio Sermagest in liquidation	60%	0						0	0	
DUC Gestioni Soc.Cons. a r.l.	49%	10						10	10	
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	50%	228			(41)			187	187	
F.lli Bernard S.r.l.	20%	1,305			20			1,325	1,325	
GICO Systems S.r.l.	20%	150			(9)			141	141	
Global Provincia di Rimini Soc.Cons. a r.l.	42.40%	4						4	4	
Global Riviera Soc.Cons. a r.l.	30.66%	9						9	9	
Global Vicenza Soc.Cons. a r.l.	41.25%	4						4	4	

	%	Net Book Value, December 31, 2016	Changes of the period					Net Book Value, March 31, 2017	Book value	Investment Provision
			Additions/Disposals	Dividends	Share of net profit / Write-downs	Provision	Reserves			
Gymnasium soc. Cons. A r.l. in l liquidation	68%	7						7	7	
GRID Modena S.r.l.	23%	24			(11)			13	13	
IPP S.r.l.	25%	389			53			442	442	
Legnago 2001 Soc. Cons. a r.l.	50%	5						5	5	
LIVIA Soc. Cons. a r.l	34.10%	3						3	3	
Logistica Ospedaliera Soc. Cons. a r.l	45%	5						5	5	
Newco DUC Bologna S.p.A.	24.90%	425			28		(15)	438	438	
Palazzo della Fonte S.c.p.a.	33.30%	8,000						8,000	8,000	
Progetto ISOM S.p.A.	36.98%	1,385			611		(160)	1,836	1,836	
ROMA Multiservizi S.p.A.	45.47%	8,063			425			8,487	8,487	
San Martino 2000 Soc.Cons. a r.l.	40%	4						4	4	
Savia soc.cons.a.r.l.	49.11%	5						5	5	
Società Consortile Adanti Manutencoop a r.l. in liquidation	50%	10						10	10	
SE.SA.MO. S.p.A.	20.91%	2,005			55		(439)	1,621	1,621	
Se.Ste.Ro S.r.l.	25%	123			(19)			103	103	
Serena S.r.l.	50%	9						9	9	
Servizi Napoli 5 Soc. Cons. a r.l.	45%	5						5	5	
Servizi Sanitari Treviso (SE.SA.TRE)	40%	8						8	8	
Servizi Sportivi Brindisi Soc. Cons. a r.l.	50%	5						5	5	
Simagest 2 Soc.Cons.a r.l. in l liquidation	90%	45						45	45	
Simagest 3 Soc.Cons.a r.l. in liquidation	89.99%	45						45	45	
Synchron Nuovo San Gerardo S.p.A.	35.82%	4,731			73			4,804	4,804	
Steril Piemonte Soc. Cons. a r.l.	25%	1,000						1,000	1,000	
Tower Soc.Cons. a r.l.	20.17%	20						20	20	
NET BOOK VALUE		**30,462**	**0**	**0**	**1,227**	**(2)**	**(614)**	**31,073**	**31,147**	**(74)**

ANNEX III

RELATED PARTY TRANSACTIONS

PARENT COMPANY

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Manutencoop Società Cooperativa	31-Mar-16	29	7,208	1	501	31-Dec-16	60	2,659	4,770	1,771
	31-Mar-17	35	8,237			31-Mar-17	64	2,146	4,347	7,259

ASSOCIATES AND JOINT-VENTURES

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Alisei s.r.l. in liquidation	31-Mar-16					31-Dec-16	3			1
	31-Mar-17					31-Mar-17	3			1
AMG S.r.l.	31-Mar-16		62			31-Dec-16	1		117	
	31-Mar-17		65			31-Mar-17			125	
Bologna Gestione Patrimonio Soc.Cons. a r.l. in liquidation	31-Mar-16					31-Dec-16			50	
	31-Mar-17					31-Mar-17			50	
Bologna Multiservizi Soc.Cons. a r.l.	31-Mar-16		23			31-Dec-16	276		1.491	
	31-Mar-17	37				31-Mar-17	330		1.491	
Bologna Più Soc.Cons.a r.l. in liquidation	31-Mar-16					31-Dec-16	(2)	3	3	
	31-Mar-17					31-Mar-17		3	3	2
Bologna Global Strade Soc. Cons. a r.l	31-Mar-16	45	289			31-Dec-16	572	336	1.395	
	31-Mar-17	385	1.081			31-Mar-17	1.078	336	2.166	
Cardarelli Soc. Cons. a r.l.	31-Mar-16		300			31-Dec-16			793	
	31-Mar-17		163			31-Mar-17			656	
Centro Europa Ricerche S.r.l.	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				
Como Energia Soc.Cons.a r.l.	31-Mar-16		312			31-Dec-16			1.461	
	31-Mar-17		310			31-Mar-17			923	
Consorzio Imolese Pulizie soc.Cons. in liquidation	31-Mar-16					31-Dec-16		36	12	
	31-Mar-17					31-Mar-17		36	12	
Consorzio Polo Sterilizzazione Integrata a r.l.	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Consorzio Sermagest Soc.Cons.a r.l in liquidation	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				
CO.& MA. Soc. Cons. a r.l	31-Mar-16	90	388			31-Dec-16		20	1,007	
	31-Mar-17	60	301			31-Mar-17		20	755	
DUC Gestione Sede Unica Soc. Cons. a r.l.	31-Mar-16	1,698	781			31-Dec-16	3,403		437	
	31-Mar-17	1,718	803			31-Mar-17	2,902		488	
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	31-Mar-16	15				31-Dec-16	496	1,175	(20)	256
	31-Mar-17	12				31-Mar-17	509	1,175	(18)	256
Fr.lli Bernard s.r.l.	31-Mar-16	3				31-Dec-16	70	50		
	31-Mar-17	3	10			31-Mar-17	73	50	31	
Gico Systems S.r.l.	31-Mar-16	2	74			31-Dec-16	49		380	
	31-Mar-17		84			31-Mar-17	5		292	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	31-Mar-16					31-Dec-16		70	13	
	31-Mar-17					31-Mar-17		70	13	
Global Riviera Soc.Cons.a r.l.	31-Mar-16		3			31-Dec-16	55		(53)	
	31-Mar-17		3			31-Mar-17	55		(50)	
Global Vicenza Soc.Cons. a r.l.	31-Mar-16	59	615			31-Dec-16	144	748	594	
	31-Mar-17		2			31-Mar-17	167	570	596	
Grid Modena S.r.l.	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				
Gymnasium Soc. cons. a r.l in liquidation	31-Mar-16					31-Dec-16	1	8	33	5
	31-Mar-17					31-Mar-17	1	8	33	5
IPP S.r.l.	31-Mar-16	106	49			31-Dec-16	177	60	96	
	31-Mar-17	71	19			31-Mar-17	265	59	127	
Legnago 2001 Soc. Cons. r.l.	31-Mar-16		1			31-Dec-16	158		41	
	31-Mar-17		1			31-Mar-17	158		42	
Livia Soc. cons. a r.l.	31-Mar-16					31-Dec-16			8	
	31-Mar-17					31-Mar-17			8	
Logistica Ospedaliera Soc. Cons. a r.l.	31-Mar-16		113			31-Dec-16			24	
	31-Mar-17					31-Mar-17			15	
Malaspina Energy Soc. Cons. a r.l.	31-Mar-16		1	1		31-Dec-16				
	31-Mar-17					31-Mar-17				
Newco DUC Bologna S.p.A	31-Mar-16		4			31-Dec-16			33	
	31-Mar-17		4			31-Mar-17			29	
Palazzo della Fonte S.c.p.a.	31-Mar-16	616				31-Dec-16	804			
	31-Mar-17	906				31-Mar-17	1,017			
Progetto ISOM S.p.A.	31-Mar-16	64	13	30		31-Dec-16	17,325	1,922	203	
	31-Mar-17	77	27	29		31-Mar-17	18,576	1,952	211	
Progetto Nuovo Sant'Anna S.r.l.	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Roma Multiservizi S.p.A.	31-Mar-16	380	444		(4)	31-Dec-16	2,416		980	
	31-Mar-17	1,546	353			31-Mar-17	3,337		1,333	470
San Martino 2000 Soc.Cons. r.l.	31-Mar-16	406	840			31-Dec-16	573		423	
	31-Mar-17	408	836			31-Mar-17	1,227		1,310	
Savia Soc. Cons. a r.l	31-Mar-16					31-Dec-16			314	
	31-Mar-17					31-Mar-17			282	
Serena S.r.l. - in liquidation	31-Mar-16					31-Dec-16		3		
	31-Mar-17					31-Mar-17		3		
Servizi l'Aquila Soc.Cons. a r.l. in liquidation	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				
Servizi Napoli 5 Soc.Cons. a r.l.	31-Mar-16	31	317			31-Dec-16	1,944		1,311	
	31-Mar-17	355	322			31-Mar-17	2,301		1,632	
Se.Sa.Mo. S.p.A.	31-Mar-16	1,298		7		31-Dec-16	1,486	618	6	
	31-Mar-17	1,258		6		31-Mar-17	1,791	614	7	
SESATRE S.cons. a r.l.	31-Mar-16	4	1,113	3		31-Dec-16	4	524	1,687	
	31-Mar-17	4	1,100	1		31-Mar-17	22	515	1,221	
Se.Ste.Ro S.r.l.	31-Mar-16					31-Dec-16	46		815	
	31-Mar-17					31-Mar-17	46		815	
S.I.MA.GEST2 Soc. Cons. r.l. in liquidation	31-Mar-16					31-Dec-16		75	13	2
	31-Mar-17					31-Mar-17		75	13	2
S.I.MA.GEST3 Soc. Cons. r.l in liquidation	31-Mar-16					31-Dec-16			3	
	31-Mar-17					31-Mar-17			3	
Società Consortile Adanti Manutencoop in liquidation	31-Mar-16					31-Dec-16	37		63	
	31Mar-17					31-Mar-17			53	6
Steril Piemonte Soc. cons. a.r.l	31-Mar-16		183			31-Dec-16	7	576	267	
	31-Mar-17		172			31-Mar-17	8	575	407	
Synchron Nuovo San Gerardo S.p.A.	31-Mar-16	1,220	18	43		31-Dec-16	10,173	2,333	658	
	31-Mar-17	1,513	48	46		31-Mar-17	9,092	2,379	706	
Tower Soc.Cons. a r.l. in liquidation	31-Mar-16					31-Dec-16	33	17	(11)	
	31-Mar-17					31-Mar-17	33	29		

SUBSIDIARIES OF MANUTENCOOP COOPERATIVA

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Cerpac S.r.l. in liquidation	31-Mar-16					31-Dec-16	1			
	31-Mar-17					31-Mar-17	1			
Manutencoop Immobiliare S.p.A.	31-Mar-16	3	622			31-Dec-16	6		(47)	
	31-Mar-17	3	283			31-Mar-17	3	93		
Nugareto Società Agricola Vinicola S.r.l.	31-Mar-16	7	(1)			31-Dec-16	16		42	
	31-Mar-17		1			31-Mar-17			14	
Segesta servizi per l'Ambiente S.r.l.	31-Mar-16	4				31-Dec-16	17			
	31-Mar-17	4				31-Mar-17	11			

ASSOCIATES OF MANUTENCOOP COOPERATIVA OR OTHER RELATED PARTIES

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Consorzio Karabak Società Cooperativa	31-Mar-16	22				31-Dec-16	23		1	
	31-Mar-17	20				31-Mar-17	25		1	
Consorzio Karabak 2 Società Cooperativa	31-Mar-16	1				31-Dec-16			1	
	31-Mar-17	2				31-Mar-17	1		1	
Consorzio Karabak 4 Società Cooperativa	31-Mar-16					31-Dec-16			1	
	31-Mar-17					31-Mar-17			1	
Consorzio Karabak 5 Società Cooperativa	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				
Consorzio Karabak 6 Società Cooperativa	31-Mar-16					31-Dec-16				
	31-Mar-17					31-Mar-17				
Sacoa S.r.l.	31-Mar-16	18				31-Dec-16	58		8	
	31-Mar-17	16	2			31-Mar-17	63		28	

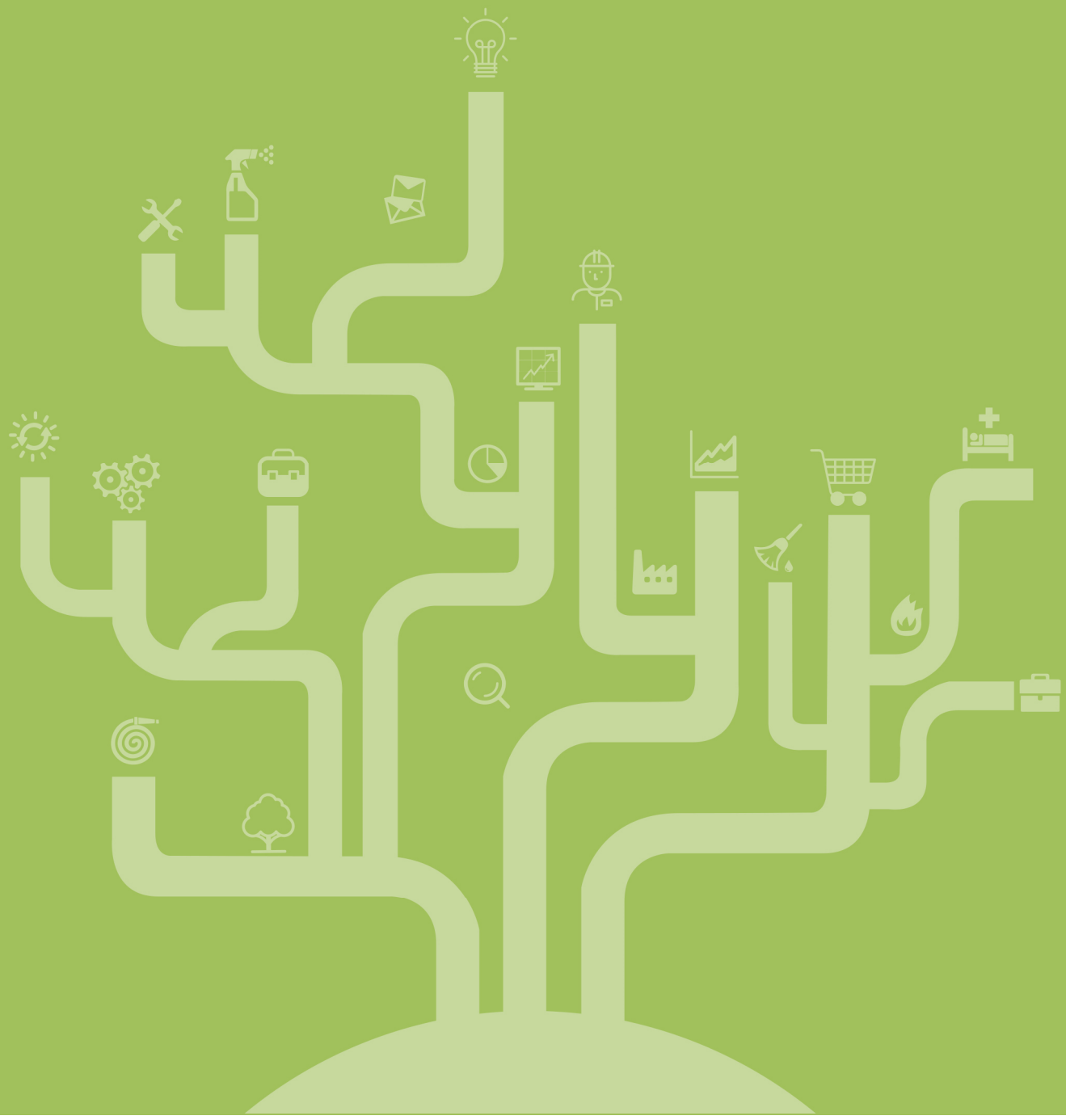
		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
TOTAL	31-Mar-16	6,121	13,772	85	497	31-Dec-16	40,432	11,233	19,423	2,035
	31-Mar-17	8,433	14,227	82		31-Mar-17	43,164	10,708	20,172	8,001

ANNEX IV

STATEMENT OF RECONCILIATION OF THE RECLASSIFIED STATEMENT OF CASH FLOWS AND THE STATUTORY SCHEDULES ITEMS

	For the quarter ended 31 March			
	2017		2016	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**174,992**		**114,391**
CASH FLOW FROM CURRENT OPERATIONS:		**28,446**		**21,065**
Profit before taxes for the period	21,416		13,685	
Amortization, depreciation, write-downs and (write-backs) of assets	7,572		7,151	
Accrual (reversal) of provisions for risks and charges	553		208	
Employee termination indemnity provision	195		208	
Share of net profit of associates, net of dividends collected	(1,227)		(871)	
Financial charges (income) for the period	7,125		7,076	
Net interest received (paid) in the period	(13,131)		(12,519)	
Income tax paid in the period	(62)		9,875	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of profit or loss	*6,005*		5,723	
Cash flow from the assignment of tax receivables without recourse under tax consolidation, included under changes in other operating assets	*0*		(9,471)	
USES OF PROVISIONS FOR RISKS AND CHARGES AND PAYMENTS OF THE EMPLOYEE TERMINATION INDEMNITY:		**(1,591)**		**(2,275)**
Payments of Employee termination indemnity	(780)		(423)	
Utilization of provisions	(811)		(1,852)	
CHANGE IN ADJUSTED NWOC:		**(13,636)**		**(39,237)**
Decrease (increase) of inventories	(197)		185	
Decrease (increase) of trade receivables	(13,429)		(20,514)	
Increase (decrease) of trade payables and advances from customers	2,176		(18,909)	
Adjustments:				
Change in the amount of trade receivables assigned without recourse to Factoring agencies and not yet collected by the latter	*(2,186)*		*1*	
***INDUSTRIAL AND FINANCIAL CAPEX*:**		**(9,903)**		**863**
(Purchase of intangible assets, net of sales)	(1,077)		(1,042)	
(Purchase of property, plant and equipment)	(8,946)		(2,928)	
Proceeds from sales of property, plant and equipment	108		158	
(Acquisition of investments)	0		(197)	
Decrease (increase) of financial assets	(69)		(108)	

	For the quarter ended 31 March			
	2017		2016	
Discontinuing activities	100		0	
Reclassifications:				
Change in current financial assets, to be included in Net Financial Liabilities	*(21)*		*4,981*	
***CHANGE IN ADJUSTED NET FINANCIAL LIABILITIES*:**		**5,111**		**3,747**
Change in the finance lease debt	3,202		(159)	
Net registration (repayment) of short-term bank loans	4,131		(877)	
Other net changes in loans payable	1,577		15,487	
Adjustments:				
Change in the amount of receivables assigned without recourse to Factoring agencies and not yet collected by the latter	*2,186*		*(1)*	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit or Loss	*(6,005)*		*(5,723)*	
Change in current financial assets, to be included in Net Financial Liabilities	*20*		*(4,981)*	
***OTHER CHANGES*:**		**(7,188)**		**5,295**
Decrease (increase) of other current assets	(3,774)		(2,093)	
Increase (decrease) of other current liabilities	(3,414)		(2,083)	
Reclassifications:				
Cash flow from the assignment of tax receivables without recourse under tax consolidation, included under changes in other operating assets	*0*		*9,471*	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**176,231**		**103,850**



Manutencoop Facility Management S.p.A.
Registered office: Zola Predosa (BO)
Via U. Poli no. 4

F.C.– VAT – Bologna Register of Companies
no. 02402671206
Share Capital: € 109,149,600.00 fully paid-up

"The Company is subject to the management and coordination activities of Manutencoop Società Cooperativa Zola Predosa (BO)"