

CONSOLIDATED HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2016













GENERAL INFORMATION

REGISTERED OFFICE

Via U. Poli, 4
Zola Predosa (Bo)

MANAGEMENT BOARD

Appointed by the Supervisory Board of 29.04.2016

CHAIRMAN
Guido Maria Luigi Dealessi

MANAGING DIRECTORS
Milva Carletti
Guido Maria Luigi Dealessi
Andrea Gozzi

MANAGEMENT BOARD DIRECTORS
Benito Benati
Francesco Umile Chiappetta
Ciro Cornelli
Stefano Fiorini
Elisabetta Lelli
Franco Carlo Papa
Matteo Tamburini
Antonio Zecca

SUPERVISORY BOARD

Appointed by the Shareholders' Meeting of 30.04.2014

CHAIRMAN
Fabio Carpanelli

VICE CHAIRMAN
Antonio Rizzi

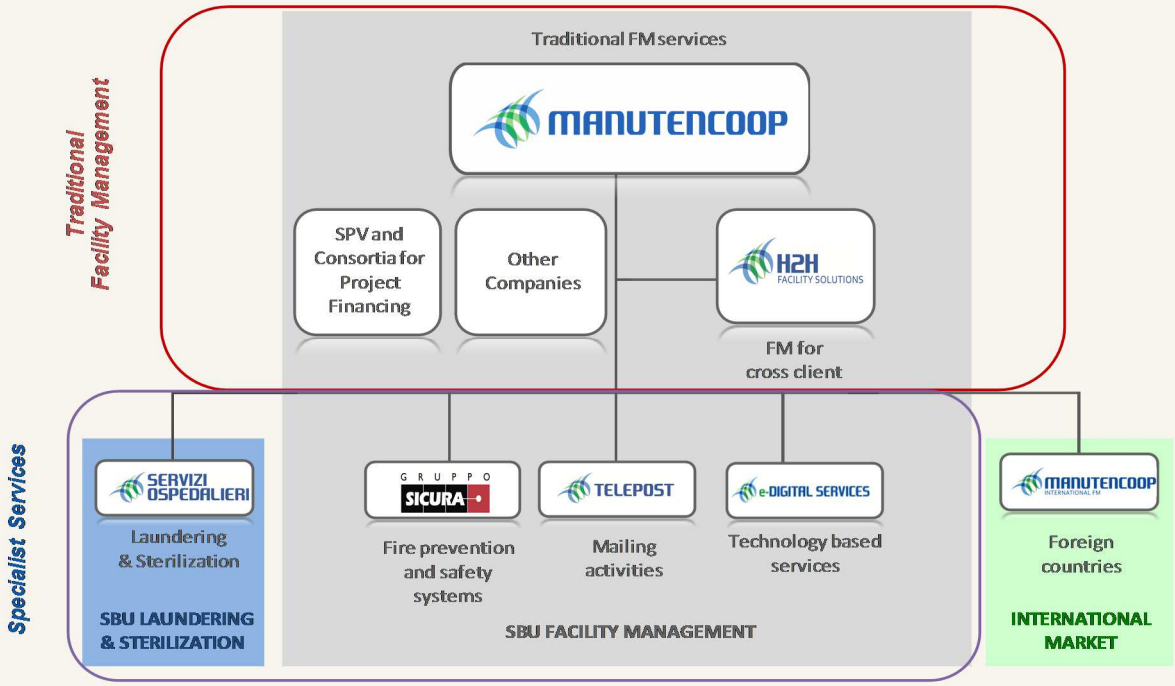
SUPERVISORY BOARD DIRECTORS
Stefano Caselli
Roberto Chiusoli
Guido Maria Giuseppe Corbetta
Massimo Scarafuggi
Pierluigi Stefanini
Giovanni Toniolo
Stefano Zamagni

INDEPENDENT AUDITORS

Ernst & Young S.p.A.

PREAMBLE

At 30 June 2016 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.

In particular, the MFM Group provides a wide and coordinated range of integrated services throughout Italy, aimed at rationalising and improving the quality of the non-strategic and auxiliary activities of major private groups, public authorities and health care facilities.

It is structured around a single operating holding company which combines so-called "traditional" facility management production resources with those related to supporting the whole Group's business. At the same time, in the previous financial years a diversification strategy was pursued which, through a series of acquisitions, has placed 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.

During 2015 the Group outlined its strategic objective of growth in international markets, devoting specialised personnel to exploring new areas of action in and outside Europe, which were concentrated into the sub-holding Manutencoop International FM S.r.l..

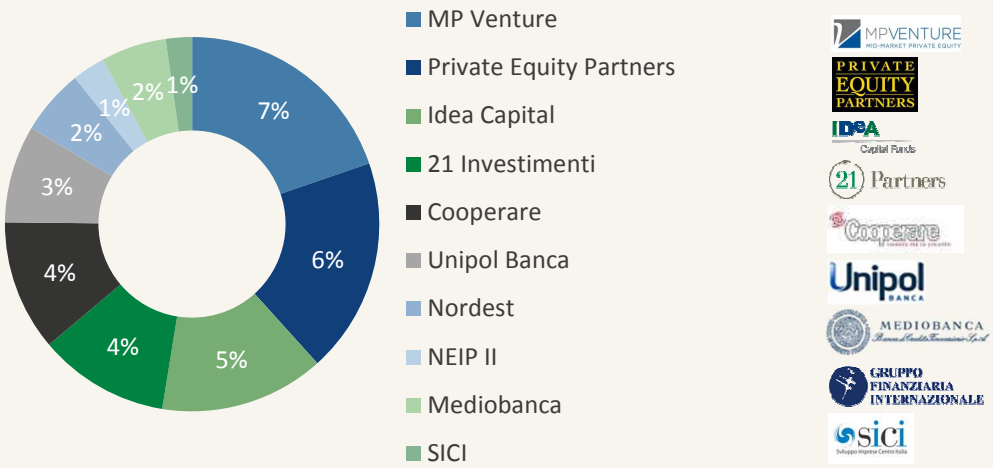
Again during 2015, e-Digital Services S.r.l. was also established, which was also wholly owned by MFM S.p.A., with the objective of embarking on a path to growth in "business to business" (B2B) and "business to consumer" (B2C) services markets.
Finally, by a deed of merger dated 16 December 2015, the subsidiaries MACO S.p.A. and SMAIL S.p.A. were merged by incorporation, with accounting, statutory and tax effect from 1 January 2016.

Shareholding structure

Ordinary shares issued by the MFM Group and fully paid up at 30 June 2016 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 30 June 2016 Manutencoop Società Cooperativa held a controlling interest in MFM S.p.A. of 71.889%. Furthermore, on 1 July 2013 the company 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. The financial and administrative rights attached to said stake pertain to the buyer. The remaining stake is held by a pool of Private Equity Investors.

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 will supersede 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 will hold an overall stake of 66.79% 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. The new agreements also lay down new governance rules that provide for the appointment of a new Chairman and a new Chief Executive Officer, as well as a new composition of the governing bodies (Management Board and Supervisory Board).
Finally, 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 effectiveness of the agreements reached by the Shareholders is subject to the condition precedent of the Competition Authority's authorisation.
As at the date of approval of this Consolidated Half-year Financial Report, the minority shareholders held the following stakes in the share capital of MFM S.p.A.:

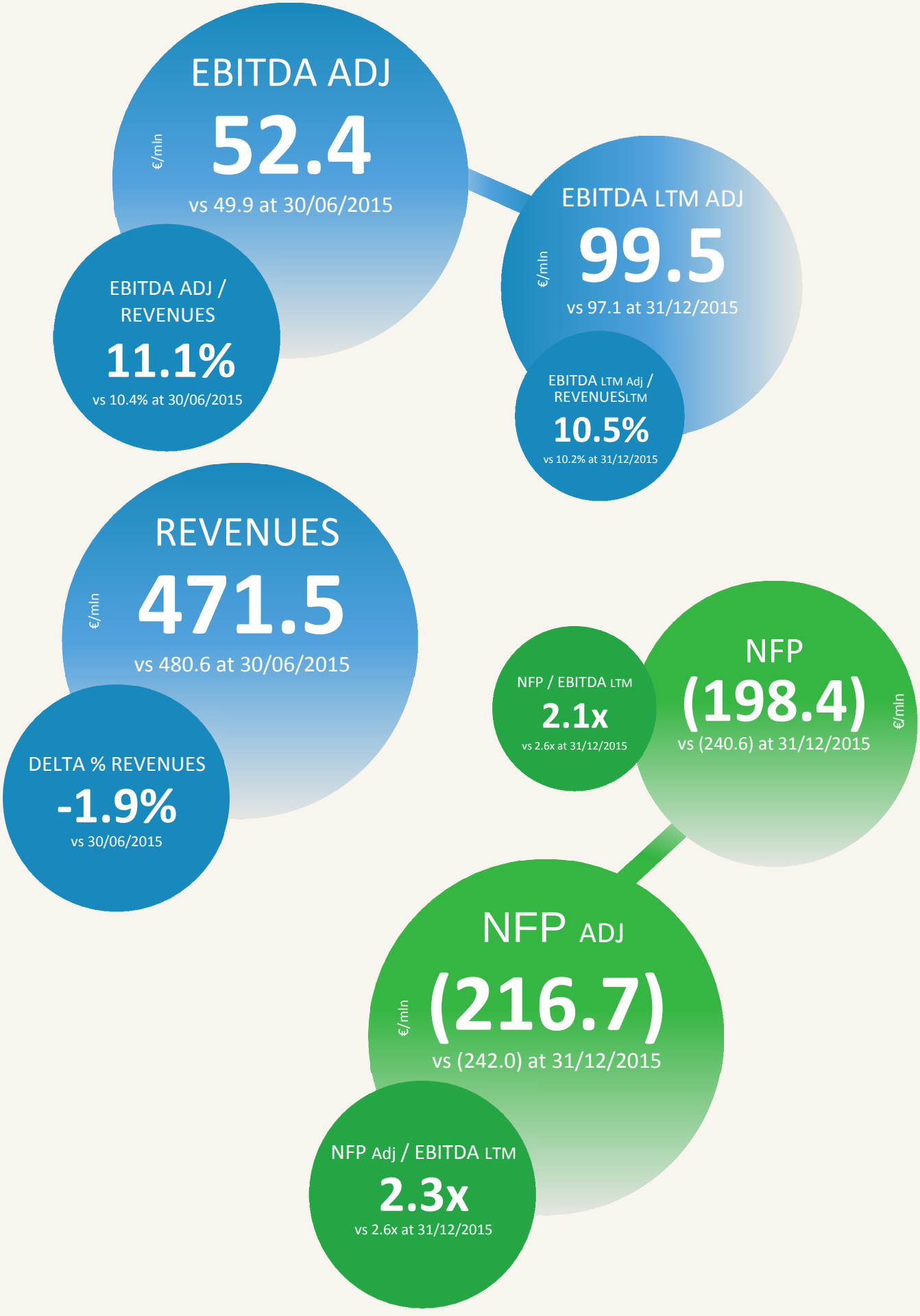

7%
6%
5%
4%
4%
3%
2%
1%
2%
1%
MP Venture
Private Equity Partners
Idea Capital
21 Investimenti
Cooperare
Unipol Banca
Nordest
NEIP II
Mediobanca
SICI

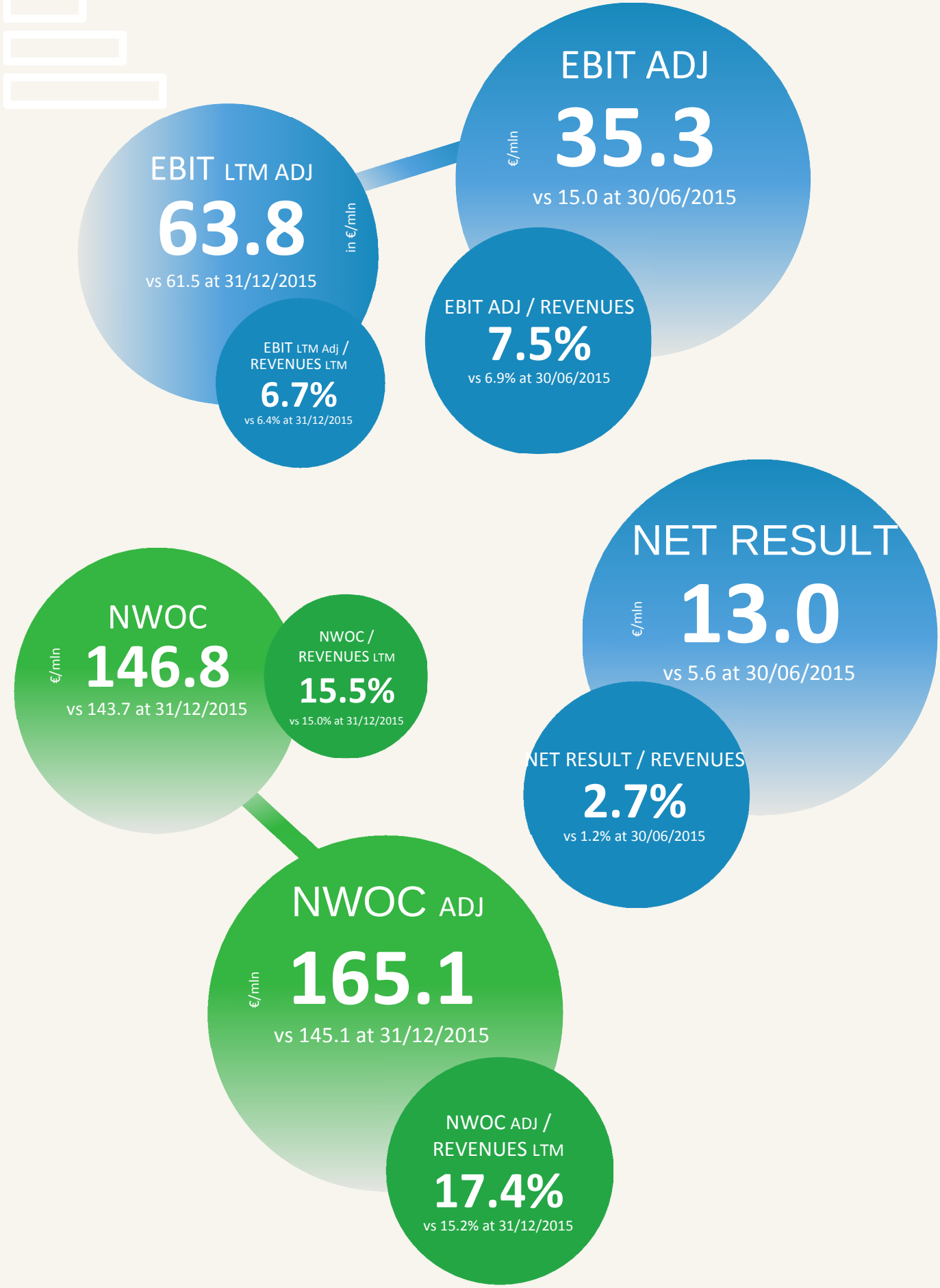
NON-GAAP FINANCIAL MEASURES

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 that have not yet accrued and are connected with the residual term of the orders that the Group holds in its portfolio.
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 Working Operating Capital (NWOC) is composed of the balance of "Trade receivables and advances to suppliers" and "Inventories", net of "Trade payables and advances from 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) Dividends and income (loss) from sale of investments; iv) Income (charges) from investments accounted for under the equity method; v) Profit / (loss) on exchange rate. The Statement of Profit or Loss shows EBIT as

	Definition
	"Operating Income".
EBITDA	EBITDA represents the Operating Income before "Accrual (reversal) of provisions for risks and charges" and "Amortisation/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 account overdrafts, advances and hot money; ii) Current portion of non-current bank debt; iii) Non-current bank debt; iv) Senior Secured Notes; v) Finance lease debt.
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 Adjusted NWOC	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.


EBITDA ADJ
€/mln
52.4
vs 49.9 at 30/06/2015
EBITDA ADJ / REVENUES
11.1%
vs 10.4% at 30/06/2015
EBITDA LTM ADJ
€/mln
99.5
vs 97.1 at 31/12/2015
EBITDA LTM Adj / REVENUESLTM
10.5%
vs 10.2% at 31/12/2015
REVENUES
€/mln
471.5
vs 480.6 at 30/06/2015
DELTA % REVENUES
-1.9%
vs 30/06/2015
NFP
(198.4)
€/mln
vs (240.6) at 31/12/2015
NFP / EBITDA LTM
2.1x
vs 2.6x at 31/12/2015
NFP ADJ
€/mln
(216.7)
vs (242.0) at 31/12/2015
NFP Adj / EBITDA LTM
2.3x
vs 2.6x at 31/12/2015


EBIT ADJ
€/mln
35.3
vs 15.0 at 30/06/2015
EBIT LTM ADJ
63.8
in €/mln
vs 61.5 at 31/12/2015
EBIT ADJ / REVENUES
7.5%
vs 6.9% at 30/06/2015
EBIT LTM Adj / REVENUES LTM
6.7%
vs 6.4% at 31/12/2015
NET RESULT
€/mln
13.0
vs 5.6 at 30/06/2015
NET RESULT / REVENUES
2.7%
vs 1.2% at 30/06/2015
NWOC
€/mln
146.8
vs 143.7 at 31/12/2015
NWOC / REVENUES LTM
15.5%
vs 15.0% at 31/12/2015
NWOC ADJ
€/mln
165.1
vs 145.1 at 31/12/2015
NWOC ADJ / REVENUES LTM
17.4%
vs 15.2% at 31/12/2015

MAIN EVENTS IN THE FIRST HALF-YEAR 2016

Antitrust Authority's order for sanctions on the Consip Tender of 2012

On 20 January 2016 the Competition Authority (the "Authority"), 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 € 48.5 million against the parent company MFM S.p.A., the amount of which was fully allocated to a specific provision for future risks and charges set aside in the Consolidated Financial Statements at 31 December 2015. Within the same context the Authority also levied a fine against the associate Roma Multiservizi S.p.A. (45.47% owned by MFM S.p.A.), which also set aside a provision for risks equal to the said fine that affected the Group's result for the financial year ended 31 December 2015 in an amount of € 1.5 million, as the related equity investment is consolidated according to the equity method.

On 21 March 2016, MFM S.p.A., which rejects the arguments on which the charge was based, lodged an appeal against the Authority's order with the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale*, TAR), while submitting at the same time an interim application to stay the payment of the fine. At a subsequent hearing held on 20 April, MFM S.p.A. declined to discuss the application for suspension and asked the Court to combine the same with the merits: consequently, the Court set the hearing on the merits at 6 July 2016. After discussing the case, the Court reserved the decision.

As a result of the Competition Authority fine ruling on 20 January 2016, on 4 February 2016 CONSIP S.p.A. initiated a procedure to terminate the Agreements entered into with the Parent Company MFM S.p.A. regarding cleaning and other services provided in order to keep school buildings and Public Administration training establishments clean and in working order (under the "Consip Scuole" agreement), also informing the company that it would consider the possibility of excluding it from future tenders for "work of the same type" (pursuant to article 38, paragraph 1, letter f) of Legislative Decree 163/06). In fact the Management pointed out that there are no tenders for "work of the same type" among the tenders in the pipeline waiting to be awarded. Any possible unfavourable outcome of the proceedings on the merits held before the Regional Administrative Court might entail, as an indirect consequence of the possible termination of the relationship, the enforcement of the performance bond issued at the time of the tender, equal to about € 24.5 million.

In a subsequent notice of 26 February 2016, the Authority accepted MFM S.p.A.'s request to stay the procedure pending the outcome of the company's appeal before the Lazio Regional Administrative Court. While waiting for the Regional Administrative Court to make a decision on the merits, the Authority did not take any action to request the payment of the fine, which was formally due on 20 April 2016. Nevertheless, the Group reviewed its financial planning, with the aim of creating the conditions to be able to meet potential non-recurring cash outflow requirements. Specifically, on 23 February 2016, MFM S.p.A. and Servizi Ospedalieri S.p.A. entered into a maturity factoring agreement

with Banca Farmafactoring S.p.A., concerning the assignment without recourse of receivables from entities in the National Health System, in an annual amount of up to € 100 million. The committed credit line has a term of three years.

Contract relationships with Telecom Italia

On 4 May 2016 Telecom Italia served a formal notice on MFM S.p.A. concerning its intention to not exercise the right of withdrawal from the contract in place (concerning hygiene services and other facility management services), as it had announced on 19 February 2016 in making use of a contractually agreed right in the event of any Company directors being committed for trial. Therefore, the contracts will remain effective until the date of their initial expiry.

Renewal of the Management Board

On 29 February 2016 Claudio Levorato resigned from his office as Chairman and CEO of the Management Board of MFM S.p.A.. This decision was taken because the Group wished to make a tangible change in Manutencoop Group 's management and prevent the current legal proceedings before the Court of Brindisi in which he is involved from adversely affecting its activities, even if no final and non-appealable judgments have been handed down.

The Vice Chairman and other two members also resigned from their positions on the same date. Finally, on 1 March, other four members also resigned from their positions with the resulting of the reset of the entire Management Board. Pursuant to the Company Bylaws, the Company's Supervisory Board then called the Shareholders' Meeting on 6 April 2016 in order to appoint the members of the new Management Board. The process for the appointment of the new board was completed at the Shareholders' Meeting held on 29 April 2016, which defined its composition according to the instructions given by the Appointments Committee. The new Management Board then held a meeting in order to change the previous structure of delegated powers and authority, granting Guido Dealessi (former Human Resources and Organisation Manager), Milva Carletti (former Chief Financial Officer) and Andrea Gozzi (former Chief Operating Officer) the delegated operational powers and authority relating to the respective company functions under their responsibility and to appoint Guido Dealessi as the Chairman of the board.

However, the new Investment Agreement that the Majority shareholder Manutencoop Società Cooperativa and the Private Equity Investors entered into on 19 July 2016, together with new Shareholders' Agreements, provides for a process to be carried out during the next months, involving the renewal and change of the structure of corporate bodies (the composition of the Management Board will pass from 11 to 13 members), as well as the appointment of a new Chairman and CEO, based on shared time-phased steps.

1. SUMMARY OF RESULTS OF THE SECOND QUARTER OF 2016

	For the Quarter ended 30 June			For the Half-year ended 30 June		
	2016	2015	Change	2016	2015	Change
Revenues	229,851	229,915	-0.03%	471,547	480,631	-1.9%
Adjusted EBITDA	24,266	22,314	+8.7%	52,427	49,945	+5.0%
Adjusted EBITDA % of Revenues	*10.6%*	*9.7%*		*11.1%*	*10.4%*	
Adjusted EBIT	14,543	14,990	-3.0%	35,346	33,091	+6.8%
Adjusted EBIT % of Revenues	*6.3%*	*6.5%*		*7.5%*	*6.9%*	
Consolidated Net Profit	5,048	479		12,951	5,648	

As at 30 June 2016 the **backlog** came to € 2,783 million, showing a slight reduction (equal to € 64 million) compared to € 2,847 million at 31 December 2015. The deterioration of the backlog during the first half-year is to be considered as being physiological and in line with the values posted in many previous financial years (for example in 2015: € 2,851 million at 30 June 2015 against € 2,887 million at 31 December 2014). However, there was a slight delay in posting the forecast values of the backlog at 30 June 2016 as a result of some delays in the award of renewals of contracts already in the portfolio.

In the second quarter of 2016 the Group recorded ***Revenues*** of € 229.9 million, fully in line with the second quarter of 2015 (€ 229.9 million). The stability shown by revenues in the quarter just ended, both as regards the Facility Management SBU (+€ 0.2 million compared to the second quarter of 2015) and as regards the Laundering&Sterilization SBU (-€ 0.3 million), stopped the slight downward trend in revenues reported in the last financial years.

Adjusted EBITDA for the quarter recorded an increase of € 2.0 million compared to the second quarter of the previous year (€ 24.3 million against € 22.3 million), the revenues being equal. Therefore, there was an improvement in terms of margins (**Adjusted EBITDA/Revenues**) in the second quarter of 2016 over the same period of the previous year (10.6% against 9.7%), which was specifically due to the fully operational effects of actions aimed at production cost effectiveness and overhead rationalisation that were taken during 2015, to which must be added the effects of additional actions taken at the end of the 2015 financial year and during the first quarter of 2016.
The quarter ended 30 June 2016 recorded **Adjusted EBIT** of € 14.6 million (6.3% of related revenues), showing a slight decrease compared to € 15.0 million (6.5% of related revenues) posted in the same period of the previous year (-€ 0.4 million). The trend was reversed, in absolute terms, compared to EBITDA, the positive effect of which (+€ 2.0 million) was offset by higher write-downs of specific

receivables, specifically referable to 2 positions, in a total amount of € 1.9 million, to which must be also added higher accruals to provisions for risks for € 0.8 million, net of lower amortisation and depreciation for € 0.4 million.

Finally, the **Net profit** in the quarter was equal to € 5.0 million against a net profit of € 0.5 million in the quarter ended 30 June 2015, mainly owing to lower net financial costs for € 4.5 million and an improved Profit (loss) from discontinued operations for € 1.4 million against higher taxes for € 2.1 million.

	30 June 2016	31 December 2015	Change
Adjusted Net Working Operating Capital (NWOC)	165,119	145,142	19,977
Adjusted Net Financial Position (NFP)	(216,748)	(242,001)	25,253

From an equity and financial point of view, the data relating to the Adjusted Net Working Operating Capital (**NWOC**) at 30 June 2016 recorded an increase of € 20.0 million compared to 31 December 2015. At 30 June 2016 DSO was 180 days, thus showing an improvement compared to the end of 2015 (185 days at 31 December 2015), while also confirming an improvement trend compared to the same period in the previous year (203 days at 30 June 2015). DPO, on the other hand, was 218 days, showing a reduction compared to both the end of 2015 and 12 months ago (234 days at 31 December 2015 and 223 days at 30 June 2015).

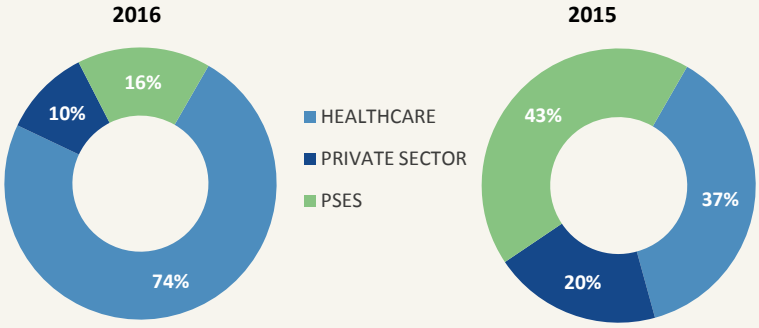
Despite the trend reported in the NWOC during the first half of 2016, the Adjusted Net Financial Position (**NFP**) showed a decrease of € 25.3 million during the quarter. To the cash flow of € 37.9 million generated from operating activities must be added the receipts arising from the assignment of tax receivables without recourse for € 11.7 million, as well as inflows arising from the performance of operating assets and liabilities for € 7.9 million and a positive change generated from financial investments and disinvestments for € 4.6 million. As reported, a portion of said inflows was absorbed by the NWOC (€ 22.4 million), net industrial investments of € 8.3 million and the use of provisions for risks and charges and the severance provision during the half-year for € 6.1 million.

2. BUSINESS DEVELOPMENT

In the first six months of 2016 the Group gained orders for an overall multi-year amount of € 284 million, of which more than 54% was acquired in a new potential market.
As in the past, these data regards only typically 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, as well as of "B2B" technology services following the recent start-up of e-Digital Services S.r.l.. On the contrary, the figure does not include the commercial portfolios 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 half-year of 2016) on consolidated production volumes.

New contracts in the Healthcare sector still affected the total in a significant manner (an overall percentage of 74%, equal to € 209 million), against orders gained for the Public and Private sectors equal to € 45 million and e 30 million, respectively.

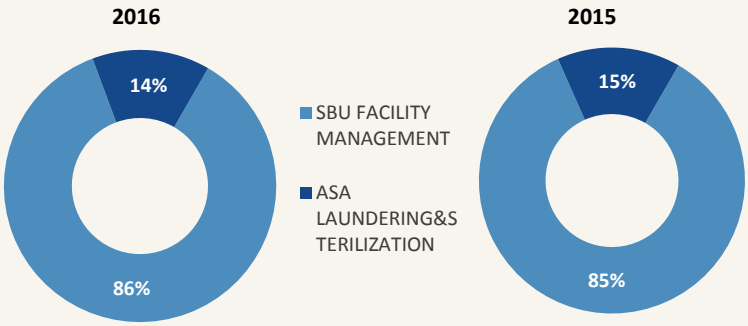
CONTRACTS ACQUIRED BY MARKET AT 30 JUNE



In the Healthcare sector, a significant event occurred as early as in the first quarter, which resulted in MFM S.p.A. becoming the supplier of hygiene and cleaning services of the project company Ospedal Grando S.r.l., which holds the project finance concession for the "Cittadella Sanitaria" (Health District) project at the Treviso Hospital, for a contract term of 16 years. Furthermore, there was the 5-year renewal of the contract for maintenance services at the Gemelli Hospital of the Catholic University of Sacred Heart in Rome.
As regards the Private sector there was the renewal of the contract for hygiene services within the national network of hypermarkets of S.S.C. S.r.l. Carrefour.
Finally, note the award, in the Public sector, of the 3-year global service concerning the maintenance of the road network of the City of Bologna.

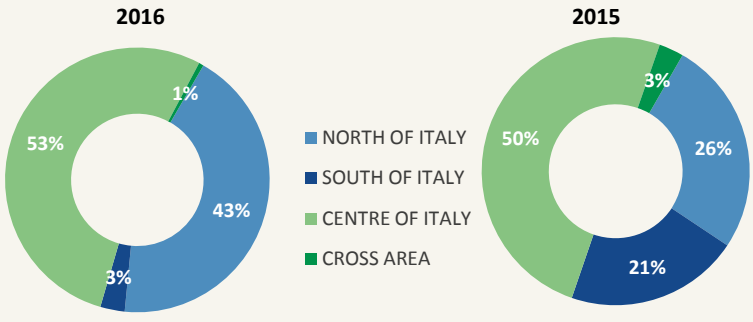
Regarding the orders gained in the period, in terms of Strategic Business Unit (SBU), the Facility Management segment obtained contracts of € 245 million and the Laundering&Sterilization of € 40 million. In the latter segment, note the renewal of the contract for linen rental and industrial laundering services at the Bologna ASL Local Health Unit, while the Facility Management segment reported the renewal of the contract for Hygiene services at the Bologna ASL Local Health Unit.

CONTRACTS ACQUIRED BY SBU AT 30 JUNE



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

CONTRACTS ACQUIRED BY GEOGRAPHICAL AREA AT 30 JUNE



Finally, as at the date of this consolidated Half-year Financial Report, the Group had been awarded a contract for integrated energy management and technology system maintenance services at the Palermo ASP Provincial Health Unit for a term of 9 years.

3. THE MFM GROUP'S CONSOLIDATED PERFORMANCE OF OPERATIONS AND OF THE FINANCIAL POSITION FOR THE HALF-YEAR ENDED 30 JUNE 2016

3.1 Consolidated performance of operations in the first half-year 2016

Below are reported the main income figures relating to the half-year ended 30 June 2016, compared to the figures of the corresponding period of 2015:

(in thousands of Euro)	For the 6 months ended 30 June		For the 3 months ended 30 June	
	2016	2015	2016	2015
Total revenues	471,547	480,631	229,851	229,915
Total costs of production	(420,165)	(431,904)	(205,717)	(208,819)
EBITDA	**51.382**	**48,727**	**24,134**	**21,096**
EBITDA %	**10.9%**	**10.1%**	**10.5%**	**9.2%**
Amortization, depreciation, write-downs and write-backs of assets	(16,199)	(15,323)	(9,049)	(7,410)
Accrual of provisions for risks and charges	(882)	(1,531)	(674)	86
Operating Income (EBIT)	**34,301**	**31,873**	**14,411**	**13,772**
EBIT %	**7.3%**	**6.6%**	**6.3%**	**6.0%**
Share of net profit of associates	1,601	1,830	730	810
Net financial charges	(14,096)	(20,022)	(7,020)	(11,645)
Profit (loss) before taxes (EBT)	**21,806**	**13,681**	**8,121**	**2,937**
EBT %	**4.6%**	**2.9%**	**3.5%**	**1.3%**
Income taxes	(9,907)	(7,400)	(4,125)	(2,068)
Profit (loss) from continuing operations	**11,899**	**6,281**	**3,996**	**869**
Profit (loss) from discontinued operations	**1,052**	**(633)**	**1,052**	**(390)**
NET PROFIT (LOSS)	**12,951**	**5,648**	**5,048**	**479**
NET PROFIT %	**2.8%**	**1.2%**	**2.2%**	**0.2%**
Minority interests	135	24	(35)	18
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**13,086**	**5,672**	**5,013**	**497**
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT %	**2.8%**	**1.2%**	**2.2%**	**0.2%**

REVENUES

During the half-year ended 30 June 2016, the Group achieved revenues of € 471.5 million, showing a decrease of € 9.1 million (-1.9%) compared to the same period in the previous year, thus apparently confirming a trend that was already reported in recent financial years. However, as regards the quarter just ended, revenues were fully in line with those posted in the comparative period (€ 229.9 million both in the quarter ended 30 June 2016 and in the quarter ended 30 June 2015), showing a turnabout of the reduction trend referred to above.

The breakdown of the consolidated revenues in the first half-year of 2016 is provided below, compared to the previous year, as broken down by kind of customer.
With effect from the date of the financial statements at 31 December 2015, the Group changed its definition of "market" for the purposes of its interim reports in order to present a fairer view of its results, and in particular of the results relating to the "Healthcare" market. In fact revenues from contracts in which the clients are public or private healthcare establishments are reclassified in a single "Healthcare" item, which takes the place of the previous classification, according to which contracts with private healthcare establishments were included in the "Private" market and those with public healthcare establishments in the "Public Healthcare" market". The revenues for the first quarter of 2015 reported below as comparative data adopt the new classification.

REVENUES BY MARKET

(in thousands of Euro)	For the 6 months ended 30 June				For the 3 months ended 30 June	
	2016	% of total Revenues	2015	% of total Revenues	2016	2015
PSEs	130,906	27.8%	123,188	25.6%	59,403	55,258
Healthcare	222,748	46.2%	235,605	49.0%	111,828	111,948
Private sector	117,893	25.0%	121,838	25.3%	58,620	62,709
CONSOLIDATED REVENUES	**471,547**		**480,631**		**229,851**	**229,915**

The breakdown of turnover by market shows that there was once again an increase in the revenues from PSEs over the total (+ € 7.7 million, equal to 27.8% of consolidated Revenues against 25.6% in the first half of 2015). As in the second half of 2015, the effect was attributable to some new major orders acquired in the previous financial year (including, among the most significant ones, Trenitalia and Azienda Trasporti Milanesi) and, therefore, not reported in the first half of 2016.

There was once again a fall in the turnover from Healthcare clients during the half-year, as already reported in the quarter ended 31 March 2016 (- € 12.9 million compared to the half-year ended 30 June 2015), which also affected total consolidated revenues in percentage terms (46.2% against 49.0% in the first half of 2015). The reduction in revenues from linen rental and industrial laundering and sterilization services (-€ 1.5 million), which are provided in full to Healthcare clients, and a portion of the reduction in revenues from facility management are the result of a further spending review carried out by some operators in the Public Healthcare sector. As regards the facility management sector, note a reduction of more than € 4 million in the redevelopment works concerning two major hospitals, compared to the first half of the previous year, as a result of the

postponement of works expected to be executed in the first half of 2016, as well as the completion of contracts in the CONSIP Healthcare sector that have not yet been offset by the performance of other contracts not yet awarded. Finally, the half-year just ended saw the recognition of zero values for revenues from the building construction activities that MACO S.p.A. carried out under a project finance contract (-€ 1.9 million) at a hospital facility.
However, as in the case of consolidated revenues, revenues from Healthcare clients recorded during the second quarter of 2016 (€ 111.8 million) remained stable compared to the same quarter in 2015 (€ 111.9 million), as was the impact on total consolidated revenues for the quarter (equal to 48.7% in both cases).

Finally, revenues in the Private market showed a reduction in absolute terms during the half-year ended 30 June 2016 (€ 117.9 million in the half-year ended 30 June 2016 against € 121.8 million in the same half-year in 2015), as well as a slight reduction in relative terms too (the impact on total revenues passed from 25.3% to 25.0%). While analysing the data reported for the quarter ended 30 June 2016 compared to the quarter ended 30 June 2015, a similar reduction was also noted in absolute terms (- € 4.1 million) against a more evident reduction in the relative weight, which passed from 27.3% to 25.5%.

Analysis of revenues by Segment

The business segments were identified on the basis of IFRS 8 and correspond to the following business areas: "*Facility Management*", "*Laundering & Sterilization*". Furthermore, complementary activities (so-called "*Other*" activities) were identified until 31 December 2015, which related to building management operations that were fully disposed of starting from the 2016 financial year.
A comparison of Group revenues by segment of business is provided below:

REVENUES BY SEGMENT

(in thousands of Euro)	For the 6 months ended 30 June				For the 3 months ended 30 June	
	2016	% of total Revenues	2015	% of total Revenues	2016	2015
Facility Management	405,086	85.9%	411,014	85.5%	196,035	195,821
Laundering & Sterilization	67,906	14.4%	69,407	14.4%	34,554	34,911
Other		N.A.	1,917	0.4%		22
Intra-group elimination	(1,445)	-0.3%	(1,707)	-0.4%	(738)	(839)
CONSOLIDATED REVENUES	**471,547**		**480,631**		**229,851**	**229,915**

The breakdown of turnover by operating segments showed once again, also compared to the first quarter of the year, a further slight increase in the relative weight relating to the Facility Management sector (85.9% in the first half of 2016 against 85.5% in the first half of 2015) against a stable weight of Laundering & Sterilization (14.4% in both the comparative half-years) and the zero values definitively posted for the Other activities SBU.

In the half-year ended 30 June 2016, revenues in the Facility Management sector amounted to € 405.1 million, marking a decrease of € 5.9 million (-1.4%) compared to the first half-year of 2015, mainly due to the postponement, which could be regarded as contingent, of redevelopment works concerning two major hospitals, to which must be added the completion of contracts in the CONSIP Healthcare sector (Triveneto area) that have not yet been offset by the recognition of other contracts being awarded and, marginally, by a further spending review on the part of some Public Healthcare entities.

The Laundering&Sterilization sector achieved revenues of € 67.9 million in the half-year ended 30 June 2016 against € 69.4 million in the half-year ended 30 June 2015. The decline in the segment revenues was mainly attributable to a further application of the spending review to the public healthcare market as referred to above.

On the contrary, the second quarter of 2016 showed substantially stable results, both in relative terms and in absolute terms, as regards both Facility Management and Laundering & Sterilization services.

EBITDA

The Group's EBITDA came to € 51.4 million during the first half of 2016 against € 48.7 million in the half-year ended 30 June 2015, with an increase of € 2.7 million (+5.4%) in absolute terms and relative profit margins increasing from 10.1% to 10.9%. Also considering that EBITDA expensed total non-recurring costs of € 1.0 million during the first half of 2016 against non-recurring costs of € 1.2 million during the first half of 2015, it is evident that EBITDA performance fully inverts the downward trend of Revenues and shows the effects of the operating (production and overhead) cost efficiency improvement measures which the Group put in hand at the end of 2014 financial year and which entered in full operation during 2015, to which must be added the additional actions taken between the end of 2015 and the beginning of 2016. In addition to the abovementioned efficiency improvement measures, which in any case are not expected to report a proportional trend over the financial year as the effects of some of them were already felt in full during the half-year, settlements of revenues from Laundering&Sterilization services also contributed to EBITDA for the half-year ended 30 June 2016 for a differential amount of € 1.0 million. This positive impact on profit margins more than offset both the volume effect and the costs of new projects (B2C and international development).

Below is provided a comparison of EBITDA by business segment for the half-year ended 30 June 2016 compared to the half-year ended 30 June 2015:

EBITDA BY SEGMENT

(in thousands of Euro)	For the 6 months ended 30 June				For the 3 months ended 30 June	
	2016	% of segment Revenues	2015	% of segment Revenues	2016	2015
Facility Management	33,311	8.2%	32,830	8.0%	14,594	13,612
Laundering&Sterilization	18,071	26.6%	16,102	23.2%	9,540	7,759
Other		N.A.	(206)	-10.7%		(275)
CONSOLIDATED EBITDA	**51,382**	**10.9%**	**48,727**	**10.1%**	**24,134**	**21,096**

The profit margin of the Facility Management sector showed a further slight recovery as a percentage of Revenues (8.2% in the first half-year of 2016 against 8.0 in the first half-year of 2015), in line with a slight increase in absolute terms (+ € 0.5 million) compared to slightly reduced revenues. The vast majority of the effects of the actions for improvement of efficiency and for cutting fixed costs (both indirect costs and overheads) in order to support the company's margins were felt just as regards the Facility Management SBU and more than offset, during the first half-year of 2016, the effect of volumes and the costs of start-ups, which are currently included in the Facility management SBU.

In the half-year ended 30 June 2016, EBITDA in the Laundering&Sterilization segment came to € 18.1 million, showing an increase of about € 2.0 million in absolute terms compared to the first half-year of 2015, entailing a +3.4% in terms of profit margins (passing from 23.2% to 26.6% of related revenues). The figure was the result of the combined effect of the efficiency improvement measures that were also adopted in the Laundering&Sterilization SBU (although at a later time compared to those adopted within the Facility Management SBU), a review of the Sterilization portfolio that entailed benefits in terms of profit margins in some cases and a differential balance of revenue settlements of € 1.0 million.

Costs of production

At 30 June 2016 *Costs of production*, which amounted to € 420.2 million, showed a decrease of € 11.7 million in absolute terms compared to € 431.9 million (-2.7%) posted at 30 June 2015.

(in thousands of Euro)	For the 6 months ended 30 June				For the 3 months ended 30 June	
	2016	% of total	2015	% of total	2016	2015
Costs of raw materials and consumables	64.193	15,3%	72.949	16,9%	22.499	26.108

(in thousands of Euro)	For the 6 months ended 30 June				For the 3 months ended 30 June	
	2016	% of total	2015	% of total	2016	2015
Change in inventories of finished and semi-finished products	(20)	0%	0	ND	0	0
Costs for services and use of third-party assets	159,094	37.9%	161,936	37.5%	83,812	82,396
Personnel costs	192,956	45.9%	193,050	44.7%	97,768	97,369
Other operating costs	3,942	0.9%	3,969	0.9%	2,138	2,946
COSTS OF PRODUCTION	**420,165**	**100%**	**431,904**	**100%**	**205,717**	**208,819**

Costs of raw materials and consumables, in the half-year ended 30 June 2016, came to € 64.2 million, showing a decrease of € 8.8 million (-12.0%) compared to the value posted in the first half-year of 2015, with an incidence on consolidated revenues that showed a reduction from 15.2% to 13.6%. This reduction was due to lower fuel costs (-€ 5.3 million), in particular as a result of a lower average cost of the raw material, as well as, on a residual basis, of slightly lower volumes of supply of energy and heat management services. Furthermore, lower costs of materials (-€ 3.9 million) were reported, which were also due to a number of significant contracts started up during the first half-year of 2015, a period in which consumption tends to reach a peak.

Costs for services and use of third-party assets, in the half-year ended 30 June 2016, showed a reduction of € 2.8 million (-1.8%) compared to the half-year ended 30 June 2015, with a performance fully in line with that of revenues, given the impact on the same, which remained unchanged at 33.7%.

The lower costs for services was accompanied by substantially unchanged *Personnel costs* in absolute terms (-€ 0.5 million), while their impact on consolidated Revenues recorded a slight increase, passing from 40.2% to 40.9%. The average number of employees in service during the first half-year of 2016 was equal to 16,457, while it was 16.261 in the same period in the previous year (15,129 against 14,781 manual workers). In consideration of a quantitative increase in the average number of human resources employed, due to a different composition of the mix of services rendered and of the consequent make-or-buy decisions, there was a reduction in the average cost per capita, obviously as a result of the efficiency improvement actions taken between 2015 and the beginning of 2016.

Finally, *Other operating costs*, in the half-year ended 30 June 2016, came to € 3.9 million compared with € 4.0 million in the same period of the previous year.

Operating Income (EBIT)

In the first half-year of 2016, consolidated Operating Income (**EBIT**) stood at € 34.3 million (7.3% of Revenues) against € 31.9 million (6.6% of Revenues) during the same period of 2015.
EBIT was mainly affected by the abovementioned consolidated performance in terms of EBITDA (+€ 2.4 million), from which must be deducted *amortization and depreciation* of € 13.6 million (€ 14.2 million at 30 June 2015), *accruals of provisions for risks and charges* of € 1.6 million (€ 2.4 million at 30 June 2015) against *reversals* of € 0.8 million (€ 0.9 million at 30 June 2015). The Group also recorded *write-downs of receivables and reversals* of € 2.5 million against € 1.0 million at 30 June 2015.

Below is reported a comparison of Operating Income (EBIT) by segment in the half-year ended 30 June 2016 with the same amounts recorded in the half-year ended 30 June 2015:

EBIT BY SEGMENT

(in thousands of Euro)	For the 6 months ended 30 June				For the 3 months ended 30 June	
	2016	% of segment Revenues	2015	% of segment Revenues	2016	2015
Facility Management	25,781	6.4%	26,638	6.5%	9,491	11,487
Laundering&Sterilization	8,520	12.5%	5,443	7.8%	4,920	2,561
Other		N.A.	(208)	-10.9%	0	(276)
CONSOLIDATED EBIT	**34,301**	**7.3%**	**31,873**	**6.6%**	**14,411**	**13,772**

EBIT in the Facility Management sector came to € 25.8 million (6.4% of related segment Revenues) at 30 June 2016 against EBIT of € 26.6 million (6.5% of related segment Revenues) at 30 June 2015.
The comparison, in absolute terms, between the segment EBIT recorded during the first half of 2016 and the first half of 2015 reflects the performance in terms of EBITDA (+ € 0.5 million) against higher amortisation and depreciation for € 0.8 million (specifically due to investments in hardware and software infrastructure). Furthermore, higher write-downs of trade receivables were recognised for € 1.0 million, which mainly included a risk assessment on some specific positions of MFM S.p.A., against lower net provisions for € 0.4 million, also in relation to lower provisions concerning bonus schemes reserved for top and middle management, which were not applied during 2016.

The positive performance of EBITDA in the Laundering&Sterilization segment during the first half of 2016 (+ € 2.0 million compared to the first half of the previous year) fully impacted on the segment

EBIT that showed an increase of € 3.1 million in absolute terms compared to the first half of the previous year, which, in turn, entailed a considerable increase in terms of profit margins (+4.7% of related Revenues). The segment recorded, in fact, lower amortisation and depreciation for € 1.4 million (mainly as a result of efficiency improvement measures adopted in the linen rental and industrial laundering segment, which led to a more streamlined management of investments in linen), together with higher write-downs of receivables for € 0.4 million (concerning specific positions not reported during 2015), which were partially offset by lower net provisions for € 0.2 million (relating to some labour disputes during the previous year, which were settled during the year).

Finally, during the first half of 2015, there was a completely residual effect on EBIT from the contribution of the segment of *Other activities* (€ 0.2 million); within this segment, there were the residual construction activities of MACO S.p.A. only, which were completed during 2015.

Non-recurring events and transactions

In the course of the first half-year of 2016, the Group recognised, in the Statement of Profit/Loss for the period, some "non-recurring" financial items which impacted on the normal dynamics in 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.

In detail, the following non-recurring costs are recorded in the Consolidated Statement of Profit/Loss for the half-year:

(in thousands of Euro)	For the 6 months ended 30 June	
	2016	2015
Consultancy advice fees concerning agreements for assignment of trade receivables without recourse	620	
Legal advice fees concerning pending administrative disputes	425	
June 2015 Tender offer consulting fees		142
Structural reorganisation consulting fees		250
"*Oneri di Sistema*" relating to previous years (*)		826
TOTAL NON-RECURRING COSTS IMPACTING ON EBITDA AND EBIT	**1,045**	**1,218**

(*) The so-called "*Oneri di Sistema*" are costs that have affected some energy contracts, linked to recent regulatory changes that occurred in the field of electricity (which concerned, among others: Legislative Decree no. 79/1999, Industry Ministry's Decree 26/2000, Laws 83/2003 and 368/2003).

Consolidated Adjusted EBITDA and EBIT are thus represented as follows:

(in thousands of Euro)	For the 6 months ended 30 June	
	2016	2015
EBITDA	51,382	48,727
Non-recurring operating costs impacting on EBITDA	1,045	1,218
Adjusted EBITDA	**52,427**	**49,945**
Adjusted EBITDA % of Revenues	**11.1%**	**10.4%**
EBIT	34,301	31,873
Non-recurring operating costs impacting on EBITDA and EBIT	1,045	1,218
Adjusted EBIT	**35,346**	**33,091**
Adjusted EBIT % of Revenues	**7.5%**	**6.9%**

Profit before taxes

To the consolidated EBIT must be added net income from companies valued at equity equal to € 1.6 million (€ 1.8 million at 30 June 2015), which reflected, among others, the Group's share of the result achieved by the associate Roma Multiservizi S.p.A. for € 1.1. million (€ 0.6 million at 30 June 2015). Furthermore, there was the recognition of net financial charges of € 14.1 million (€ 20.0 million in the first half-year of 2015), thus obtaining a profit before taxes equal, at 30 June 2016, to € 21.8 million (€ 13.7 million at 30 June 2015).

Below is provided the breakdown by nature of net financial charges in the first half-year of 2016 and for the previous year:

(in thousands of Euro)	For the 6 months ended 30 June		For the 3 months ended 30 June	
	2016	2015	2016	2015
Dividends and income (loss) from sale of investments	238	(774)	238	(774)
Financial income	1,089	337	312	81
Financial charges	(15,420)	(19,572)	(7,567)	(10,945)
Profit / (loss) on exchange rate	(3)	(13)	(3)	(7)
NET FINANCIAL CHARGES	**(14,096)**	**(20,022)**	**(7,020)**	**(11,645)**

During the first half of 2016 dividends were collected from other non-consolidated companies for € 0.2 million (€ 0.1 million at 30 June 2015). During the first half of 2015 capital losses from the sale of equity investments were also accounted for, which were mainly related to a 20% quota of the capital of Progetto Nuovo S. Anna S.r.l., which is now owned for a remaining quota of 4%.

Financial income showed an increase for € 0.8 million compared to the first half of the previous year. This item includes, among others, higher default interest income for € 0.3 million, which arose at the time of the settlement of previous credit positions with some customers, in addition to higher interest income from loans granted to non-consolidated companies for € 0.3 million (mainly project finance companies).

The impact of *financial charges* on the consolidated results of operations posted in the half-year was equal to € 15.4 million, with a reduction of € 4.2 million compared € 19.6 million during the same period of 2015.
First of all this item recorded lower financial costs on the coupons of the bond issue for € 2.8 million. As at 30 June 2015 this item still included, in fact, the financial charges relating to the amounts of Senior Secured Notes repurchased through the Tender Offer in June 2015 only, in an overall nominal value of € 80 million, while the net financial charge for the first half of 2016 was fully calculated in relation to a residual portion of the loan, equal to € 300 million. Furthermore, financial charges recorded during 2015 included one-off costs relating to the same Tender in an overall amount of € 3.0 million (of which € 1.9 million relating to the proportional amount of charges accounted for at amortised cost according to IAS 39 on the repurchased Notes).
On the contrary, higher financial charges from bank loans are being recognised for € 0.1 thousand during 2016, which during the first half of 2015 related to the residual debt of the BPV loan that was repaid during the same financial year and which during the first half of 2016 related to the CCFS loan that was obtained during the third quarter of 2015 only. Furthermore, financial charges from assignments of receivables with recourse are being recognised for € 0.4 million during 2016 (in relation to the contract in place with Unicredit Factoring), as are interest discount costs for € 0.4 million in relation to agreements for the assignment of receivables without recourse in place with Banca Farmafactoring.

Finally, the first quarter of 2016 saw the recognition of additional interest discount charges for € 0.6 million in relation to an assignment of tax receivables without recourse linked to the application of Decree Law 201 of 6 December 2011, as amended and converted by Law 214 of 22 December 2011, which had allowed various Group companies to submit, during 2012, a request for IRES (Corporate Income) tax refund as a result of the non-deduction of IRAP (Local Production Activity) tax in an overall amount of € 12.4 million, of which € 10.0 million under the tax consolidation regime in place with the parent company Manutencoop Società Cooperativa.

Net Result for the period

From the profit before taxes (€ 21.8 million) in the half-year must be deducted taxes of € 9.9 million, thus obtaining a *Net profit* from continuing operations of € 11.9 million (€ 6.3 million at 30 June 2015).

Furthermore, the first half-year of 2016 recorded a positive *Profit (loss) from discontinued operations* equal to € 1.1. million, including the related tax effect (€ 0.3 million). It related to the additional price (Earn-out) that MFM S.p.A. (the company incorporating SMAIL S.p.A. with effect from 1 January 2016) obtained on the transfer of the business which was carried out by the merged company in November 2015, as provided for in the transfer agreement (€ 1.2 million, plus a tax effect of € 0.3 million). Furthermore, an income of € 0.2 million was recognised in relation to the partial release by MFM S.p.A. of the amounts escrowed by the buyer, in the performance of the contract provisions.

On the contrary, the first half-year of 2015 recorded a *Loss from discontinued operations* equal to € 0.6 million, as the result for the period attributable to SMAIL S.p.A., which was the object of a plan for its transfer that was then completed during 2015.

Below is the breakdown of consolidated tax rate :

(in thousands of Euro)	For the 6 months ended 30 June	
	2016	**2015**
Profit before taxes	**21,806**	**13,681**
Current and deferred IRES tax	(7,344)	(4,906)
Current and deferred IRAP tax	(2,563)	(2,494)
Tax rate from continuing operations	**45.4%**	**54.1%**
Profit (loss) from discontinued operations	1,385	(943)
Taxes related to the profit (loss) from discontinued operations	(333)	310
Consolidated net profit	**12,951**	**5,648**
Total tax rate	**44.2%**	**55.7%**

Compared to the first half of the previous year, the Profit before taxes showed an increase of € 8.1 million, against an increase of € 2.5 million in the overall tax burden. The tax rate came to 45.4% for the half-year ended 30 June 2016 against 54.1% of the same period of the previous year, due to the substantial invariance of some tax components (IRAP tax and non-deductible IRES tax charges), the impact of which is reduced when the Profit before taxes increases.

3.2 Analysis of the statement of financial position as at 30 June 2016

(in thousands of Euro)	30 June 2016	31 December 2015	Change
USES			
Trade receivables and advances to suppliers	489,995	519,194	(29,199)
Inventories	4,590	4,763	(173)
Trade payables and advances from customers	(347,821)	(380,215)	32,394
Net working operating capital	**146,764**	**143,742**	**3,022**

(in thousands of Euro)	30 June 2016	31 December 2015	Change
Other elements of working capital	(80,537)	(54,519)	(26,018)
Net working capital	**66,227**	**89,223**	**(22,996)**
Property, plant and equipment	59,829	64,372	(4,543)
Goodwill and other intangible assets	395,719	396,461	(742)
Investments accounted for under the equity method	29,825	28,484	1,341
Other non-current assets	36,583	40,383	(3,800)
Fixed assets	**521,956**	**529,700**	**(7,744)**
Non-current liabilities	(88,162)	(88,357)	195
NET INVESTED CAPITAL	**500,021**	**530,566**	**(30,545)**
SOURCES			
Equity attributable to non-controlling interests	212	380	(168)
Equity attributable to equity holders of the parent	301,416	289,585	11,831
Shareholders' equity	**301,628**	**289,965**	**11,663**
Net financial indebtedness	198,393	240,601	(42,208)
FINANCING SOURCES	**500,021**	**530,566**	**(30,545)**

Net working capital

At 30 June 2016, Consolidated Net Working Capital (**NWC**) amounted to € 66.2 million against an increase of € 23.0 million compared to that recognised at 31 December 2015 (€ 89.2 million).

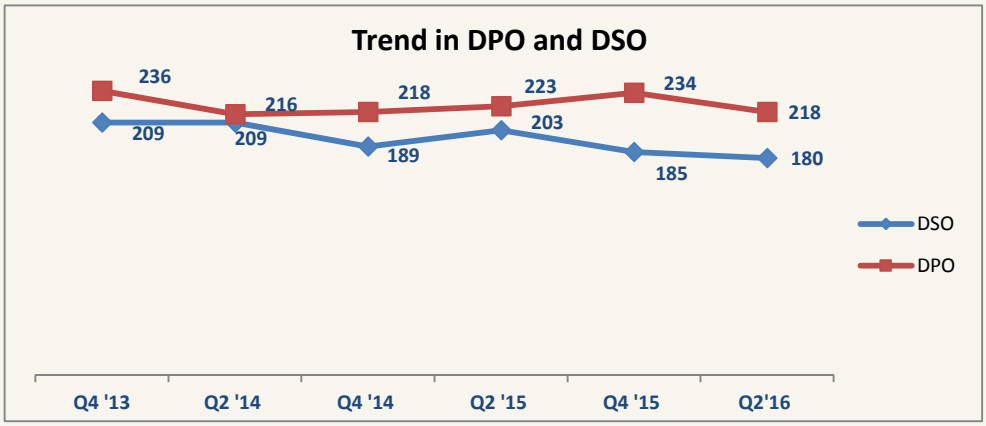
At 30 June 2016, consolidated Net Working Operating Capital (**NWOC**), composed of trade receivables and advances to suppliers and inventories, net of trade payables and advances from customers, was equal to € 146.8 million against € 143.7 million at 31 December 2015. Considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring agencies (equal to € 18.4 million at 30 June 2016 and € 1.4 million at 31 December 2015), the Adjusted NWOC came to € 165.1 million and € 145.1 million, respectively.

First of all, the change (+ € 20.0 million) was due to a decreased stock of trade payables, which came to € 347.8 million at 30 June 2016, showing a decrease of € 32.4 million compared to the balance at 31 December 2015 (€ 380.2 million). On the contrary, the balance of trade receivables decreased by € 12.2 million (considering the balance of receivables assigned by the Group without recourse and not yet collected by the factoring companies).

It should be pointed out that, as early as in 2014, the Group started to report a downward trend in invoiced costs (mainly costs for professional services, subcontracted services and industrial capex), which further entails a reduction in the average stock of trade payables. Likewise, as regards trade receivables, the decline in production volumes entailed a physiological reduction in the related average stock.

As at 30 June 2016 average DSO was 180 days against 185 days at 31 December 2015 and 203 days at 30 June 2015.

The end of the first half of 2016 showed a downward trend in DPO (218 days at 30 June 2016 against 234 days at 31 December 2015 and 223 days at 30 June 2015).
In general, within the overall management of cash flows arising from the NWOC, the stabilised trend in receipts from customers (although showing a different trend during the quarters of the year) allowed a greater use of financial resources for payments to suppliers during the half-year, thus bringing the DPO to more satisfactory levels than those recorded during the last period of 2015, when unscheduled receipts in the last days of the fourth quarter could not be used to meet payments to suppliers.



The balance of the other elements in working capital at 30 June 2016 was a net liability of € 80.5 million, up by € 26.0 million compared to a net liability of € 54.5 million at 31 December 2015:

(in thousands of Euro)	30 June 2016	31 December 2015	Change
Current tax receivables	13,251	23,430	(10,179)
Other current assets	34,949	31,138	3,811
Provisions for risks and charges, current	(10,784)	(14,515)	3,731
Current tax payables	(9,487)	0	(9,487)
Other current liabilities	(108,466)	(94,572)	(13,894)
OTHER ELEMENTS IN WORKING CAPITAL	**(80,537)**	**(54,519)**	**(26,018)**

The increase in the net liability of 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 € 15.2 million, given the payment of the summer bonus in July against a payment of the Christmas bonus that already took place at the end of the year in December;

- the decrease of € 3.7 million short-term portion of provisions for risks and charges;
- higher net payables for € 1.0 million for amounts collected on behalf of TJA partners in which the Group companies participate in the capacity of agents.

Net current tax receivables were recognised for € 3.8 million at 30 June 2016 against € 23.4 million at 31 December 2015, showing an overall decrease of € 19.7 million, of which an amount of € 10.3 million was due to the recognition of tax payables for the period. Furthermore, the half-year saw the implementation of an assignment of tax receivables without recourse, linked to the application of Decree Law 201 of 6 December 2011, as amended and converted by Law 214 of 22 December 2011, which had allowed various Group companies to submit, during 2012, a request for IRES tax refund as a result of the non-deduction of IRAP tax in an overall amount of € 12.4 million, of which € 10.0 million under the tax consolidation regime in place with the parent company Manutencoop Società Cooperativa.

Other non-current liabilities

"Other non-current liabilities" mainly include liabilities relating to:

- TFR (employee benefits), equal to € 19.0 million and € 18.4 million at 30 June 2016 and 31 December 2015, respectively;
- long-term portion of provisions for future risks and charges (€ 58.2 million at 30 June 2016 against € 58.7 million at 31 December 2015);
- deferred tax liabilities of € 10.9 million (€ 11.2 million at 31 December 2015).

Consolidated net financial indebtedness

Details of net financial indebtedness at 30 June 2016 are shown below, compared to the figures at 31 December 2015, as determined on the basis of the instructions laid down in CONSOB Communication no. DEM/6064293 of 28 July 2006.

(in thousands of Euro)	30 June 2016	31 December 2015	Change
A. Cash	35	34	1
B. C/a, bank deposits and consortia, non-proprietary accounts	167,169	114,357	52,812
C. Securities held for trading			
D. Cash and cash equivalents (A) + (B) + (C)	**167,204**	**114,391**	**52,813**
E. Current financial assets	**8,633**	**5,257**	**3,376**
F. Current bank overdraft	25,781	34,064	(8,283)
G. Current portion of non-current debt	11,526	11,215	311
H. Other current financial liabilities	31,848	3,284	28,564
I. Current financial indebtedness (F)+(G)+(H)	**69,155**	**48,563**	**20,592**
J. Current net financial indebtedness	**(106,682)**	**(71,085)**	**(35,597)**

(in thousands of Euro)	30 June 2016	31 December 2015	Change
(D) + (E) + (I)			
K. Long-term bank debts and Senior Secured Notes	304,028	303,435	593
L. Other non-current financial liabilities	1,047	8,251	(7,204)
M. Derivatives			
N. Non-current financial indebtedness (K) + (L) + (M)	**305,075**	**311,686**	**(6,611)**
O. NET FINANCIAL INDEBTEDNESS (J) + (N)	**198,393**	**240,601**	**(42,208)**

The first half-year of 2016 saw a decrease in the Consolidated net financial debt, which passed from € 240.6 million at 31 December 2015 to € 198.4 million at 30 June 2016.

On 23 February 2016, within the scope of a review of its financial planning, with the aim of creating the conditions to be able to meet potential non-recurring cash outflow requirements, the Group signed, through MFM S.p.A. and Servizi Ospedalieri S.p.A., a maturity factoring agreement with Banca Farmafactoring S.p.A., concerning the assignment without recourse of receivables from entities in the National Health System, in an annual amount of up to € 100 million. The committed credit line has a term of three years. During the half-year, assignments of receivables without recourse were made in an amount of € 27.8 million, subject to derecognition according to IAS 39, while the amount of receivables assigned but not yet collected by the factor at 30 June 2016 amounted to € 17.0 million, to which must be added an amount of € 1.4 million relating to assignments without recourse that were made in previous financial years and that have been currently discontinued). The consolidated net "adjusted" financial debt for the amount of receivables assigned to factoring companies that had not been collected at the balance sheet date (equal to € 18.4 million at 30 June 2016 against € 1.4 million at 31 December 2015) came to € 216.7 million (€ 242.0 at 31 December 2015).

At 30 June 2016 the balance of Cash and cash equivalents, net of short-term liabilities, amounted to € 100. 4 million (€ 73.6 million at 31 December 2015):

(in thousands of Euro)	30 June 2016	31 December 2015
Cash and cash equivalents	167,204	114,391
Current bank overdraft, advance payments and hot money	(25,781)	(34,064)
Payables for assignments of trade receivables with recourse	(21,054)	(2,543)
Receipts on behalf of Banca Farmafactoring from trade receivables assigned "without recourse", net of the balance of pledged current accounts dedicated to the operation of the collection service	(1,632)	0
Balance of receivables assigned without recourse to Factoring companies and not yet collected by the latter	(18,355)	(1,400)
NET CASH AND CASH EQUIVALENTS	**100,382**	**76,384**

The following is the detail of the net financial exposure for bank credit lines and obligations for financial leases ("*Net interest bearing financial indebtedness*"), compared to 31 December 2015:

(in thousands of Euro)	30 June 2016	31 December 2015
Cash and cash equivalents	(167,204)	(114,391)
Current bank overdraft, advance payments and hot money	25,781	34,064
Current portion of non-current bank debts	10,975	10,651
Long-term bank debts	10,000	10,000
Senior Secured Notes	294,028	293,435
Financial lease obligations	1,183	1,484
NET INTEREST BEARING FINANCIAL INDEBTEDNESS	**174,762**	**235,243**

The "Net interest bearing financial indebtedness" reported a decrease compared to 31 December 2015 passing from € 235.2 million to € 174.8 million.
This change was mainly due to an increased balance of cash and cash equivalents, equal to € 52.8 million against a decrease of € 8.3 million in the balance of bank overdrafts, advance payments and hot money.
It should be noted that the current portion of non-current bank debt included net accrued expenses, at 30 June 2016 and at 31 December 2015, relating to interest on the bond coupons to be paid in August and February, respectively (in an unchanged amount of € 10.6 million)

The increase in consolidated Cash and cash equivalents is shown in the table below: the cash flows for the half-year are compared with the figures for the same period in the previous year. Annex IV to the consolidated Half-year Financial Report contains a reconciliation between the items in this table and those in the statutory Consolidated Statement of Cash Flows presented in the Condensed Explanatory Notes pursuant to IAS 7.

	2016	2015
At 1 January	**114,391**	**113,382**
Cash flow from current operations	37,860	29,805
Uses of provisions for risks and charges and for employee termination indemnity	(6,101)	(8,078)
Change in adjusted NWOC	(22,395)	8,213
Industrial capex, net of disposals	(8,303)	(10,972)
Financial capex, net of disposals	4,570	7,742
Change in adjusted net financial liabilities	27,561	(60,588)
Other changes	19,622	(12,314)
AT 30 JUNE	**167,204**	**66,290**

The overall cash flows mainly reflect the net effect of:

- a positive cash flow from operations of € 37.9 million (€ 29.8 million at 30 June 2016);
- € 6.1 million in outflows from the utilisation of the provision for future risks and charges and for employee termination indemnity (€ 8.1 million at 30 June 2016);
- a cash outflow from changes in Adjusted NWOC for € 22.4 million (against a cash inflow of € 8.2 million at 30 June 2015) which arises from a positive flow correlated to a change in adjusted trade receivables of € 9.8 million (€ 17.5 million in the first half of 2015) against a flow absorbed by a reduction in trade payables for € 32.3 million (€ 9.5 million in the first half of 2015);
- a € 8.9 million cash flow used in industrial investments (€ 11.2 million at 30 June 2015), net of disposals for € 0.6 million (€ 0.2 million at 30 June 2015). Furthermore, net positive inflows arose from financial investments and disinvestments for € 4.6 million, which mainly related to the collection of an amount of € 3.9 million out of a portion of the deferred price relating to the transfer of MIA S.p.A., which took place in December 2014 (€ 7.7 million at 30 June 2015, of which € 4.2 million relating to the disinvestment from portions of shareholders loans of project finance companies);
- changes in other assets and liabilities amounting to a total inflow of € 19.6 million (against an outflow of € 12.3 million at 30 June 2015), mainly due to the net effect of a positive inflow from the assignment of tax receivables without recourse (€ 11.7 million) and of the changes that were reported in other operating assets and liabilities during the half-year (specifically in the seasonal performance of payables to/receivables from employees described above and the related withholding tax payables to/receivables from social security institutions and the Tax Office, which entailed an increase in the net liability for € 15.2 million) against an outflow of financial resources due to higher net VAT credit balances concerning the Group companies for € 9.8 million;
- an increase in adjusted net financial liabilities for € 27.6 million, which was mainly due to an increase in the financial liability relating to the assignments of receivables with recourse during the half-year (€ 18.5 million) and in the adjusted financial liability relating to the assignments of receivables without recourse during the half-year (€ 17.0 million) against an increase in short-term financial assets for € 3.4 million. For more details, reference should be made to the information reported below. On the other hand, a decrease of € 60.6 million had been recorded in adjusted net financial liabilities at 30 June 2015, due to the net effect of short-term credit facilities for € 32.0 million against the buy-back through a tender of quotas of the Senior Secured Notes in an overall nominal amount of € 80 million.

Financial and industrial Capex

In the first six months of 2016, the Group made net capital expenditures which totalled € 8.9 million, compared to disinvestments of € 0.6 million:

(in thousands of Euro)	For the 6 months ended 30 June	
	2016	2015
Purchase of plant and equipment	6,423	8,902
Other capital expenditures in intangible assets	2,497	2,287
CAPITAL EXPENDITURES	**8,920**	**11,189**

Acquisitions of plant and equipment mainly relate to the purchase of linen by Servizi Ospedalieri S.p.A. for the linen rental and industrial laundering activity, in which frequent periodic replacements are necessary (€ 4.8 million at 30 June 2016 against € 5.7 million at 30 June 2015). Investments in intangible assets for the period amounted to € 2.5 million (€ 2.3 million at 30 June 2015) and mainly related to ICT investments. Finally, disinvestments from property, plant and equipment were recorded during the period for € 0.6 million (€ 0.2 million at 30 June 2015).

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

(in thousands of Euro)	For the 6 months ended 30 June	
	2016	2015
Facility Management	3,328	2,866
Laundering & Sterilization	5,592	8,323
CAPITAL EXPENDITURES	**8,920**	**11,189**

The positive cash flow of € 4.6 million (€ 7.7 million at 30 June 2015) mainly arose following 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, against a net receipt of an amount of € 3.9 million of the first tranche following the fulfilment of some contract conditions governing the sale.

As at 30 June 2015 the positive cash flow amounted to € 7.7 million, of which an amount of € 4.2 million related to the disinvestment from portions of shareholder loans of project finance companies. Furthermore, the abovementioned accounting reclassification of current financial assets had already been made in relation to the first tranche of the escrow for the sale of MIA S.p.A. and payments had been made for new loans granted to project finance companies for € 1.9 million.

Change in net financial liabilities

The table below shows the changes that were recorded in the half-year 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 2015	New loans	Repayments and payments for the period	Other changes	30 June 2016
Bank loans	10,000				10,000
Current bank overdraft, advance payments and hot money	34,064	25,781	(34,064)		25,781
Accrued expense and deferred income on loans	10,599		(12,750)	12,786	10,635
Senior Secured Notes	293,435			593	294,028
BANK DEBTS	**348,098**	**25,781**	**(46,814)**	**13,379**	**340,444**
Financial lease obligations	1,484		(302)		1,182
Payables for assignments of trade receivables with recourse	2,543	33,720	(15,209)		21,054
Receipts on behalf of assignees of trade receivables without recourse	0	2,608			2,608
Other financial liabilities	8,124			818	8,942
FINANCIAL LIABILITIES	**360,249**	**62,109**	**(62,325)**	**14,197**	**374,230**
Current financial assets	(5,257)			(3,376)	(8,633)
NET FINANCIAL LIABILITIES	**354,992**	**62,109**	**(62,325)**	**10,821**	**365,597**
Outstanding amount of receivables assigned to factoring companies	1,400	27,763	(10,808)		18,355
ADJUSTED NET FINANCIAL LIABILITIES	**356,392**	**89,872**	**(73,133)**	**10,821**	**383,952**

The first half-year of 2016 saw the payment of the net six-monthly coupons on the Senior Secured Notes of € 12.8 million; the settlement date was 2 February. As already disclosed to the market, in the last quarter of the 2014 financial year and in June 2015 MFM S.p.A. carried out the buy-back of some of its Senior Secured Notes for a total nominal amount of € 125 million. The bond issue was accounted for in accordance with IAS 39 and entailed the recognition of financial charges during the half-year arising from the related amortised cost for € 0.6 million. All the notes in the portfolio were not cancelled but kept in a securities account. 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.

As at the closing date of the half-year, short-term uncommitted credit lines had been used for hot money and advance payments on invoices for € 25.8 million (€ 34.1 million at 31 December 2015), in order to meet peaks in cash requirements linked to the physiological performance of operations.

Furthermore, MFM S.p.A. entered, as early as in 2015, into an agreement for the assignment of trade receivables with recourse with Unicredit Factoring S.p.A., concerning receivables from customers in the Public sector market. During the first half of 2016, assignments were made in an overall nominal

amount of € 33.7 million, while the amount of receivables assigned but not yet collected by the factor amounted to € 21.1 million at 30 June 2016 (€ 2.5 million at 31 December 2015).

On 23 February 2016, MFM S.p.A. and Servizi Ospedalieri S.p.A. also entered with Banca Farmafactoring S.p.A. into a maturity factoring agreement without recourse concerning the assignment of receivables from entities in the National Health System, in an annual amount of up to € 100 million. The committed credit line has a term of three years. During the half-year assignments of receivables without recourse were made for € 27.8 million, while the amount of receivables assigned but not yet collected by the factor amounted to € 17.0 million at 30 June 2016 (to which must be added an amount of € 1.4 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 € 2.6 million at 30 June 2016, concerning receivables included in said assignments without recourse, for which the respective creditors have not made any payment to the bank accounts specified by the factor. These amounts constitute a financial liability for the Group, which will give rise to the payment of said amounts in early July.

Finally, the short-term financial assets balance was € 3.4 million higher mainly as a result of the reclassification as short-term assets, already mentioned, of a € 5 million nominal portion of the residual price, not yet collected, for the sale of shares in MIA S.p.A. in December 2014, against the collection of the previous tranche, during the half-year, which had already been entered under this item for € 3.7 million, following the fulfilment of some contract conditions. Within the scope of the transfer of the business of SMAIL S.p.A., which took place in November 2015, MFM S.p.A. (i.e. the company incorporating the transferring entity) also acquired the right to obtain an earn-out of € 1.2 million, which is expected to be collected in instalments during the next 12 months. Finally, the item in question included an amount of € 1.0 million at 30 June 2016, relating to 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. BUSINESS OUTLOOK

The new shareholders' agreements between the majority shareholder (Manutencoop Società Cooperativa) and the group of minority shareholders (Private Equity Investors), which were signed on 19 July 2016 together with the new investment agreement, lay down new governance rules that provide for the appointment of a new Chairman and a new Chief Executive Officer in a short time. At the same time as the appointments, the composition of the Management Board is expected to pass from 11 to 13 members.

Once the change is completed, the Group will be able to continue its new strategic project, which was planned following the more thorough reorganisation that involved the Group at the end of 2015.

The Group closed the first half of 2016 with volumes in line with expectations but that posted higher values, thanks to (fixed and production) cost cutting measures, together with a slower portfolio turnover than forecasted, with a consequent lower price pressure. Although some elements that led to this better performance during the first half-year may not be repeated during the second half-year or can be regarded as early effects that were expected to be felt by the year-end, it is believed that results for the entire 2016 financial year may be achieved, which will be moderately higher in terms of EBITDA margin and EBIT margin compared to the previous year.

During the first half of 2016 the Group also continued its efforts to improve the NFP, which proved to be higher than expected as early as at 30 June. To this end, the Group has continued and will continue its actions aimed at reducing trade receivables and, accordingly, the NWOC in relation to revenue volumes, together with a prudent investment management. Therefore, a further improved NFP is expected to be obtained by 31 December 2016, together with a consequent further reduction in (deleverage.

The further deleverage will significantly depend on the ruling of the Lazio Regional Administrative Court on the fine imposed by the Competition Authority in January 2016 (on the merits, as well as on the application to stay the related payment). However, even in the event of a financial outlay to pay the fine, the good financial performance reported during the first half-year and the consequent higher available funds than expected would allow the Group to cope with this event with greater resilience than initially assumed.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED HALF-YEAR STATEMENT OF FINANCIAL POSITION

	NOTES	30 June 2016	31 December 2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	57,988	62,155
Property, plant and equipment under lease	3	1,841	2,217
Goodwill	4-5	370,456	370,456
Other intangible assets	4	25,263	26,005
Investments accounted for under the equity method	6	29,825	28,484
Other investments	7	3,925	3,502
Non-current financial assets and other securities	7	11,523	15,657
Other non-current assets	7	2,022	2,180
Deferred tax assets		19,113	19,044
TOTAL NON-CURRENT ASSETS		**521,956**	**529,700**
CURRENT ASSETS			
Inventories		4,590	4,763
Trade receivables and advances to suppliers	8	489,995	519,194
Current tax receivables		13,251	23,430
Other current assets	8	34,949	31,138
Current financial assets	11	8,633	5,257
Cash and cash equivalents	11	167,204	114,391
TOTAL CURRENT ASSETS		**718,622**	**698,173**
Assets classified as held for sale		**0**	**0**
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE		**0**	**0**
TOTAL ASSETS		**1,240,578**	**1,227,873**

	NOTES	30 June 2016	31 December 2015
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		186,699	188,349
Retained earnings		(7,519)	37,498
Profit (loss) attributable to equity holders of the Parent		13,086	(45,412)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**301,416**	**289,585**
Capital and reserves attributable to non-controlling interests		347	337
Profit (loss) attributable to non-controlling interests		(135)	43
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**212**	**380**
TOTAL SHAREHOLDERS' EQUITY	10	**301,628**	**289,965**
NON-CURRENT LIABILITIES			
Employee termination indemnity	12	19,045	18,424
Provisions for risks and charges, non-current	13	58,171	58,738
Long-term debt	11	305,075	311,686
Deferred tax liabilities		10,918	11,167
Other non-current liabilities		28	28
TOTAL NON-CURRENT LIABILITIES		**393,237**	**400,043**
CURRENT LIABILITIES			
Provisions for risks and charges, current	13	10,784	14,515
Trade payables and advances from customers	14	347,821	380,215
Current tax payables		9,487	0
Other current liabilities	14	108,466	94,572
Bank borrowings, including current portion of long-term debt, and other financial liabilities	11	69,155	48,563
TOTAL CURRENT LIABILITIES		**545,713**	**537,865**
Liabilities directly associated with assets classified as held for sale		0	0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,240,578**	**1,227,873**

CONSOLIDATED HALF-YEAR STATEMENT OF PROFIT OR LOSS

	NOTES	For the 6 months ended	
		30 June 2016	30 June 2015
REVENUES			
Revenues from sales and services		470,914	479,929
Other revenues		633	702
TOTAL REVENUES		**471,547**	**480,631**
OPERATING COSTS			
Costs of raw materials and consumables		(64,193)	(72,949)
Change in inventories of finished and semi-finished products		20	0
Costs for services and use of third party assets		(159,094)	(161,936)
Personnel costs		(192,956)	(193,050)
Other operating costs		(3,942)	(3,969)
Amortisation, depreciation, write-downs and write-backs of assets	4-5-8	(16,199)	(15,323)
Accrual of provisions for risks and charges	13	(882)	(1,531)
TOTAL OPERATING COSTS		**(437,246)**	**(448,758)**
OPERATING INCOME		**34,301**	**31,873**
FINANCIAL INCOME AND EXPENSES			
Share of net of associates	6	1,601	1,830
Dividend and income (loss) from sale of investments		238	(774)
Financial income		1,089	337
Financial charges		(15,420)	(19,572)
Profit (loss) on exchange rate		(3)	(13)
PROFIT (LOSS) BEFORE TAXES FROM CONTINUING OPERATIONS		**21,806**	**13,681**
Income taxes		(9,907)	(7,400)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**11,899**	**6,281**
Profit (loss) from discontinued operations	9	1,052	(633)
PROFIT (LOSS) FOR THE PERIOD		**12,951**	**5,648**
Net profit (loss) for the period attributable to non-controlling interests		135	24
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**13,086**	**5,672**

	For the 6 months ended	
	30 June 2016	30 June 2015
Basic earnings per share	0.120	0.052
Diluted earnings per share	0.120	0.052
Basic earnings per share from continuing operations	0.110	0.058
Diluted earnings per share from continuing operations	0.110	0.058

CONSOLIDATED HALF-YEAR STATEMENT OF OTHER COMPREHENSIVE INCOME

	NOTES	For the 6 months ended	
		30 June 2016	30 June 2015
NET PROFIT FOR THE HALF-YEAR		**12,951**	**5,648**
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	(334)	(226)
Other components of the comprehensive income for the period, which will be subsequently reclassified under profit/loss for the year		**(334)**	**(226)**
Other components of the comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Actuarial gain (losses) on defined benefit plans		(1,136)	856
Income taxes		273	(235)
Net effect on actuarial gains (losses)	12	**(863)**	**621**
Share of other comprehensive income of entities accounted for using the equity method, which will not be subsequently reclassified under profit/loss for the year	6	**(58)**	**43**
Other components of the comprehensive income for the period, which will not be subsequently reclassified under profit/loss for the year		**(920)**	**663**
TOTAL PROFITS (LOSSES) IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME, NET OF TAXES		**(1,255)**	**438**
TOTAL COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**11,696**	**6,086**
Equity holders of the Parent		11,831	6,110
Non-controlling interests		(135)	(24)

CONSOLIDATED HALF-YEAR STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	For the 6 months ended	
		30 June 2016	30 June 2015
Net profit (loss) from continuing operations for the period		**11,899**	**6,281**
Income taxes for the period		9,907	7,400
Profit before taxes from continuing operations		**21,806**	**13,681**
Profit (loss) from discontinued operations		1,052	(633)
(Capital gains) losses from discontinued operations		(1,409)	41
Amortisation, depreciation, write-downs and (write-backs) of assets		16,199	15,305
Accrual (reversal) of provisions for risks and charges		882	1,646
Employee termination indemnity provision		408	390
Payments of employee termination indemnity		(921)	(1,231)
Utilization of provisions		(5,180)	(6,847)
Share of net profit of associates		(1,601)	(914)
Financial charges (income) for the period		14,334	19,092
Operating cash flows before movements in Working Capital		**45,570**	**40,530**
Of which related to discontinued operations		*185*	*(702)*
Of which related to continuing operations		*45,385*	*41,232*
Decrease (increase) of inventories		173	166
Decrease (increase) of trade receivables and advances to suppliers		26,711	17,458
Decrease (increase) of other current assets		(3,714)	1,744
Increase (decrease) of trade payables and advances from customers		(32,323)	(9,467)
Increase (decrease) of other current liabilities		13,894	(14,038)
Change in Working Capital		**4,741**	**(4,137)**
Net interest received (paid) in the period		(13,316)	(19,469)
Income taxes paid in the period		9,714	(611)
Net cash flow from operating activities		**46,708**	**16,313**
(Purchase of intangible assets, net of sales)	4	(2,497)	(2,287)
(Purchase of property, plant and equipment)	3	(6,423)	(8,902)
Proceeds from sales of property, plant and equipment	3	616	217
(Disposal (acquisition) of investments)		(227)	469
(Decrease) increase of financial assets		(841)	2,815
Net cash from assets held for sale	9	3,984	9
Net cash flow from (used in) investing activities		**(5,387)**	**(7,679)**
Net proceeds from/(reimburse of) borrowings	11	11,520	(55,706)
Dividends paid		(25)	(20)
Change in the consolidation area		(4)	0
Net cash flow from / (used in) financing activities		**11,491**	**(55,726)**

(in thousands of Euro)	NOTES	For the 6 months ended	
		30 June 2016	30 June 2015
Changes in cash and cash equivalents		**52,813**	**(47,092)**
Cash and cash equivalents at the beginning of the period		114,391	113,382
Changes in cash and cash equivalents		52,813	(47,092)
Cash and cash equivalents at the end of the period		**167,204**	**66,290**
Details of cash and cash equivalents:			
Cash and bank current accounts		167,204	66,290
TOTAL CASH AND CASH EQUIVALENTS		**167,204**	**66,290**

SUPPLEMENTARY INFORMATION

(in thousands of Euro)	For the 6 months ended	
	30 June 2016	30 June 2015
Interest paid	(14,685)	(19,795)
Interest received	1,369	326
Dividends received	238	143

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Reserves	Retained earnings	Result of the period	Equity attributable to equity holders of the parent	Equity attributable to 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 years' results		(395)	(45,017)	45,412	**0**		**0**
Dividends paid					**0**	(25)	**(25)**
Change in the consolidation area					**0**	(8)	**(8)**
Total comprehensive income for the period		(1,255)		13,086	**11,831**	(135)	**11,696**
30 June 2016	**109,150**	**186,699**	**(7,519)**	**13,086**	**301,416**	**212**	**301,628**

	Share capital	Reserves	Retained earnings	Result of the period	Equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total shareholders' equity
1 January 2015	**109,150**	**170,167**	**42,553**	**12,354**	**334,224**	**682**	**334,906**
Allocation of prior years' results		17,407	(5,055)	(12,354)	**0**	**0**	**0**
Dividends paid					0	(20)	(20)
Acquisition/transfer of minority interests in subsidiaries					**0**	(1)	**(1)**
Total comprehensive income for the period		438		5,672	**6,110**	(24)	**6,085**
30 June 2015	**109,150**	**188,012**	**37,498**	**5,672**	**340,332**	**638**	**340,970**

1. GENERAL INFORMATION

The Consolidated Half-year Financial Report of the Manutencoop Facility Management Group ("the MFM Group" or "the Group") for the half-year ended 30 June 2016 consists of the Interim Report of Operations and of the condensed consolidated half-year Financial Statements at 30 June 2016, which were prepared in the application of IAS 34 – Interim Financial Reporting. The publication of the Consolidated Half-year Financial Report of MFM Group for the period ended 30 June 2016 was authorized by resolution of the Management Board of 11 August 2016.
As at 30 June 2016 the Group was 71.89% 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 half-year Financial Statements at 30 June 2016 comprise the Consolidated statement of financial position, the Consolidated Half-Year Statement of profit or loss, the Consolidated Half-Year Statement of other comprehensive income, the Consolidated half-year 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 2015, 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 six months of 2015. The condensed consolidated half-year Financial Statements at 30 June 2016 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 consolidated 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 half-year Financial Statements at 30 June 2016 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 half-year Financial Statements at 30 June 2016 have been prepared in compliance with IAS 34 - *Interim Financial Reporting*.
The condensed consolidated half-year 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 2015.

2.2 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the condensed consolidated half-year Financial Statements at 30 June 2016 are consistent with those used to prepare the consolidated Financial Statements as at 31 December 2015, 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 2016, in addition to the amendments to the existing standards.
Specifically, the period saw the compulsory entry into force of *IFRS14 – Regulatory Deferral Accounts.* The new standard is an interim rule whose purpose is to improve the comparability of the financial disclosures of entities that operate in government regulated markets, such as some industrial sectors in which governments control the prices of particular goods or services provided by private entities (i.e. gas, water, electricity). An entity that already provides its financial disclosures in conformity to IFRS need not apply IFRS 14. This standard, in fact, only allows an entity that is a first-time adopter to continue using the previous accounting standards if its production is regulated. It is not obligatory to adopt the standard, but if it is not adopted in an entity's first IFRS financial statements, the entity will not be entitled to adopt it in subsequent financial periods. The standard also requires the balances related to regulated activities to be presented separately in the statement of financial position, income statement and OCIs. Specific information must also be given regarding the nature of these activities and the risks attached to them.
The 2012-2014 series of *Annual Improvements to IFRS* has also come into force. The series includes minor amendments to and clarifications of various previously issued Standards.

The adoption of the above Standards and Interpretations has had no impact at all on the Group's Condensed Consolidated Half-Year Financial Statements. 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 acquired 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 half-year 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 30 June 2016, the carrying amount of the goodwill stood at € 370,456 thousand (which remained unchanged compared to € 370,456 thousand at 31 December 2015). More details are given in note 6.

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/transfer 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:

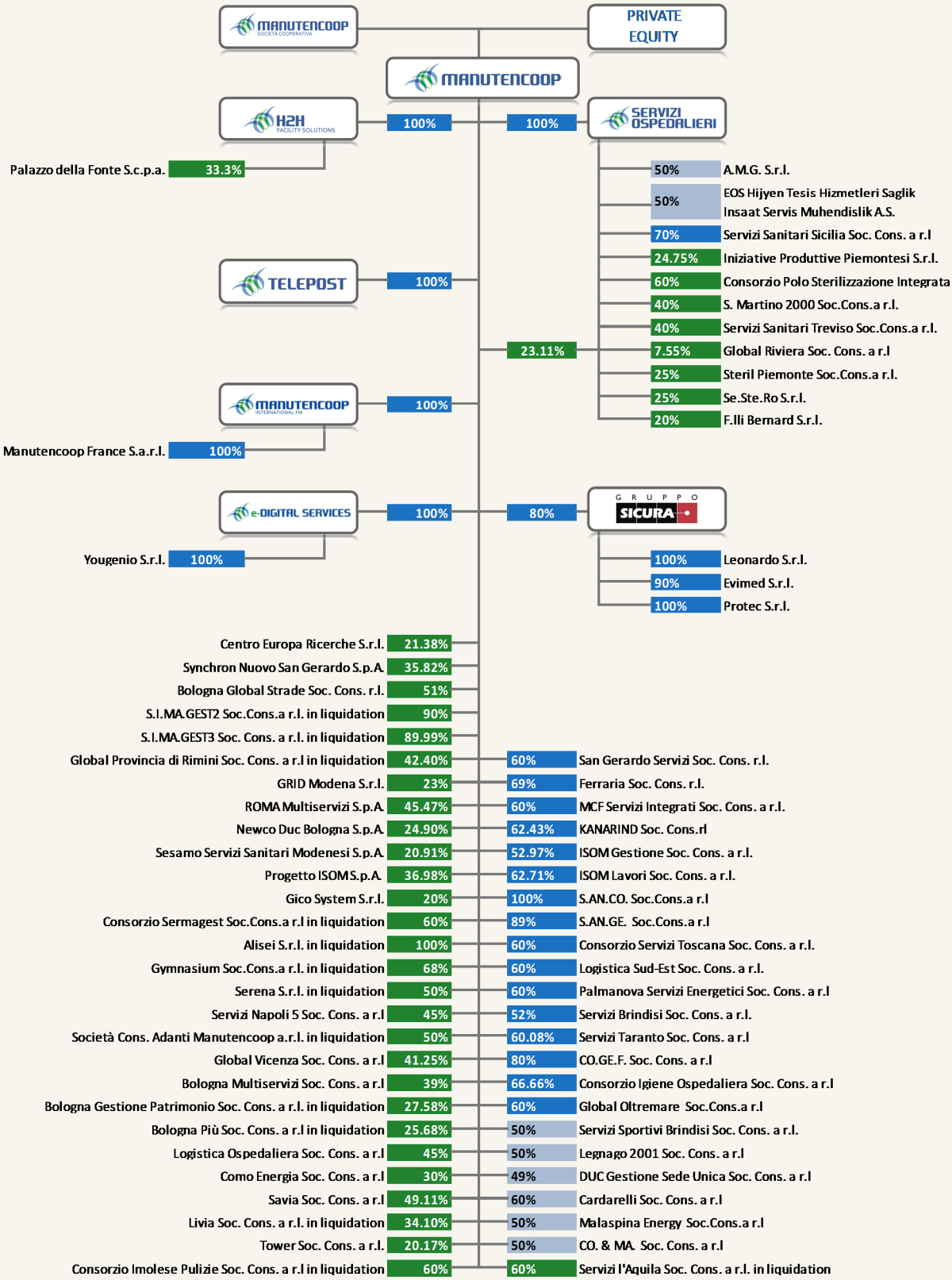
- Accruals to bad debt provision and provisions for future risks and charges;
- Main assumptions applied to the actuarial valuation of the TFR (employee benefits), such as the future turnover rate and discount financial rates;
- Inventories of contract work in progress, particularly in relation to the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

Consolidation principles

The condensed Consolidated half-year 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 30 June 2016. 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-ventures 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 30 June 2016 is shown below.


MANUTENCOOP SOCIETÀ COOPERATIVA
PRIVATE EQUITY
MANUTENCOOP
H2H FACILITY SOLUTIONS
100%
100%
SERVIZI OSPEDALIERI
Palazzo della Fonte S.c.p.a. 33.3%
50% A.M.G. S.r.l.
50% EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.
70% Servizi Sanitari Sicilia Soc. Cons. a r.l
24.75% Iniziative Produttive Piemontesi S.r.l.
60% Consorzio Polo Sterilizzazione Integrata
40% S. Martino 2000 Soc.Cons.a r.l.
40% Servizi Sanitari Treviso Soc.Cons.a r.l.
TELEPOST 100%
23.11%
7.55% Global Riviera Soc. Cons. a r.l
25% Steril Piemonte Soc.Cons.a r.l.
MANUTENCOOP INTERNATIONAL FM 100%
25% Se.Ste.Ro S.r.l.
20% F.lli Bernard S.r.l.
Manutencoop France S.a.r.l. 100%
e-DIGITAL SERVICES 100%
80%
GRUPPO SICURA
Yougenio S.r.l. 100%
100% Leonardo S.r.l.
90% Evimed S.r.l.
100% Protec S.r.l.
Centro Europa Ricerche S.r.l. 21.38%
Synchron Nuovo San Gerardo S.p.A. 35.82%
Bologna Global Strade Soc. Cons. r.l. 51%
S.I.MA.GEST2 Soc.Cons.a r.l. in liquidation 90%
S.I.MA.GEST3 Soc. Cons. a r.l. in liquidation 89.99%
Global Provincia di Rimini Soc. Cons. a r.l in liquidation 42.40% 60% San Gerardo Servizi Soc. Cons. r.l.
GRID Modena S.r.l. 23% 69% Ferraria Soc. Cons. r.l.
ROMA Multiservizi S.p.A. 45.47% 60% MCF Servizi Integrati Soc. Cons. a r.l.
Newco Duc Bologna S.p.A. 24.90% 62.43% KANARIND Soc. Cons.rl
Sesamo Servizi Sanitari Modenesi S.p.A. 20.91% 52.97% ISOM Gestione Soc. Cons. a r.l.
Progetto ISOM S.p.A. 36.98% 62.71% ISOM Lavori Soc. Cons. a r.l.
Gico System S.r.l. 20% 100% S.AN.CO. Soc.Cons.a r.l
Consorzio Sermagest Soc.Cons.a r.l in liquidation 60% 89% S.AN.GE. Soc.Cons.a r.l
Alisei S.r.l. in liquidation 100% 60% Consorzio Servizi Toscana Soc. Cons. a r.l.
Gymnasium Soc.Cons.a r.l. in liquidation 68% 60% Logistica Sud-Est Soc. Cons. a r.l.
Serena S.r.l. in liquidation 50% 60% Palmanova Servizi Energetici Soc. Cons. a r.l
Servizi Napoli 5 Soc. Cons. a r.l 45% 52% Servizi Brindisi Soc. Cons. a r.l.
Società Cons. Adanti Manutencoop a.r.l. in liquidation 50% 60.08% Servizi Taranto Soc. Cons. a r.l
Global Vicenza Soc. Cons. a r.l 41.25% 80% CO.GE.F. Soc. Cons. a r.l
Bologna Multiservizi Soc. Cons. a r.l 39% 66.66% Consorzio Igiene Ospedaliera Soc. Cons. a r.l
Bologna Gestione Patrimonio Soc. Cons. a r.l. in liquidation 27.58% 60% Global Oltremare Soc.Cons.a r.l
Bologna Più Soc. Cons. a r.l in liquidation 25.68% 50% Servizi Sportivi Brindisi Soc. Cons. a r.l.
Logistica Ospedaliera Soc. Cons. a r.l 45% 50% Legnago 2001 Soc. Cons. a r.l
Como Energia Soc. Cons. a r.l 30% 49% DUC Gestione Sede Unica Soc. Cons. a r.l
Savia Soc. Cons. a r.l 49.11% 60% Cardarelli Soc. Cons. a r.l
Livia Soc. Cons. a r.l. in liquidation 34.10% 50% Malaspina Energy Soc.Cons.a r.l
Tower Soc. Cons. a r.l. 20.17% 50% CO. & MA. Soc. Cons. a r.l
Consorzio Imolese Pulizie Soc. Cons. a r.l in liquidation 60% 60% Servizi l'Aquila Soc. Cons. a r.l. in liquidation
Legend:
Subsidiaries consolidated on a line-by-line basis
Joint Ventures consolidated by equity method
Associates and other companies consolidated by equity method

In the first half-year:

- The statutory, accounting and tax effects of the mergers of MACO S.p.A. and SMAIL S.p.A. by incorporation into MFM S.p.A. started to be felt from 1 January 2016;
- On 11 March 2016, MFM S.p.A. acquired an investment in Bologna Gestione Strade Soc. Cons a r.l., a company providing services for the maintenance of the road network of the City f Bologna;
- 11 April 2016 saw the acquisition of an overall quota of 10.19% (already held for an additional 11.19%) in CER – Centro Europa Ricerche S.r.l.;
- On 18 April 2016 Manutencoop France S.a.r.l. was established, which is wholly owned by Manutencoop International FM S.r.l.;
- On 6 May 2016 Yougenio S.r.l. was established, which is wholly owned by e-Digital Services S.r.l. and which will develop "B2C" services.

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 30 June 2016.

	Properties	Plant and equipment	Properties under lease	Plant and equipment under lease	Total
At 1 January 2016, net of accumulated depreciation and impairment	**4,800**	**57,354**	**178**	**2,041**	**64,373**
Additions from acquisitions		6,423			**6,423**
Disposals	(134)	(482)			**(616)**
Depreciation for the period	(73)	(10,040)	(7)	(231)	**(10,350)**
Others	139		(139)		**0**
At 30 June 2016	**4,732**	**53,255**	**33**	**1,810**	**59,830**
Al 1 January 2016					
Historical cost	6,949	321,550	375	4,953	**333,827**
Accumulated depreciation and impairment losses	(2,148)	(264,196)	(197)	(2,912)	**(269,453)**
NET BOOK VALUE	**4,800**	**57,354**	**178**	**2,041**	**64,373**
At 30 June 2016					
Historical cost	6,953	327,491	236	4,953	**339,633**
Accumulated depreciation and impairment losses	(2,221)	(274,236)	(203)	(3,143)	**(279,803)**
NET BOOK VALUE	**4,732**	**53,255**	**33**	**1,810**	**59,830**

The additions from acquisitions in the half-year relate to the linen in the Laundering&Sterilization segment for € 4,796 thousand and to the purchases of other machinery and specific equipment for € 1,627 thousand.

"Others" include the recognition of the redemption of a property for warehouse use located in Genoa, which was previously held under lease and which was disposed of during the half-year. Furthermore, some plant and equipment were disposed of for a total additional amount of € 482 thousand, relating to linen and surgical instruments for € 292 thousand.

4. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the period ended 30 June 2016.

	Other intangible assets	Goodwill	Total
At 1 January 2016, net of accumulated amortisation and impairment	**26,005**	**370,456**	**396,461**
Additions from acquisitions	2,498		**2,498**
Disposals	(1)		**(1)**
Amortisation for the period	(3,238)		**(3,238)**
At 30 June 2016	**25,263**	**370,456**	**395,719**
At 1 January 2016			
Cost	96,076	372,849	**468,925**
Accumulated amortisation and impairment losses	(70,071)	(2,393)	**(72,464)**
NET BOOK VALUE	**26,005**	**370,456**	**396,461**
At 30 June 2016			
Cost	98,573	372,849	**471,423**
Accumulated amortisation and impairment losses	(73,310)	(2,393)	**(75,703)**
NET BOOK VALUE	**25,263**	**370,456**	**395,719**

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

Other intangible assets, amounting to € 25,263 thousand as at 30 June 2016, 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 (€ 2,498 thousand) were mainly attributable to the Facility Management SBU (€ 1,855 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 believes 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., operating in the facility management segment as a supplier of more specialist services
- Telepost S.p.A. which provides internal mailing services for the Telecom Italia Group
- Manutencoop International F.M. S.r.l. and e-Digital Services S.r.l. (newly-established companies)
- other minor investee companies operating in the same segment.

With effect from 1 January 2016, SMAIL S.p.A. (operating in the public lighting sector until 2015) was merged by incorporation into MFM S.p.A., following the transfer of the business unit of its operations to third parties.

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.

SBU – Other

Until 31 December 2015 the SBU was identified with MACO S.p.A., to which the business unit relating to Group ''building'' activities had been conferred in 2009; this company has been the object of assessments by the Management, which have entailed the exit from the market of this business, since Management does not consider it to be strategic any longer

With effect from 1 January 2016, MACO S.p.A. was finally merged by incorporation into MFM S.p.A..

The table below sets forth the carrying amounts of the goodwill recognized in the condensed consolidated half-year Financial Statements as at 30 June 2016, relating to the different CGUs, which

remained unchanged compared to the value reported in the Consolidated Financial Statements as at 31 December 2015.

	30 June 2016	31 December 2015
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 30 June 2016, 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 2015.

6. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

The Group holds some investments, which are accounted under the equity method in the consolidated Financial Statements. These companies include associates, joint-ventures and subsidiaries in liquidation, as listed in Annex I.
At 30 June 2016, the investments valued at Equity amounted to a net amount of € 29,756 thousand, against a net amount of € 28,419 thousand at the end of the previous year.

	Net assets 30 June 2016	Net assets 31 December 2015
Equity-accounted investments	29,825	28,484
Provision for risks on investments	(69)	(65)
EQUITY-ACCOUNTED INVESTMENTS	**29,756**	**28,419**

Details of changes during the period are shown in Annex II attached to the Consolidated Half-year Financial Report.
In the first half of 2016 investments accounted for under the equity method recorded a positive result equal to € 1,601 thousand, for the share attributable to the Group, as a result of the recording of income from equity investments of € 1,719 thousand and write-downs of € 118 thousand. Furthermore, negative effects were recognised directly under consolidated equity for a total of € 392 thousand.

7. OTHER NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets as at 30 June 2016 and as at 31 December 2015:

	30 June 2016	31 December 2015
Other investments	3,925	3,502
Non-current financial assets	11,523	15,657
Other non-current assets	2,022	2,180
OTHER NON-CURRENT ASSETS	**17,471**	**21,339**

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 laundry 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, amounting to € 11,523 thousand as at 30 June 2016 (€ 15,657 thousand as at 31 December 2015), are composed of:

- € 7,292 thousand of non-current financial receivables due from associates, affiliates or joint-ventures (€ 6,413 thousand as at 31 December 2015). The face value of these receivables is € 7,399 thousand, while the discounting fund amounts to € 107 thousand. Some of these are non-interest bearing since they were drawn down 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.
- € 4,069 thousand of non-current financial receivables from third parties (€ 9,082 thousand at 31 December 2015). The change compared to the previous year was mainly due to the reclassification of the remaining balance of the receivable for amounts in escrow relating to the transfer of MIA S.p.A. that took place in December 2014, among short-term financial assets in an overall nominal amount of € 5 million, in line with the fulfilment of some contract conditions.
- € 162 thousand of securities held to maturity (unchanged compared to 31 December 2015).

Other non-current assets, amounting to € 2,022 thousand as at 30 June 2016 (€ 2,180 thousand at 31 December 2015) mainly consist of security deposits related to long-term income-generating

manufacturing contracts (€ 1,109 thousand) and long-term deferrals relating to some contracts (€ 632 thousand).

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

The following table includes the breakdown of Trade receivables, advances to suppliers and Other current operating receivables at 30 June 2016 and 31 December 2015:

	30 June 2016	of which from related parties	31 December 2015	of which from related parties
Work in progress on order	17,960		19,062	
Trade receivables, gross	463,306		489,519	
Allowance for doubtful accounts	(31,124)		(29,500)	
Provision for discounting of trade receivables	0		0	
Trade receivables due from third parties	**450,142**		**479,081**	
Trade receivables from Parent Companies	57	57	74	74
Trade receivables from Associates	29,349	29,349	29,242	29,242
Trade receivables from Affiliates and Joint Ventures	7,167	7,167	7,992	7,992
Trade receivables due from Manutencoop Group	**36,572**	**36,572**	**37,308**	**37,308**
Advances to suppliers	3,281	7	2,805	2
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**489,995**	**36,579**	**519,194**	**37,310**
Current tax assets within 12 months	19,852		13,701	
Other current assets due from third parties	10,248		12,315	
Due from social security institutions	2,315		2,898	
Due from employees	455		472	
Other current assets from third parties	**32,870**		**29,386**	
Current assets from Manutencoop Società Cooperativa	11	11	5	5
Current assets from associates	649	649	649	649
Other current assets from Manutencoop Group	**660**	**660**	**654**	**654**
Accrued income	0		0	
Prepaid expenses	1,418		1,098	
Accrued income and prepaid expenses	**1,419**		**1,098**	
OTHER CURRENT ASSETS	**34,949**	**660**	**31,138**	**654**

The balance of trade receivables and advances to suppliers, which also includes inventories of contract work in progress, amounted to € 489,995 thousand as at 30 June 2016, down by € 29,199 thousand compared to 31 December 2015 (€ 519,194 thousand). The changes reported in the period mainly concerned the decline in the balance of trade receivables from third parties, amounting to € 450,142 thousand at 30 June 2016 (31 December 2015: € 479,532 thousand).

The reduction in this balance was due to the assignments of receivables without recourse that were made during the half-year 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. on 23 February 2016, concerning receivables from the National Health System. The committed credit line has a term of three years. During the first half of 2016 assignments were made in an overall nominal amount of € 27,763 thousand, subject to derecognition pursuant to IAS 39 in consideration of the features of the transactions, against interest discount costs of € 444 thousand. As at 30 June 2016 the balance of receivables assigned without recourse but not yet collected by Banca Farmafactoring amounted to € 16,956 thousand, to which must be added an amount of € 1,399 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 € 36,579 thousand (€ 36,858 thousand at 31 December 2015).

A specific allowance for doubtful accounts was recorded in connection with non-performing receivables, which are difficult to fully recover, amounting to € 31,124 thousand at 30 June 2016 (at 31 December 2015: € 29,500 thousand). Changes in the provision during the period are detailed as follows:

	31 December 2015	Increases	Uses	Releases	Other changes	30 June 2016
Allowance for doubtful accounts	**29,500**	2,492	(883)	(38)	54	**31,124**

The other changes relate to increases in the consolidated provision for write-down of default interest.

Other current assets, equal to € 34,949 thousand (€ 31,138 thousand at 31 December 2015), increased by an overall amount of € 3,811 thousand in the period.
This item includes the receivables arising from the periodic VAT settlements of Group companies (€ 19,138 thousand compared to € 10,648 thousand at 31 December 2015). The same item had also been recognising, since 2012, receivables of € 2,587 thousand from the Tax Authorities on account of refund following the petition submitted for the deduction of IRAP tax from the IRES tax base by companies not adhering to the National Tax Consolidation agreement with Manutencoop Società Cooperativa. These receivables were assigned without recourse to Banca Farmafactoring during the half-year, against overall interest discount charges equal to € 618 thousand.
Finally, the item also recognises € 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. 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. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

As early as in 2014 MFM S.p.A. classified the business which deals with public lighting, an activity exclusively conducted by subsidiary SMAIL S.p.A., as held for sale, and which was then transferred to third parties on 13 November 2015. On 30 December 2014 MFM S.p.A. also transferred the total stake held in MIA S.p.A., the sub-holding company of the group that operates in the maintenance and installation of lifting equipment ("MIA Group").

In the condensed consolidated half-year Financial Statements at 30 June 2016, as well as at 30 June 2015, the economic results achieved by these activities have been excluded from the perimeter of "Continuing operations" and are recognized under a single item of the Statement of Profit or Loss for the period as "Profit (loss) from discontinued operations", in accordance with IFRS5.

Profit (loss) from discontinued operations

Below is the breakdown of profit (loss) from discontinued operations:

	30 June 2016	30 June 2015
Revenues		1,266
Operating costs		(2,227)
GROSS MARGIN	**0**	**(961)**
Amortisation, depreciation, write-downs and write- backs of assets		18
Accrual of provisions for risks and charges		(115)
Net financial charges		156
Other write-downs on discontinued operations		(41)
Capital gain from the sale of MIA S.p.A.	185	0
Earn-out on the transfer of the SMAIL business	1,200	0
PROFIT (LOSS) BEFORE TAXES FROM DISCONTINUED OPERATIONS	**1,385**	**(943)**
Income taxes from discontinued operations:		
- related to profit (loss) for the period		310
- related to discontinued operations	(333)	
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**1,052**	**(633)**
Basic earnings per share from discontinued operations	0.0096	(0.0058)
Diluted earnings per share from discontinued operations	0.0096	(0.0058)

As at 30 June 2016 discontinued operations generated an overall profit, net of tax, equal to € 1,052 thousand, broken down as follows:

- An amount of € 970 thousand (€ 1,200 thousand, net of a tax effect of € 330 thousand) relating to the payment of the earn-out on the transfer of SMAIL S.p.A. that took place in 2014, as a result of the fulfilment of some contract conditions, the collection of which is expected during the next 12 months;
- An amount of € 182 thousand (€ 185 thousand, net of a tax effect of € 3 thousand) relating to the positive adjustment applied following the partial collection of the receivable for escrowed sums relating to the sale of MIA S.p.A. that took place in December 2014.

The result of discontinued operations for the six months ended on 30 June 2015 was a loss of € 633 thousand, generated by the negative operating results of SMAIL S.p.A. (€ 592 thousand), as increased by a negative adjustment that was realised on the partial collection of the sale price of MIA S.p.A. (€ 41 thousand).

Net cash flows from/(used in) discontinued operations

In the first 6 months of 2016, discontinued operations generated the following cash flows, compared with the cash flows generated during the same period of 2015:

	30 June 2016	30 June 2015
Profit /(loss) for the period from discontinued operations		**(592)**
Amortisation, depreciation, write-downs and (write-backs) of assets		(18)
Accrual (reversal) of provisions for risks and charges		115
Employee termination indemnity provision		3
Payments of employee termination indemnity		(43)
Utilization of provisions		(11)
Financial charges (income) for the period		(156)
CASH FLOWS RELATED TO PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**0**	**(702)**
Net transfer price of Energyproject S.r.l. (2013)	36	50
Adjustment of net capital gain on discontinued operations of MIA S.p.A. (2014)		(41)
Deferred transfer price of MIA S.p.A. (2014)	3,948	
CASH FLOW FROM INVESTING ACTIVITIES	**3,984**	**9**

The cash flows reported at 30 June 2016 mainly related to the collection of an amount of € 3,948 thousand on 9 May 2016, relating to the receivable for escrowed sums on the transfer of the total stake held in MIA S.p.A. (the sub-holding company of the related group of companies operating in the

market of lifting equipment installation and maintenance), which took place on 30 December 2014. The transfer agreement provided for the definition of a preliminary price of the investment, in addition to the full repayment of the intragroup loan, which was outstanding, as at that date, between the transferred company and the transferor MFM S.p.A.. On the closing date of the transaction, a portion of the transfer price (€ 10 million) was paid by the buyer into an escrow account, as security for the future commitments entered into by the parties. On 30 June 2016 the remaining deposit amounted to € 5 million, which is expected to be collected during the early months of 2017. Finally, according to the transfer agreement, the price set before closing would have been the object of a settlement. At 31 December 2014, the management had made an estimate of this price adjustment, on the basis of the information to hand at the time, while, as at the reporting date of the financial statements at 30 June 2015, there was the final calculation of this adjustment, thus entailing the recognition of a negative differential of € 41 thousand in the income statement.
Furthermore, the first half of 2015 saw the collection of additional portions of the remaining receivable for the transfer of Energyproject S.r.l., which took place during 2014 (€ 36 thousand at 30 June 2015 against € 50 thousand at 30 June 2015).

Finally, as at 30 June 2015, there was an absorption of cash flows relating to the profit (loss) from discontinued operations made up of the business of SMAIL S.p.A., which was classified as held for sale (€ 702 thousand).

10. SHARE CAPITAL AND RESERVES

	30 June 2016	31 December 2015
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 30 June 2016 amounted to 109,149,600.
The Parent 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 SE	Cash flow hedge reserve	SORIE reserve	Otehr reserves	Total reserves
1 January 2015	**145,018**	**17,736**	**(855)**	**0**	**(5,781)**	**14,047**	**170,167**
Allocation of profits of previous years		646	3,804		673	12,286	**17,409**
Economic effects on shareholders' equity			130		643		**773**
31 December 2015	**145,018**	**18,382**	**3,079**	**0**	**(4,465)**	**26,334**	**188,349**
Allocation of profits of previous years					(395)		**(395)**
Economic effects on shareholders' equity			(392)		(863)		**(1,255)**
30 June 2016	**145,018**	**18,382**	**2,687**	**0**	**(5,723)**	**26,334**	**186,699**

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

- 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 30 June 2016.
- 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 2015	**3,809**	**38,744**	**42,553**
Allocation of profits of previous years		(5,055)	(5,055)
31 December 2015	**3,809**	**33,689**	**37,498**
Allocation of profits of previous years	(44,257)	(760)	(45,017)
30 June 2016	**(40,448)**	**32,929**	**(7,519)**

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

	30 June 2016	31 December 2015
Capital and reserves attributable to non-controlling interests	**347**	**380**

	30 June 2016	31 December 2015
of which attributable to:		
Subsidiaries of Sicura S.p.A.	280	306
Other minor consortia	66	74

MFM S.p.A. holds a stake of 80% in the share capital of Sicura S.p.A., but the equity attributable to the minority shareholder is not reported since the Parent Company has a call option on this holding, 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 30 June 2016 amounted to € 198,393 thousand, compared to € 240,601 thousand as of 31 December 2015. Below is the related breakdown by balance sheet lines:

	30 June 2016	31 December 2015	Change
Long-term financial debt	305,075	311,685	(6,610)
Bank borrowings, including current portion of long-term debt, and other financial liabilities	69,155	48,563	20,592
Financial liabilities	**374,230**	**360,248**	**13,982**
Derivatives	0	0	0
Gross financial indebtedness	**374,230**	**360,248**	**13,982**
Cash and cash equivalents	(167,204)	(114,391)	(52,812)
Current financial assets	(8,633)	(5,257)	(3,376)
NET FINANCIAL INDEBTEDNESS	**198,393**	**240,601**	**(42,208)**

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 30 June 2016 and 31 December 2015.

	30 June 2016	within 1 year	from 1 to 5 years	after 5 years
Senior Secured Notes	294,028		294,028	
C.C.F.S. loan	10,000		10,000	
Prepaid interest expenses	(8)	(8)		
Accrued interest expenses	10,643	10,643		

	30 June 2016	within 1 year	from 1 to 5 years	after 5 years
Long-term bank borrowings and current portion of long-term bank borrowings	**314,662**	**10,634**	**304,028**	
Current bank overdraft, advance payments and hot money	25,781	25,781		
Financial lease obligations	1,183	551	632	
Loans from syndicated shareholders	350	350		
Other current financial liabilities	91	91		
Receipts on behalf of assignees of trade receivables	2,608	2,608		
Obligations arising from assignments of receivables with recourse	21,054	21,054		
Debt for the acquisition of investments	226	226		
Options on subsidiaries' minority shareholdings	7,250	7,250		
Capital contribution to be paid	1,024	609	415	
TOTAL FINANCIAL LIABILITIES	**374,230**	**69,155**	**305,075**	**0**

	31 December 2015	within 1 year	from 1 to 5 years	after 5 years
Senior Secured Notes	293,435		293,435	
C.C.F.S. loan	10,000		10,000	
Prepaid interest expenses	(52)	(52)		
Accrued interest expenses	10,651	10,651		
Long-term bank borrowings and current portion of long-term bank borrowings	**314,034**	**10,599**	**303,435**	**0**
Current bank overdraft, advance payments and hot money	34,064	34,064		
Financial lease obligations	1,484	564	888	32
Loans from syndicated shareholders	351	351		
Loan from the parent company Manutencoop Cooperativa	15	15		
Other current financial liabilities	3	3		
Obligations arising from assignments of receivables with recourse	2,543	2,543		
Debt for the acquisition of investments	226	146	80	
Options on subsidiaries' minority shareholdings	7,250		7,250	
Capital contribution to be paid	277	277		
TOTAL FINANCIAL LIABILITIES	**360,248**	**48,562**	**311,653**	**32**

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. As at 30 June 2016 the nominal

value recognised in the accounts amounted to € 300 million, given the buy-back transactions carried out during 2014 and 2015, for nominal portions of € 45 million and € 80 million, respectively. None of the Notes purchased (in an overall nominal amount of € 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 direct reduction in total financial debt since, from the accounting point of view, they constitute the repayment of a debt. Furthermore, Notes in an amount of € 14 million were pledged against the 3-year committed credit line of € 10 million obtained from CCFS. Finally, the period saw the recognition of financial charges of € 593 thousand, against the upfront fees paid upon issue and accounted for at amortised cost, in accordance 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 new 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 expenses

At 30 June 2016, the Group recognised accrued expenses on interest payable of € 10,651 thousand, of which € 10,625 thousand relating to the amount accrued on the coupon of the Senior Secured Notes due 2 August 2016. The balance of the latter items includes an amount accrued on the total coupons being paid equal to € 15,052 thousand, net of accrued income of € 4,427 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.

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 € 350 thousand, remained almost unchanged compared to 31 December 2015.

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 2016 assignments were made at a nominal value of receivables of € 33,720 thousand, while the amount of receivables assigned but not yet collected by the factor at 30 June 2016 amounted to € 21,054 thousand.

Options on subsidiaries' minority shareholdings

The € 7,250 thousand reported as the value of options on subsidiaries' minority shareholdings is, in its entirety, the present 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.) in relation to 20% of the share capital that is still owned by them.

Current financial assets

At 30 June 2016 Current financial assets amounted to € 8,633 thousand (€ 5,257 thousand as at 31 December 2015). This item is composed of:

- Receivables for amounts still to be collected on transfers of investments in previous years for € 5,010 thousand, in conformity to the respective provisions in the agreement;
- A receivable for the earn-out paid on the sale of SMAIL S.p.A. for € 1,200 thousand; for more details, reference should be made to paragraph 9 above;
- € 1,447 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 € 976 thousand.

12. EMPLOYEE TERMINATION INDEMNITY

Changes in employee termination indemnity (''T.F.R.'') occurred during the first six months of 2016 are shown below, compared with changes in the same period of the last year.

	For the 6 months ended	
	30 June 2016	30 June 2015
At 1 January	**18,424**	**21,207**
Service cost	227	226
Interest costs on benefit obligation	181	164
Benefits paid	(780)	(1,231)
Net actuarial (gains)/ losses recognised in the period	1,136	(856)
Other changes	(143)	0
AT 30 JUNE	**19,045**	**19,510**

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

	For the 6 months ended	
	30 June 2016	30 June 2015
Current service cost	227	226

	For the 6 months ended	
	30 June 2016	30 June 2015
Interest costs on benefits obligation	181	164
Net cost of the benefits recognized in the statement of profit or loss	408	**390**
Net actuarial (gains)/ losses recognized in the period	1,136	(856)
TOTAL COST OF THE BENEFITS	**1,544**	**(466)**

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 6 months ended	
	30 June 2016	30 June 2015
Executives	57	57
Office workers	1,276	1,423
Manual workers	15,148	14,781
AVERAGE STAFF	**16,481**	**16,261**

The average number of leased employees provided to the Group by Manutencoop Società Cooperativa was equal to no. 480 units at 30 June 2016 (30 June 2015: no. 541 units).

13. PROVISIONS FOR RISKS AND CHARGES

Below are reported the breakdown and changes in provisions for risks and charges for the period ended 30 June 2016:

	Risks on investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Restructuring	Bonuses	Other provisions	Total
At 1 January 2016	**65**	**8,157**	**57,717**	**478**	**192**	**4,254**	**1,326**	**1,064**	**73,253**
Accruals	4	651	975					9	**1,639**
Utilisations (payments)		(355)	(1,016)		(11)	(2,532)	(1,208)	(57)	**(5,178)**
Unused and reversed		(34)	(543)			0	(119)	(61)	**(757)**
Others			(2)						**(2)**

	Risks on investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Restructuring	Bonuses	Other provisions	Total
At 30 June 2016	**69**	**8,419**	**57,131**	**478**	**182**	**1,722**	**0**	**955**	**68,955**
At 30 June 2016:									
Current	*69*	*8,158*	*315*	*478*		*1,722*	*0*	*42*	*10,784*
Non-current		*260*	*56,815*		*182*			*913*	*58,171*
At 31 December 2015:									
Current	*65*	*7,885*	*432*	*478*		*4,254*	*1,326*	*75*	*14,515*
Non-current		*272*	*57,285*		*192*			*989*	*58,738*

Provision for risks on investments

The item, amounting to € 69 thousand at 30 June 2016, 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 balance of the end of the period was equal to € 8,419 thousand, against accruals of € 651 thousand, in addition to uses, releases and other changes that entailed a decrease of € 390 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 others. During the period ended 30 June 2016 the provision, totalling € 57,131 thousand, reported increases for accruals for € 975 thousand and decreases for uses, releases and other changes totalling € 1,561 thousand.

Accruals were mainly recognized to cover risks of Servizi Ospedalieri S.p.A. for € 185 thousand and of the Parent Company MFM S.p.A. for € 709 thousand. Utilization and reversal in the period (€ 1,559 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 the Competition Authority (the "Authority"), 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.. On 21 March 2016, the Company, which rejects the arguments on which the charge was based, lodged an appeal against the Authority's order

with the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale*, TAR), while submitting at the same time an interim application to stay the payment of the fine. At a subsequent hearing held on 20 April, MFM S.p.A. declined to discuss the application for suspension and asked the Court to combine the same with the merits: consequently, the Court set the hearing on the merits at 6 July 2016. After discussing the case, the Court reserved the decision.

The Directors have obtained the opinion of the Company's lawyers and continue to place reliance on the case for the defence but advise a conservative approach in calculating the estimate of the amount to recognise in the accounts for this dispute, in which they see some uncertain factors. Therefore, in view of the uncertainty surrounding the final outcome of the hearing at which the merits of the case are to be considered, they decided that setting aside the amount of the fine in full is the solution which is the most coherent with the requirements of IAS 37 for the purposes of recognising provisions for risks and charges. Likewise, the directors of associate Roma Multiservizi S.p.A. (which is 45.47%-owned by MFM S.p.A.), on which a fine was imposed in the same context, decided to set aside a provision for risks to the same amount, which affects the net result attributable to the Group for the financial year ended 31 December 2015 for € 1.5 million, as this was an investment consolidated according to the Equity method.

While waiting for the Regional Administrative Court to make a decision on the merits, the Authority did not take any action to request the payment of the fine, which was formally due on 20 April 2016.

Nevertheless, the Group reviewed its financial planning, with the aim of creating the conditions to be able to meet potential non-recurring cash outflow requirements. Specifically, on 23 February 2016, MFM S.p.A. and Servizi Ospedalieri S.p.A. entered into a maturity factoring agreement with Banca Farmafactoring S.p.A., concerning the assignment without recourse of receivables from entities in the National Health System, in an annual amount of up to € 100 million. The committed credit line has a term of three years. The Management believes that any additional risks associated with the measures that CONSIP could adopt in consideration of the possible rejection of the appeal filed against the Authority's order, as detailed in note 15 (Commitments and contingent liabilities) can be regarded as possible but unlikely.

Provision for Restructuring

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 2015 the Group had recognized provisions totalling € 4,254 thousand (of which € 3,285 thousand in MFM S.p.A., € 704 thousand in Telepost S.p.A. and € 266 thousand in Servizi Ospedalieri S.p.A.). In 2016 there were uses of € 2,532 thousand (€ 2,409 thousand of which in MFM S.p.A.), which led to a balance of the provision equal to € 1,722 thousand.

Provision for bonuses

This provision includes accrual for future payments in relation to the bonus system adopted by the Group in favour of the top and middle management. As early as in the course of 2014 this incentive plan was not applied, while, during 2016, there was the payment of the remaining amounts set aside until 31 December 2015.

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

The table below sets forth the breakdown of the item as at 30 June 2016 and 31 December 2015:

	30 June 2016	of which to related parties	31 December 2015	of which to related parties
Trade payables	313,595		345,833	
Trade payables to third parties	**313,595**	**0**	**345,833**	
Trade payables to Manutencoop Cooperativa	4,762	4,762	6,421	6,421
Trade payables to Group companies within 12 months	15,402	15,402	17,016	17,016
Trade payables to related parties	**20,163**	**20,163**	**23,437**	**23,437**
Advances from customers and payables for work to be performed	14,063	7	10,945	
TRADE PAYABLES AND ADVANCES FROM CUSTOMERS	**347,821**	**20,167**	**380,215**	**23,437**
Fees due to directors and statutory auditors	397		552	
Tax payables	11,487		12,148	
Payables to social security institutions within 12 months	11,964		8,282	
Other payables to TJA	10,218		10,477	
Payables to employees within 12 months	58,257		48,875	
Other payables within 12 months	12,460		10,292	
Property collection on behalf of customers	2,176		2,176	
Other current operating payables to third parties	**106,958**	**0**	**92,802**	
Other current payables to Manutencoop Cooperativa	46	46	131	131
Other payables to Group subsidiaries	259	259	462	462
Other current operating payables to Group	**305**	**305**	**593**	**593**
Accrued expenses	10		10	
Deferred income	1,194		1,167	
Accrued expenses and deferred income	**1,204**	**0**	**1,177**	
OTHER CURRENT LIABILITIES	**108,466**	**305**	**94,572**	**593**

Trade payables do not accrue interest and are settled for, on average, 90/120 days from the invoice date. The other 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 deferred VAT payments settled at the moment of collection of the related trade receivables.

Trade payables and advances from customers as at 30 June 2016 amounted to € 347,821 thousand against a balance at 31 December 2015 of € 380,215 thousand.

Other current operating payables showed a balance of € 108,469 thousand at 30 June 2016 and are mainly made up of the following items:

- payables to employees of € 58,583 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 € 11,964 thousand;
- payables due to tax authorities for € 11,478 thousand, mainly related to the balance of the VAT payables due from subsidiaries of the Group and the IRPEF (Personal Income) tax debt relating to employees (€ 12,148 thousand at 31 December 2015);
- collections on behalf of Temporary Associations of Companies for € 10,218 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mainly relating to job orders under CONSIP agreement (€ 10,477 thousand at 31 December 2015).

15. COMMITMENTS AND CONTINGENT LIABILITIES

Financial lease

The Group signed financial leases primarily for plant and machinery used in the production processes of the *Laundering&Sterilzsation* SBU and for motor vehicles. The table below details the amount of future rental fees deriving from financial leases and the current value of these fees:

	30 June 2016		31 December 2015	
	Rental fees	Current value of rental fees	Rental fees	Current value of rental fees
Within one year	591	555	632	564
From one year to five years	664	632	929	888
After five years	0	0	33	32
TOTAL LEASE FEES	**1,254**	**1,183**	**1,593**	**1,484**
Financial charges	(72)		(109)	
CURRENT VALUE OF LEASE FEES	**1,183**	**1,183**	**1,484**	**1,484**

As at 30 June 2016, the Group granted sureties to third parties for:

- guarantees in favour of associates amounting to € 17,942 thousand (31 December 2015: € 21,027 thousand);
- other sureties granted to third parties: i) to ensure the correct fulfilment of contract obligations in place with customers amounting to € 223,636 thousand (31 December 2015: € 237,556 thousand) ii) 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 € 1,981 thousand (31 December 2015: € 2,098 thousand);
- guarantees in favour of Factoring Agencies amounting to € 2,104 thousand (31 December 2015: € 2,104 thousand), to ensure correct fulfilment of factoring contracts.

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. in 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 December 2015 the receivables assigned as security amounted to € 73,076 thousand (€ 75,459 thousand at 31 December 2015);
- 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 December 2015 was equal to € 8,734 thousand;
- 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 at 30 June 2016.

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 30 June 2016 no events of default had occurred.

Contingent liabilities

As at the date of approval of this consolidated Half-year Financial Report, 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 2015 Consolidated Financial Statements, to which reference should be made, and for which the Management believes 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) on 19 March 2013, for an overall claim for damages equal to about € 50 million, including claims for damages submitted by the owners of the properties concerned and the abovementioned insurance company's recourse actions, hearings continued to be held at the Court of Ivrea during the first six months of 2016;

- as regards the proceedings initiated by CONSIP for the termination of the Agreements entered into with MFM S.p.A. regarding cleaning services provided at school buildings and Public Administration training establishments, following the fine ruling issued by the Competition Authority on 20 January 2016, the Authority accepted the application to stay the procedure while pending the outcome of the appeal filed with the Lazio Regional Administrative Court, as already notified on 26 February 2016. The possibility of being the losing party in the proceedings on the merits of the case before the Regional Administrative Court could entail, as an indirect consequence of the termination referred to above, the enforcement of the performance bond issued at the time of the tender, equal to about € 24.5 million.

16. MANAGEMENT OF FINANCIAL RISKS

The management of borrowing and the relative risks (mainly interest rate and liquidity risks) is carried out centrally by the financial department of the Group on the basis of guidelines that are approved by the Parent Company's Management Board and which are reviewed periodically. The main aim of these guidelines is to ensure that the liabilities structure is in line with the composition of the balance sheet assets in order to maintain a high degree of financial solidity.

In 2013 the Parent Company executed secured high yield bonds due August 2020, which radically revised the composition of the sources of financing. The bond issue that has been described has then rationalised our financial 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 traditional financing instruments used by the Group Companies are made up of:

- short-term loans and revolving assignments of trade receivables without and with recourse with the aim of funding working capital. During 2015 assignments with recourse were made with Unicredit Factoring, while in early 2016 a 3-year agreement was signed for an assignment without recourse with Banca Farmafactoring;
- very short-term credit lines used for contingent cash requirements;
- medium- and long-term loans with long-term amortization plans to cover investments in non-current assets and in acquisitions of companies and business units.

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

The Group's financial instruments involves a classification at the three levels stated in IFRS 7. The fair value hierarchy has the following three levels:

- Level 1: prices quoted on active markets for similar liabilities and assets.
- Level 2: prices calculated through information obtained from observable market data.
- Level 3: prices calculated through information other than observable market data.

The table below shows the hierarchical levels for each class of financial asset measured at fair value on 30 June 2016 and 31 December 2015.

		Hierarchy Levels				Hierarchy Levels		
	30 June 2016	Level 1	Level 2	Level 3	31 December 2015	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss								
Financial assets, securities and other non-current financial assets	162	162			162	162		
- of which securities	162	162			162	162		
Available for sale financial assets								
Financial assets and other current financial assets	0	0			0	0		
- of which hedging derivatives	0	0			0	0		
- of which non-hedging derivatives	0	0			0	0		
TOTAL FINANCIAL ASSETS	**162**	**162**			**162**	**162**		

Any additional financial assets resulting from the Statement of Financial Position have not been measured at fair value. The Group has no financial liabilities measured at fair value as of June 2016 and 31 December 2015. In the 2015 financial year there were no transfers from one fair value measurement level to another.

There were no changes in the designation of financial assets that entailed any being classified differently. The Group has no credit security instruments to mitigate credit risk. The carrying amount of the financial assets, therefore, represents its potential credit risk.

Management of capital

The main objective of the Group's policy for the management of its capital is to ensure that a solid credit rating and sound capital ratios are maintained in order to support its activities and maximize shareholder value.

The Group manages and modifies capital structure according to changes in economic conditions. In order to maintain or adjust capital structure, the Group may change the amounts of shareholder dividends, repay capital or issue new shares.
The Group checks its indebtedness ratio comparing its net debt with the sum of its total assets and its net liabilities: interest-paying loans, trade payables, other payables and the employee termination indemnity in its net liabilities, net of cash and cash equivalents.

	30 June 2016	31 December 2015
Employee termination indemnity	19,045	18,424
Interest-bearing financial loans	331,494	345,767
Trade payables and advances from customers	347,821	380,215
Other current liabilities	108,466	94,572
Other current financial liabilities	42,736	14,482
Cash and cash equivalents	(167,204)	(114,391)
Current financial assets	(8,633)	(5,257)
Total Net Debt	**673,725**	**733,811**
Equity attributable to equity holders of the parent	301,416	289,585
Result of the period attributable to equity holders of the parent	(13,086)	45,412
Total Capital	**288,330**	**334,997**
EQUITY AND NET DEBT	**962,055**	**1,068,808**
Indebtedness ratio	70.0%	68.7%

A 1.4% change was recorded in the debt ratio compared to 31 December 2015, which was mainly due to a reduction of € 60.1 million in net debt against a capital decrease of € 46.7 million for the allocation of the 2015 loss to reserve.

17. OPERATING SEGMENTS

The services provided by the MFM Group can be divided into three 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.

SBU Facility Management
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, lifts, 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.

Starting from 2008, as a consequence of the diversification and horizontal integration strategy, 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;
- public lighting services;
- mail services;
- document management.

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.

SBU Other

The Other activities SBU includes all the remaining activities of the Group and was identified, until 31 December 2015, in the building operations only, relating to construction projects, not particularly significant in respect of total Group production, also carried out on behalf of other Manutencoop Group companies. The SBU was identified in MACO S.p.A. and other minor investees. With effect from 1 January 2016, MACO S.p.A. was merged into MFM S.p.A..

The following table shows the economic results by segment for the periods ended 30 June 2016 and 30 June 2015:

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Segment revenues	405,086	67,906	0	(1,445)	471,547
Segment costs	(379,305)	(59,386)	0	1,445	(437,246)
Operating income (loss) by segment	**25,781**	**8,520**	**0**	**0**	**34,301**
Share of net profit of associates	1,583	18			1,601
Net financial charges					(14,096)
Profit before taxes					**21,806**
Income taxes					(9,907)
Profit (loss) from discontinued operations	1,052				1,052
NET PROFIT FOR THE PERIOD ENDED 30 JUNE 2016					**12,951**

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Segment revenues	411,014	69,407	1,917	(1,707)	480,631
Segment costs	(384,376)	(63,964)	(2,123)	1,707	(448,758)
Operating income (loss) by segment	**26,638**	**5,443**	**(208)**	**0**	**31,873**
Share of net profit of associates	1,388	442			1,830
Net financial charges					(20,022)
Profit before taxes					**13,681**
Income taxes					(7,400)
Profit (loss) from discontinued operations	(633)				(633)
NET PROFIT FOR THE PERIOD ENDED 30 JUNE 2015					**5,648**

Below are reported the data related to assets and liabilities by operating segments of the Group at 30 June 2016 and 31 December 2015.

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Assets allocated to the segment	**502,058**	**114,655**	**0**	**(2,088)**	**614,625**
Goodwill	358,693	11,763			370,456
Investments	27,656	6,095			33,750
Other assets not allocated and related taxes					221,747
SEGMENT ASSETS AT 30 JUNE 2016	**888,407**	**132,513**	**0**	**(2,088)**	**1,240,758**
Liabilities allocated to the segment	**492,800**	**53,575**		**(2,088)**	**544,288**
Other liabilities not allocated and related taxes					394,662
SEGMENT LIABILITIES AT 30 JUNE 2016	**492,800**	**53,575**		**(2,088)**	**938,951**

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Assets allocated to the segment	520,986	125,939	822	(2,275)	645,472
Goodwill	358,693	11,763			370,456
Investments	25,058	6,076	852		31,986
Assets classified as held for sale					
Other assets not allocated and related taxes					179,960
SEGMENT ASSETS AT 31 DECEMBER 2015	**904,737**	**143,778**	**1,673**	**(2,275)**	**1,227,874**
Liabilities allocated to the segment	507,842	59,179	1,719	(2,275)	566,466
Other liabilities not allocated and related taxes					371,443
SEGMENT LIABILITIES AT 31 DECEMBER 2015	**507,842**	**59,179**	**1,719**	**(2,275)**	**937,909**

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 provide an Information System service. The contract, expiring on 31 December 2017, makes provision for an annual consideration of € 815 thousand.
- 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 duration of the lease has a 5-year term and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 1,723 thousand, to be paid in 12 monthly instalments. The contract is currently being renewed.
- 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 € 390 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. 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 € 348 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 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 Interim Report on Operations.

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

19. SUBSEQUENT EVENTS AFTER THE END OF THE HALF-YEAR

On 12 July 2016 MFM S.p.A. acquired an additional 5% stake of the share capital of Sicura S.p.A., which is the sub-holding of the related group providing specialist fire-fighting and security services, thus increasing its own stake up to 85%. The acquisition took place against the payment of amounts proportional to the overall liability recognised in the accounts for the Put option held by minority shareholders and therefore for € 1,813 thousand.

Zola Predosa, 11 August 2016

The Chairman of the Management Board

Guido Maria Luigi Dealessi

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
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. 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.rl	Via Poli 4	Zola Predosa (BO)	62.71%	Subsidiary
ISOM Gestione Soc. Cons.rl	Via Poli 4	Zola Predosa (BO)	52.97%	Subsidiary
KANARIND Soc. Cons.rl	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
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 Piero Alberto Pirelli 21	Milano	89%	Subsidiary
San Gerardo Servizi Soc. Cons. 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	80%	Subsidiary
Telepost S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Yougenio S.r.l.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary

JOINT VENTURES CONSOLIDATED 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 n. 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, n. 4	Çankaya/ Ankara	50%	Joint Venture
Legnago 2001 Soc.cons.r.l.	Via Poli 4	Zola Predosa (BO)	50%	Joint Venture
Malaspina Energy Soc.cons.r.l.	Via Varesina 118	Lurate Caccivio (CO)	50%	Joint Venture
Servizi Sportivi Brindisi Soc.cons.r.l.	Via Licio Giorgieri 93	Rome	50%	Joint Venture

COMPANIES CONSOLIDATED 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 372	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 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	Padua	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
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

Name	Registered Office	City	% held	Type
Società Consortile Adanti Manutencoop a r.l. in 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 l'Aquila Soc. Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	In liquidation
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, 2015	Changes of the period					Net Book Value June 30, 2016	Book Value	Investment Provision
			Additions/ Disposals	Dividends	Share of net profit/ Write-downs	Provision	Reserves			
Alisei S.r.l. in liquidation	100%	(65)				(4)		(69)		(69)
A.M.G. S.r.l.	50%	2,257			61			2,318	2,318	
Bologna Gestione Patrimonio Soc. Cons. a. r.l. in liquidation	27.58%	6						6	6	
Bologna Global Strade Soc. Cons. a. r.l.	51%	0	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%	0	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%	23			(22)			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%	391						391	391	
F.lli Bernard S.r.l.	20%	1,239			27			1,266	1,266	
GICO Systems S.r.l.	20%	79			50			130	130	
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	
Gymnasium soc.	68%	7						7	7	

	%	Net Book Value, December 31, 2015	Changes of the period					Net Book Value June 30, 2016	Book Value	Investment Provision
			Additions/ Disposals	Dividends	Share of net profit/ Write-downs	Provision	Reserves			
Cons. A r.l. in liquidation										
GRID Modena S.r.l.	23%	24						24	24	
IPP S.r.l.	25%	434			(31)			403	403	
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	
Malaspina Energy Soc. Cons. a r.l.	50%	50						50	50	
Newco DUC Bologna S.p.A.	24.90%	387			31		(427)	(8)	(8)	
Palazzo della Fonte S.c.p.a.	33.30%	8,000						8,000	8,000	
Progetto ISOM S.p.A.	36.98%	1,143			(80)		93	1,156	1,156	
ROMA Multiservizi S.p.A.	45.47%	6,540			1,098		(58)	7,580	7,580	
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%	1,724			169			1,893	1,893	
Se.Ste.Ro S.r.l.	25%	139			(16)			123	123	
Serena S.r.l.	50%	9						9	9	
Servizi L'Aquila Soc. Cons. a r.l.	60%	0	12					12	12	
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 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%	4,808			314			5,1222	5,122	
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		**28,419**	**132**	**0**	**1,601**	**(4)**	**(392)**	**29,756**	**28,825**	**(69)**

ANNEX III

RELATED PARTY TRANSACTIONS

PARENT COMPANY

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Manutencoop Società Cooperativa	30-Jun-15	94	16,853		3	31-Dec-15	74	18,384	6,421	145
	30-Jun-16	75	15,896		498	30-Jun-16	58	9,548	4,777	4,750

ASSOCIATES AND JOINT-VENTURES

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Alisei s.r.l. in liquidation	30-Jun-15					31-Dec-15	3			1
	30-Jun-16					30-Jun-16	3			1
AMG S.r.l.	30-Jun-15		130	1		31-Dec-15	19	502	162	
	30-Jun-16		120	1		30-Jun-16		501	101	
Bologna Gestione Patrimonio Soc.Cons. a r.l. in liquidation	30-Jun-15	26	55			31-Dec-15	175		50	
	30-Jun-16					30-Jun-16	175		50	
Bologna Multiservizi Soc.Cons. a r.l.	30-Jun-15					31-Dec-15	195		1,619	
	30-Jun-16		20			30-Jun-16	195		1,325	
Bologna Più Soc.Cons.a r.l. in liquidation	30-Jun-15					31-Dec-15	(2)	39	13	
	30-Jun-16					30-Jun-16	(2)	6	3	
Bologna Global Strade Soc. Cons. a r.l	30-Jun-15					31-Dec-15				
	30-Jun-16	848	1,180			30-Jun-16	881		1,180	
Cardarelli Soc. Cons. a r.l.	30-Jun-15		1,214			31-Dec-15			1,042	
	30-Jun-16		866			30-Jun-16			1,035	
Centro Europa Ricerche S.r.l.	30-Jun-15		420			31-Dec-15			900	
	30-Jun-16		614			30-Jun-16			1,101	
Como Energia Soc.Cons.a r.l.	30-Jun-15					31-Dec-15	49	36	48	
	30-Jun-16					30-Jun-16	49	36	48	
Consorzio Imolese Pulizie soc.Cons. in liquidation	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
Consorzio Leader Soc. Cons. a r.l. in liquidation	30-Jun-15					31-Dec-15	3			1
	30-Jun-16					30-Jun-16	3			1

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Consorzio Polo Sterilizzazione Integrata a r.l.	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
Consorzio Sermagest Soc.Cons.a r.l in liquidation	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
CO.& MA. Soc. Cons. a r.l	30-Jun-15	180	464			31-Dec-15	360	20	2,287	
	30-Jun-16	180	500			30-Jun-16	60	20	553	
DUC Gestione Sede Unica Soc. Cons. a r.l.	30-Jun-15	2,663	1,286			31-Dec-15	5,799		997	
	30-Jun-16	3,360	1,472			30-Jun-16	5,613		764	
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	30-Jun-15	27			10	31-Dec-15	188	2	54	267
	30-Jun-16	165	6			30-Jun-16	567	672	(31)	268
Fr.lli Bernard s.r.l.	30-Jun-15	6	1			31-Dec-15	58	50		
	30-Jun-16	3				30-Jun-16	61	50		
Gestlotto 6 Soc. cons. a r.l in liquidation	30-Jun-15		3			31-Dec-15				
	30-Jun-16					30-Jun-16				
Gico Systems S.r.l.	30-Jun-15	2	396			31-Dec-15	9		624	
	30-Jun-16	7	286			30-Jun-16	13		332	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	30-Jun-15					31-Dec-15	25	70	18	
	30-Jun-16					30-Jun-16	25	70	18	
Global Riviera Soc.Cons.a r.l.	30-Jun-15		5			31-Dec-15	55		(105)	
	30-Jun-16		6			30-Jun-16	55		(99)	
Global Vicenza Soc.Cons. a r.l.	30-Jun-15	102	761			31-Dec-15	34	570	933	
	30-Jun-16	99	863			30-Jun-16	140	570	1,021	
Grid Modena S.r.l.	30-Jun-15		12			31-Dec-15	2			
	30-Jun-16					30-Jun-16	2			
Gymnasium Soc. cons. a r.l in liquidation	30-Jun-15					31-Dec-15	1	7	33	5
	30-Jun-16					30-Jun-16	1	7	33	5
HEADMOST in liquidation	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
IPP S.r.l.	30-Jun-15	194	137			31-Dec-15	313	60	152	
	30-Jun-16	221	97			30-Jun-16	230	59	79	
Legnago 2001 Soc. Cons. r.l.	30-Jun-15		2			31-Dec-15	216		84	
	30-Jun-16		2			30-Jun-16	216		86	
Livia Soc. cons. a r.l.	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
Logistica Ospedaliera Soc. Cons. a r.l.	30-Jun-15		207			31-Dec-15			140	
	30-Jun-16		270			30-Jun-16			239	
Malaspina Energy Soc. Cons. a r.l.	30-Jun-15		30			31-Dec-15	1,047	180	91	
	30-Jun-16			2		30-Jun-16	800	182	52	
Newco DUC Bologna S.p.A.	30-Jun-15					31-Dec-15			25	
	30-Jun-16		4			30-Jun-16			29	

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Palazzo della Fonte S.c.p.a.	30-Jun-15	1,742				31-Dec-15	723			
	30-Jun-16	2,074				30-Jun-16	1,015			
P.B.S. Soc.Cons. a r.l. in liquidation	30-Jun-15					31-Dec-15		1		
	30-Jun-16					30-Jun-16				
Progetto ISOM S.p.A.	30-Jun-15	110	25	3		31-Dec-15	13,630	1,802	131	
	30-Jun-16	121	37	60		30-Jun-16	11,893	1,862	168	
Progetto Nuovo Sant'Anna S.r.l.	30-Jun-15	85	40	22		31-Dec-15				
	30-Jun-16					30-Jun-16				
Roma Multiservizi S.p.A.	30-Jun-15	768	1,019			31-Dec-15	516		1,330	462
	30-Jun-16	766	872			30-Jun-16	277		888	259
San Martino 2000 Soc.Cons. r.l.	30-Jun-15	867	1,732			31-Dec-15	717		675	
	30-Jun-16	815	1,699			30-Jun-16	744		593	
Savia Soc. Cons. a r.l	30-Jun-15		606			31-Dec-15	18		965	
	30-Jun-16		1			30-Jun-16			452	
Serena S.r.l. - in liquidation	30-Jun-15					31-Dec-15		3	1	
	30-Jun-16					30-Jun-16		3		
Servizi l'Aquila Soc.Cons. a r.l. in liquidation	30-Jun-15					31-Dec-15				
	30-Jun-16		0			30-Jun-16				
Servizi Luce Soc. Cons. a r.l.	30-Jun-15	27	1,134			31-Dec-15	339		(93)	
	30-Jun-16					30-Jun-16				
Servizi Marche Soc. Cons. r.l. in liquidation	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
Servizi Napoli 5 Soc.Cons. a r.l.	30-Jun-15	701	637			31-Dec-15	2,076		1,287	
	30-Jun-16	387	645			30-Jun-16	1,270		952	
Se.Sa.Mo. S.p.A.	30-Jun-15	2,606		13		31-Dec-15	2,608	606	6	
	30-Jun-16	2,599		14		30-Jun-16	3,570	606	6	
SESATRE S.cons. a r.l.	30-Jun-15	7	2,172	10		31-Dec-15	(14)	1,221	1,475	
	30-Jun-16	9	2,198	5		30-Jun-16	(4)	1,207	2,883	
Se.Ste.Ro S.r.l.	30-Jun-15	5	250			31-Dec-15	46		921	
	30-Jun-16					30-Jun-16	46		813	
S.I.MA.GEST2 Soc. Cons. r.l. in liquidation	30-Jun-15					31-Dec-15	20	75	4	2
	30-Jun-16					30-Jun-16	20	75	4	2
S.I.MA.GEST3 Soc. Cons. r.l in liquidation	30-Jun-15					31-Dec-15			3	
	30-Jun-16					30-Jun-16			3	
Società Consortile Adanti Manutencoop in liquidation	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16	12		11	
Steril Piemonte Soc. cons. a.r.l	30-Jun-15		423	1		31-Dec-15	11	578	334	
	30-Jun-16		362	1		30-Jun-16	7	576	361	
Synchron Nuovo San	30-Jun-15	5,193	50	16		31-Dec-15	7,915	2,123	646	

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Gerardo S.p.A.	30-Jun-16	2,533	36	86		30-Jun-16	8,415	2,249	339	
Tower Soc.Cons. a r.l. in liquidation	30-Jun-15					31-Dec-15		11		
	30-Jun-16					30-Jun-16	33	17	(11)	

SUBSIDIARIES OF MANUTENCOOP COOPERATIVA

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Cerpac S.r.l. in liquidation	30-Jun-15					31-Dec-15	1			
	30-Jun-16					30-Jun-16	1			
Manutencoop Immobiliare S.p.A.	30-Jun-15	5	1,234			31-Dec-15	6		114	
	30-Jun-16	5	1,228			30-Jun-16	6			
Nugareto Società Agricola Vinicola S.r.l.	30-Jun-15	1	9			31-Dec-15	8		39	
	30-Jun-16	7				30-Jun-16	13		(2)	
Segesta servizi per l'Ambiente S.r.l.	30-Jun-15	8				31-Dec-15	9			
	30-Jun-16	8				30-Jun-16	19			

ASSOCIATES OF MANUTENCOOP COOPERATIVA OR OTHER RELATED PARTIES

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Consorzio Karabak Società Cooperativa	30-Jun-15	31				31-Dec-15	11		2	
	30-Jun-16	34				30-Jun-16	8		2	
Consorzio Karabak 2 Società Cooperativa	30-Jun-15	2				31-Dec-15			1	
	30-Jun-16	1				30-Jun-16				
Consorzio Karabak 3 Società Cooperativa	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
Consorzio Karabak 4 Società Cooperativa	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16			1	
Consorzio Karabak 5 Società Cooperativa	30-Jun-15					31-Dec-15				
	30-Jun-16					30-Jun-16				
Consorzio	30-Jun-15					31-Dec-15		1		

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
Karabak 6 Società Cooperativa	30-Jun-16					30-Jun-16				
Sacoa S.r.l.	30-Jun-15	34				31-Dec-15	50		8	
	30-Jun-16	60				30-Jun-16	92		8	

		Revenues	Costs	Financial income	Financial expenses		Trade receivables	Financial assets and others	Trade payables	Financial liabilities and others
TOTAL	**30-Jun-15**	**15,486**	**31,307**	**66**	**13**	**31-Dec-15**	**37,310**	**26,340**	**23,437**	**882**
	30-Jun-16	**14,377**	**29,280**	**169**	**498**	**30-Jun-16**	**36,579**	**18,316**	**20,167**	**5,285**

ANNEX IV

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

	For the 6 months ended 30 June			
	2016		2015	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**114,391**		**113,382**
CASH FLOW FROM CURRENT OPERATIONS:		**37,860**		**28,905**
Profit before taxes for the period	*21,806*		*13,681*	
Profit (loss) from discontinued operations	*1,052*		*(633)*	
(Capital gain) losses from transfer of equity investments	*(1,409)*		*41*	
Amortisation, depreciation, write-downs and (write-backs) of assets	*16,199*		*15,305*	
Accrual (reversal) of provisions for risks and charges	*882*		*1,646*	
Employee termination indemnity provision	*408*		*390*	
Share of net profit of associates, net of dividends collected	*(1,601)*		*(914)*	
Financial charges (income) for the period	*14,334*		*19,092*	
Net interests received (paid) in the period	*(13,316)*		*(19,469)*	
Income taxes paid in the period	*9,714*		*(611)*	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of profit or loss	*(738)*		*377*	
Cash flow from the assignment of tax receivables without recourse under tax consolidation, included in changes in other operating assets	*(9,471)*		*0*	
USES OF PROVISIONS FOR RISKS AND CHARGES AND PAYMENTS OF THE EMPLOYEE TERMINATION INDEMNITY:		**(6,101)**		**(8,078)**
Payments of employee termination indemnity	*(921)*		*(1,231)*	
Utilization of provisions	*(5,180)*		*(6,847)*	
CHANGE IN ADJUSTED NWOC:		**(22,395)**		**(19,141)**
Decrease (increase) of inventories	*173*		*166*	
Decrease (increase) of trade receivables and advances to suppliers	*26,711*		*(17,458)*	
Increase (decrease) in trade payables and advances from customers	*(32,323)*		*(9,467)*	
Adjustments:				
Change in the amount of trade receivables assigned without recourse to Factoring agencies and not yet collected by the latter	*(16,956)*		*56*	
INDUSTRIAL AND FINANCIAL CAPEX:		**(3,734)**		**(3,230)**
(Purchase of intangible assets, net of sales)	*(2,497)*		*(2,287)*	

	For the 6 months ended 30 June			
	2016		2015	
(Purchase of property, plant and equipment)	*(6,423)*		*(8,902)*	
Proceeds from sales of property, plant and equipment	*616*		*217*	
Disposal (acquisition) of investments	*(227)*		*469*	
Decrease (increase) of financial assets	*(841)*		*218*	
Discontinuing operations	*3,984*		*9*	
Reclassifications:				
Change in current financial assets, to be included in Net Financial Liabilities	*2,400*		*4,449*	
Payables for acquisition of equity investments and business combinations	*(747)*		*0*	
CHANGE IN ADJUSTED NET FINANCIAL LIABILITIES:		**27,561**		**(60,588)**
Net proceeds from/(reimburse of) borrowings	*11,520*		*(55,706)*	
Adjustments:				
Change in the amount of receivables assigned without recourse to Factoring agencies and not yet collected by the latter	*16,956*		*(56)*	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit or Loss	*738*		*(377)*	
Change in current financial assets, to be included in the Net Financial Liabilities	*(2,400)*		*4,449*	
Payables for acquisition of equity investments and business combinations	*747*		*0*	
OTHER CHANGES:		**19,622**		**(12,314)**
Decrease (increase) of other current assets	*(3,714)*		*1,744*	
Increase (decrease) of other current liabilities	*13,894*		*(14,038)*	
Dividends paid	*(25)*		*(20)*	
Changes in the consolidation area	*(4)*			
Reclassifications:				
Cash flow from the assignment of tax receivables without recourse under tax consolidation, included in changes in other operating assets	*9,741*			
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**167,204**		**66,290**

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)"