PRESS RELEASE

Manutencoop Facility Management S.p.A.: The Board of Directors approves Draft Financial Statements and Consolidated Financial Statements as of and for the year ended December 31, 2017

Our 2017 results, although profit and margins were adversely affected by extraordinary expenses, present positive trends as to revenue:

- **Revenue**: **€918.1 million** (compared to €929.1 million);
- **Normalized EBITDA**[1]: €**100.3 million** (compared to €105.3 million);
- **Normalized EBIT**[1]: **€69.4 million** (compared to €70.7 million);
- **Net Profit**: **€0.7 million** (compared to €33.5 million);
- **Net Financial Indebtedness**: **€156.7 million** (compared to €180.9 million as of December 31, 2016);
- **Total Order and Re-award Backlog for 2017**: **€2,608 million** (substantially in line with €2,845 million).

Zola Predosa (Bologna), March 19, 2018 – The Board of Directors of **Manutencoop Facility Management S.p.A.** ("**MFM"** or the **"Company")**, holding company of the leading Italian integrated facility management group, in today's meeting chaired by Giuliano Di Bernardo, has examined and approved the **Draft Financial Statements and the Consolidated Financial Statements for 2017**.

"In a year characterized by both refinancing transactions and a complex reshuffling of our governance structure, despite a slight decline in our year results, our Group presents significant positive signals that allow us to be optimistic about our future outlook" said **Giuliano Di Bernardo, *Chairman and Chief Executive Director of MFM***. "*Particularly since the third quarter of the year, we have in fact registered positive reversed trends of revenue, growing by 1.7% compared to last quarter of 2016. Also, from a financial perspective, the Group continues to generate cash and boost liquidity. Although our profit and margins were adversely affected by non-current liabilities and start-up costs, we will bring our cost effective initiatives forward in order to face pricing pressure in the Italian market, and at the same time continue focusing on the development of our international presence.*"

MFM Group main Consolidated Results as of December 31, 2017

For the year ended December 31, 2017, **Revenue** for the MFM Group was **€918.1 million**, representing a slight decrease compared to €929.1 million in 2016, primarily attributable to difficult market and macroeconomic conditions. However, for the last quarter of the year, revenue was **€253.6 million, representing an increase by 1.7%** compared to **€249.3** million in the same quarter of 2016, which represents a positive signal for the near future.

[1] "Normalized EBIT" and "Normalized EBITDA": values net of start-up costs (*i.e.*, B2C and international activities) and non-current assets or non-current liabilities that significantly affect our business, financial condition and results of operations.

EBITDA[2] (*Margine Operativo Lordo*) decreased to €88.6 million from €95.9 million as of December 31, 2016. Net of non-current liabilities, among which there were extraordinary expenses and start-up costs, **Normalized EBITDA** was **€100.3 million** compared to €105.3 million.

EBIT (*Risultato Operativo*) was €58.2 million from €73.3 million in 2016. **Normalized EBIT, net of said non-current liabilities, was €69.4 million**, substantially in line with €70.7 million in 2016, while **7.6% Ebit margin was exactly the same as the one in 2016**.

Net Profit was **€0.7 million** from €33.5 million in 2016. However, it is worth pointing out that Net Profit in 2016, like marginality, benefitted from the partial release of the provision set aside in 2015 following the ruling of the Administrative Regional Tribunal based in Rome, upheld by the Court of Appeals on March 1, 2017, which substantially reduced the sanction issued against us by the Italian Competition Authority on the basis of an alleged infringement of competition rules in the context of a tender arranged by Consip in 2012 for the provision of cleaning services for school buildings. **Net of abovementioned release and non-current liabilities, Net Profit in 2017 was substantially the same as the one in 2016.**

Net Financial Indebtedness for 2017 was €156.7 million, compared to €180.9 million in 2016.

Business highlights

In 2017, the MFM Group **won tendered contracts, or renewed existing contracts, for an aggregate amount of €2,608 million**, substantially in line with €2,845 million in 2016.

As of December 31, 2017, the total orders of the MFM Group amounted to **€438 million**, of which €370 from extensions and renewals of existing contracts.

On September 20, 2017, MFM entered into **framework agreements with Consip S.p.A. concerning two lots of the "MIES 2" tender procedure** relating to the awarding of an integrated multi-services technology contract, including the supply of energy for buildings used by certain public health entities. The framework agreements have a two-year duration whereas the individual contracts governed by such framework agreements that can be entered into by the public entities during such period can have a duration of 5/7 years, at the discretion of the individual entity, starting from the activation of the individual supply, subject to a maximum of up to €250 million worth of services to be provided by MFM for the relevant period. This perspective revenue is yet to be included in both the 2017 acquisitions and the backlog of the Group, pending execution of the related individual contracts.

In the Healthcare sector, MFM won lot 2 of the tender for the requalification and **supply of energy for ASUR Marche – Hospital of San Benedetto del Tronto**. Contracts for cleaning services for some of the main healthcare centers in Tuscany were also renewed, as well as those for the **Azienda Provinciale per i Servizi Sanitari of Trento**.

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

In the Public sector, contracts for the supply of cleaning services for the **University of Bologna and the Science and Technology Department of the University of Florence** were also renewed, as well as those for the **Er.Go. (*Azienda regionale per gli studi Superiori dell'Emilia Romagna*)** buildings. Further, we finalized the agreement for Intercenter 4, having three-year duration and relating to buildings owned by the **Municipalities and the Provinces of Bologna and Modena**. Lastly, we began supplying services for the management of thermic energy and public lighting to the **Municipality of Casalecchio**

In the Private sector, we obtained new contracts worth **€99 million**.

Main events occurred after December 31, 2017

On **February 23, 2018**, the Board of Directors of MFM, following the resignation of Aldo Chiarini as the Company's Chief Executive Offer, appointed Giuliano Di Bernardo, already Chairman of the Board of Directors, as new Chief Executive Offer. The Board of Directors, pursuant to the Company's bylaws, further resolved to replace Aldo Chiarini with **Laura Duò**, as a new member of the Board itself. The Board of Directors also resolved to approve a broader-based plan involving the Group's organizational and management structure, which entails the appointment of **Andrea Gozzi**, already Chief Operating Officer of the Company, as the new **Managing Director**. Likewise, **Luca Buglione**, already Head of Strategic Planning and Merger & Acquisitions, is the new Head of **Investor Relations** in replacement of **Riccardo Bombardini**, the latter being appointed as the new Head of **Group Strategies & Control** of Manutencoop Società Cooperativa. The newly approved organizational structure aims at enhancing growth from within the Group, by promoting internal resources and assigning management positions to employees of less than 45 years of age, as well as fostering female representation at top management level, through the appointment of 9 women as heads of Divisions and departments. Therefore, the new organizational structure acknowledges the Group's commitment to promote and foster its resources, the latter being key to the success of a dynamic and constantly growing player like MFM.

Manutencoop Facility Management S.p.A.

The Manutencoop Facility Management S.p.A. Group ("MFM") is the leading Italian operator and one of the main European players in the Integrated Facility Management sector, *i.e.*, it manages and provides integrated services targeted at properties, the environment and in support of healthcare services. Specifically, the services provided by the MFM Group are divided into two main business areas: 1. **Integrated Facility Management** – property management and maintenance services (environmental hygiene, technical and maintenance services, landscaping, logistics, auxiliary services, heat management, lighting, document management, fire prevention and video surveillance systems) delivered also through specialized companies; 2. **Laundering & Sterilization** – linen rental and industrial laundering services and linen and surgical instruments sterilization for healthcare operations, delivered through the subsidiary Servizi Ospedalieri S.p.A. MFM's headquarter is located in Zola Predosa (Bologna), it has offices all over Italy and employs more than 16,000 people throughout Italy.

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The following tables present the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of cash flows as of and for the year ended December 31, 2017 (as well as details regarding the net financial indebtedness).

Statement of financial position of the MFM Group as of and for the year December 31, 2017:

(in thousands of Euro)	**December 31, 2017**	**December 31, 2016**
Assets		
Non-current assets		
Property, plant and equipment	65,564	64,483
Property, plant and equipment under lease	5,779	1,627
Goodwill	370,363	370,456
Other intangible assets	25,169	26,114
Investments accounted for under the equity method	27,294	30,534
Other investments	4,757	3,850
Non-current financial assets	11,369	11,769
Other non-current assets	2,998	2,323
Deferred tax assets	16,383	20,971
Total non-current assets	**529,676**	**532,127**
Current assets		
Inventories	6,057	4,382
Trade receivables and advances to suppliers	429,165	456,095
Current tax receivables	8,745	3,500
Other current assets	30,842	25,932
Current financial assets	1,870	2,387
Cash and cash equivalents	59,870	174,992
Total current assets	**536,549**	**667,288**
Assets held for sale	0	0
Total non-current assets held for sale	**0**	**0**
Total assets	**1,066,225**	**1,199,415**

(in thousands of Euro)	**December 31, 2017**	**December 31, 2016**
Shareholders' equity		
Share capital	109,150	109,150
Reserves	144,854	187,856
Retained earnings / (losses)	43,755	(7,518)
Profit / (loss) for the year attributable to equity holders of the Group	642	33,649
Equity attributable to equity holders of the Group	*298,401*	*323,137*
Capital and reserves attributable to non-controlling interests	308	351
Profit / (loss) for the year attributable to non-controlling interests	73	(116)
Equity attributable to non-controlling interests	*381*	*235*

Total shareholders' equity	**298,782**	**323,372**
Non-current liabilities		
Employee termination indemnity	15,519	17,043
Provisions for non-current risks and charges	27,624	44,522
Long-term financial debt	175,281	305,482
Deferred tax liabilities	12,294	11,812
Other non-current liabilities	86	50
Total non-current liabilities	**230,804**	**378,909**
Current liabilities		
Provisions for current risks and charges	6,711	10,715
Trade payables and advances from customers	393,022	346,308
Current tax payables	326	1,363
Other current liabilities	93,415	85,909
Bank borrowings, including current portion of long-term debt, and other financial liabilities	43,165	52,839
Total current liabilities	**536,639**	**497,134**
Liabilities directly associated with non-current assets held for sale	0	0
Total liabilities directly associated to assets held for sale	**0**	**0**
Total liabilities	**1,066,225**	**1,199,415**

Consolidated statement of income of the MFM Group as of and for the year ended December 31, 2017:

(in thousands of Euro)	For the year ended December 31	
	2017	**2016**
Revenue		
Revenue from sales and services	916,127	926,758
Other revenue	1,964	2,340
Total revenue	**918,091**	**929,098**
Operating costs		
Costs of raw materials and consumables	(119.742)	(117.615)
Change in inventories of finished and semi-finished products	0	(55)
Costs for services and use of third-party assets	(328.258)	(331.365)
Personnel costs	(382.138)	(376.266)
Other operating costs	(281)	(7.900)
Capitalized internal construction costs	935	0
Amortization, depreciation, write-downs and write-backs of assets	(30.280)	(32.714)
Accrual (reversal) of provisions for risks and charges	(143)	10.107
Total operating costs	**(859.907)**	**(855.808)**
Operating income	**58.184**	**73.290**
Financial income and expenses		
Share of net profit of associates	(1.945)	1.688
Dividends and income (loss) from sale of interests	175	498
Financial income	3.762	1.964
Financial charges	(43.125)	(30.183)
Gains / (losses) on exchange rate	(326)	(38)
Profit (loss) before taxes	**16.725**	**47.219**
Current taxes, anticipated and deferred	(16.010)	(14.738)
Profit (loss) from continuing operations	**715**	**32.481**
Profit (loss) from discontinued operations	0	1.052
Net profit (loss) for the year	**715**	**33.533**
Net profit (loss) attributable to non-controlling interests	(73)	116
Net profit (loss) for the year	**642**	**33.649**

Consolidated statement of cash flow of the MFM Group as of and for the year ended December 31, 2017:

(in thousands of Euro)	For the year ended December 31	
	2017	**2016**
Net profit (loss) from continuing operations	715	32,481
Income taxes for the year	16,010	14,738
Profit before taxes from continuing operations	**16,725**	**47,219**
Profit *(loss) from discontinued operations*	*0*	*1,052*
(Capital gains) losses discontinued operations	*0*	*(1,409)*
Amortization, depreciation, write-downs and (write-backs) of assets	30,280	32,713
Accrual (reversal) of provisions for risks and charges	143	(10,107)
Employee termination indemnity provision	935	889
Payments of employee termination indemnity	(2,453)	(2,672)
Utilization of provisions for risks and charges	(6,252)	(7,503)
Share of net profit of associates, net of dividends collected	3,610	(1,688)
Financial charges (income) for the year	39,689	28,257
Current operating cash flow	**82,677**	**86,751**
of *which related to discontinued operations*	*0*	*(1,409)*
of *which related to continuing operations*	*82,677*	*88,160*
Decrease (increase) of inventories	(1,675)	381
Decrease (increase) of trade receivables	24,131	58,123
Decrease (increase) of other current assets	(5,902)	4,804
Change in trade receivables	38,582	(33,828)
Change in current liabilities	(7,212)	(8,621)
Change in working capital	**47,924**	**20,860**
Net interest received (paid) in the year	(43,495)	(26,471)
Income tax paid in the year	(17,231)	5,300
Net cash flow from operating activities	**69,876**	**86,441**
(Purchase of intangible assets, net of sales)	(6,501)	(6,857)
(Purchase of property, plant and equipment)	(25,048)	(23,677)
Proceeds from sales of property, plant and equipment	498	835
(Acquisitions of shareholdings)	(1,487)	(505)
Decrease (increase) of financial assets	(27)	(490)
Net cash used in business combinations	0	-
Discontinuing activities	1,060	9,274
Net cash flow used in investing activities	**(31,504)**	**(21,421)**
Change in debt from financial leasing	2,708	(570)
Repayment of non-current borrowings	195,300	0
(Repayment) of financial lease liabilities	(324,310)	0
Proceeds from/(repayment of) short term bank debt	(5,857)	(22,207)
Net proceeds from/(reimburse of) borrowings	3,683	18,386
Dividends paid out	(25,111)	(25)
Acquisition/Sale of minority interests in subsidiaries	93	(4)
Net cash flow/(used in) financing activities	**(153,494)**	**(4,419)**
Changes in cash and cash equivalents	**(115,122)**	**60,601**

Cash and cash equivalents at the beginning of the year	174,992	114,391
Changes in cash and cash equivalents	(115,122)	60,601
Cash and cash equivalents at the end of the year	**59,870**	**174,992**
Details of cash and cash equivalents		
Cash and bank current accounts	59,870	174,992
Total cash and cash equivalents	**59,870**	**174,992**

(in thousands of Euro)	**December 31, 2017**	**December 31, 2016**
Long-term financial debt	175,281	305,482
Bank borrowings, including current portion of long-term debt, and other financial liabilities	43,165	52,839
Gross financial indebtedness	**218,446**	**358,321**
Cash and cash equivalents	(59,870)	(174,992)
Current financial assets	(1,870)	(2,387)
Net financial indebtedness	**156,706**	**180,942**
Outstanding factoring	19,341	12,883
Net financial indebtedness *adjusted*	**176,047**	**193,825**