MANUTENCOOP

2015

CONSOLIDATED FINANCIAL STATEMENTS

AT 31 DECEMBER 2015

GENERAL INFORMATION

REGISTERED OFFICE

Via U. Poli, 4

Zola Predosa (Bo)

MANAGEMENT BOARD

Appointed by the Supervisory Board of 30.04.2014

CHAIRMAN AND CEO

Claudio Levorato

VICE CHAIRMAN

Mauro Masi

MANAGEMENT BOARD

Benito Benati

Marco Bulgarelli

Marco Canale

Giuliano Di Bernardo

Massimiliano Marzo

Marco Monis

Stefano Caspani

Luca Stanzani

Pier Paolo Quaranta

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

Reconta Ernst & Young S.p.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	31 December 2015	31 December 2014
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipments	4	62,155	67,691
Property, plant and equipments under lease	4	2,217	2,867
Goodwill	5-6	370,456	369,860
Other intangible assets	5	26,005	24,782
Investments accounted for under the equity method	7	28,484	29,390
Other investments	8	3,502	3,341
Non-current financial assets	8	15,657	18,449
Other non-current assets	8	2,180	1,787
Deferred tax assets		19,044	27,439
TOTAL NON-CURRENT ASSETS		**529,700**	**545,606**
CURRENT ASSETS			
Inventories	9	4,763	5,115
Trade receivables and advances to suppliers	10	519,194	580,629
Current tax receivables		23,430	28,922
Other current assets	10	31,138	30,632
Current financial assets	11	5,257	3,501
Cash and cash equivalents	11	114,391	113,382
TOTAL CURRENT ASSETS		**698,173**	**762,181**
Assets held for sale	12	0	5,003
TOTAL NON-CURRENT ASSETS HELD FOR SALE		**0**	**5,003**
TOTAL ASSETS		**1,227,873**	**1,312,790**

	NOTE	31 December 2015	31 December 2014
SHAREHOLDERS'EQUITY			
Share capital		109,150	109,150
Reserves		188,349	170,167
Retained earnings		37,498	42,553
Profit for the year attributable to equity holders of the Parent		(45,412)	12,354
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**289,585**	**334,224**
Capital and reserves attributable to non-controlling interests		337	409
Profit for the year attributable to non-controlling interests		43	273
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**380**	**682**
TOTAL SHAREHOLDERS' EQUITY	13	**289,965**	**334,906**
NON-CURRENT LIABILITIES			
Employee termination indemnity	14	18,424	21,207
Provisions for risks and charges, non-current	15	58,738	12,373
Long-term financial debt	17	311,686	379,001
Deferred tax liabilities		11,167	11,755
Other non-current liabilities		28	28
TOTAL NON-CURRENT LIABILITIES		**400,043**	**424,364**
CURRENT LIABILITIES			
Provisions for risks and charges, current	15	14,515	20,559
Trade payables and advances from customers	18	380,215	380,821
Current tax payables		0	4
Other current liabilities	18	94,572	123,624
Bank borrowings, including current portion of long-term debt, and other financial liabilities	17	48,563	28,512
TOTAL CURRENT LIABILITIES		**537,865**	**553,520**
Liabilities directly associated with non-current assets held for sale	11	0	0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**0**	**0**
TOTAL LIABILITIES		**1,227,873**	**1,312,790**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTE	For the year ended 31 December 2015	For the year ended 31 December 2014
REVENUE			
Revenue from sales and services		953,813	970,524
Other revenue		1,916	3,766
TOTAL REVENUE		**955,729**	**974,290**
OPERATING COSTS			
Costs of raw materials and consumables		(133,155)	(135,524)
Costs for services and use of third-party assets		(336,114)	(364,040)
Personnel costs		(380,793)	(374,210)
Other operating costs		(12,602)	(7,645)
Amortization, depreciation, write-downs and write- backs of assets	5 – 6 – 10	(32,493)	(38,635)
Accrual (reversal) of provisions for risks and charges	15	(51,561)	(7,238)
TOTAL OPERATING COSTS		**(946,718)**	**(927,292)**
OPERATING INCOME		**9,011**	**46,998**
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	8	90	1,198
Dividend and income (loss) from sale of investments		(459)	427
Financial income		984	5,679
Financial charges		(34,066)	(42,313)
Gains / (losses) on exchange rate		(10)	3
PROFIT (LOSS) BEFORE TAXES		**(24,450)**	**11,992**
Income taxes		(18,032)	(11,414)
PROFIT (LOSS) FROM CONTINUING OPERATIOS		**(42,482)**	**578**
Profit (loss) from discontinued operations		(2,887)	12,049
Net profit (loss) for the year		(45,369)	12,627
Net profit (loss) for the year attributable to non- controlling interests		(43)	(273)
NET PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**(45,412)**	**12,354**

	For the year ended 31 December 2015	For the year ended 31 December 2014
Basic earnings per share	(0.416)	0.113
Diluted earnings per share	(0.416)	0.113
Basic earnings per share from continuing operations	(0.390)	0.003
Diluted earnings per share from continuing operations	(0.390)	0.003

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(amounts in thousands of euro)	NOTE	For the year ended	
		31 December 2015	31 December 2014
Net profit (loss) for the year		**(45,412)**	**12,627**
Other components of the comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Differences arising from translation of financial statements in foreign currency		11	1
Share of other comprehensive income of entities accounted for using the equity method, which will be subsequently reclassified under profit/loss for the year	8	67	(1,003)
Other components of the comprehensive income for the year, which will be subsequently reclassified under profit/loss for the year		**78**	**(1,002)**
Other components of the comprehensive income, which will be subsequently reclassified under profit/ loss for the year:			
Actuarial gains (losses) on defined benefit plans		831	(1,843)
Income taxes		(188)	507
Net effect of actuarial gains/(losses)	14	**643**	**(1,336)**
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	8	52	(92)
Other components of the comprehensive income for the year, which will not be subsequently reclassified under profit/loss for the year		**695**	**(1,428)**
TOTAL PROFIT (LOSS) IN THE STATEMENT OF COMPREHENSIVE INCOME, NET OF TAXES		**773**	**(2,430)**
TOTAL COMPREHENSIVE INCOME (LOSS), NET OF TAXES		**(44,596)**	**10,197**
Attributable to:			
Equity holders of the Parent		(44,639)	9,924
Non-controlling interests		43	273

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTES	For the year ended	
		31 December 2015	31 December 2014
Net profit (loss) from continuing operations for the year		**(42,482)**	**578**
Income taxes for the year		18,032	11,414
Profit before taxes from continuing operations		**(24,450)**	**11,992**
Profit(loss) for the year from discontinued operations		(2,887)	12,049
Capital losses on disposal of discontinued operation		*2,225*	*(13,351)*
Other unrealized impairment on discontinued operations		*0*	*2,752*
Amortization, depreciation, write-downs and (write-backs) of assets		32,513	40,645
Accrual (reversal) of provisions for risks and charges		51,561	7,296
Employee termination indemnity provision		838	1,459
Payments of employee termination indemnity		(2,769)	(7,982)
Utilization of provisions for risks and charges		(11,244)	(10,296)
Share of net profit of associates, net of dividends collected		940	363
Financial charges (income) for the year		32,891	36,597
Operating cash flows before movements in Working Capital		**79,618**	**81,523**
Of which related to discontinued operations		*(922)*	*1,784*
Of which related to continuing operations		*80,540*	*79,739*
Decrease (increase) of inventories		(92)	345
Decrease (increase) of trade receivables		54,552	97,624
Decrease (increase) of other current assets		(985)	(3,216)
Increase (decrease) of trade payables and advances from customers		1,060	(70,806)
Increase (decrease) of other current liabilities		(28,742)	(23,865)
Change in Working Capital		**25,792**	**83**
Net interest received (paid) in the year		(32,639)	(34,019)
Income tax paid in the year		(5,072)	(29,005)
Net cash flow from operating activities		**67,699**	**18,582**
Purchase of intangible assets, net of sales	*5*	(6,502)	(9,267)
Purchase of property, plant and equipment	*4*	(17,389)	(17,520)
Proceeds from sales of property, plant and equipment	*4*	793	1,811
Acquisition of investments		848	692
Decrease (increase) of financial assets		(932)	5,837
Net cash used in business combinations		(408)	0
Discontinuing activities	*10*	4,932	58,842
Net cash flow used in investing activities		**(18,659)**	**40,395**
Net proceeds from/(repayment of) borrowings	*12*	(48,009)	(130,027)
Dividends paid		(20)	(107)
Acquisition/Sale of minority interests in subsidiaries		(1)	0
Net cash flow from / (used in) financing activities		**(48,030)**	**(130,134)**
Changes in cash and cash equivalents		**1,009**	**(71,156)**
Cash and cash equivalents at the beginning of the year		113,382	184,538

	NOTES	For the year ended	
		31 December 2015	31 December 2014
Changes in cash and cash equivalents		1,009	(71,156)
Cash and cash equivalents at the end of the year		**114,391**	**113,382**
Details of cash and cash equivalents:			
Cash and bank current accounts		114,391	113,382
TOTAL CASH AND CASH EQUIVALENTS		**114,391**	**113,382**

SUPPLEMENTARY INFORMATION

(amounts in thousands of Euro)	For the year ended	
	31 December 2015	31 December 2014
Interest paid	(33,444)	(39,444)
Interest received	805	5,425
Dividends received	375	1,900

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Reserves	Retained earnings	Result of the year	Total Shareholders' 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**
Dividends distribution					**0**	(20)	**(20)**
Allocation of previous year result		17,409	(5,055)	(12,354)	**0**		**0**
Acquisition/ transfer of minority interests in subsidiaries					**0**	(326)	**(326)**
Total comprehensive income		773		(45,412)	**(44,639)**	43	**(44,596)**
31 December 2015	**109,150**	**188,349**	**37,498**	**(45,412)**	**289,585**	**379**	**289,964**

	Share capital	Reserves	Retained earnings	Result of the year	Total Shareholders' equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total shareholders' equity
1 January 2014 Restated	**109,150**	**167,797**	**33,606**	**13,747**	**324,300**	**1,955**	**326,255**
Dividends distribution					**0**	(158)	**(158)**
Allocation of previous year result		4,800	8,947	(13,747)	**0**		**0**
Acquisition/ transfer of minority interests in subsidiaries					**0**	(1,387)	**(1,387)**
Total comprehensive income		(2,430)		12,354	**9,924**	273	**10,197**
31 December 2014	**109,150**	**170,167**	**42,553**	**12,354**	**334,224**	**682**	**334,906**

1. GENERAL INFORMATION

The publication of the consolidated Financial Statements of Manutencoop Facility Management S.p.A. Group (the "MFM Group" or the "Group") for the year ended 31 December 2015 was authorized by resolution of the Management Board of 18 March 2016.

The Group is 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. 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.

1.1 The business

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.

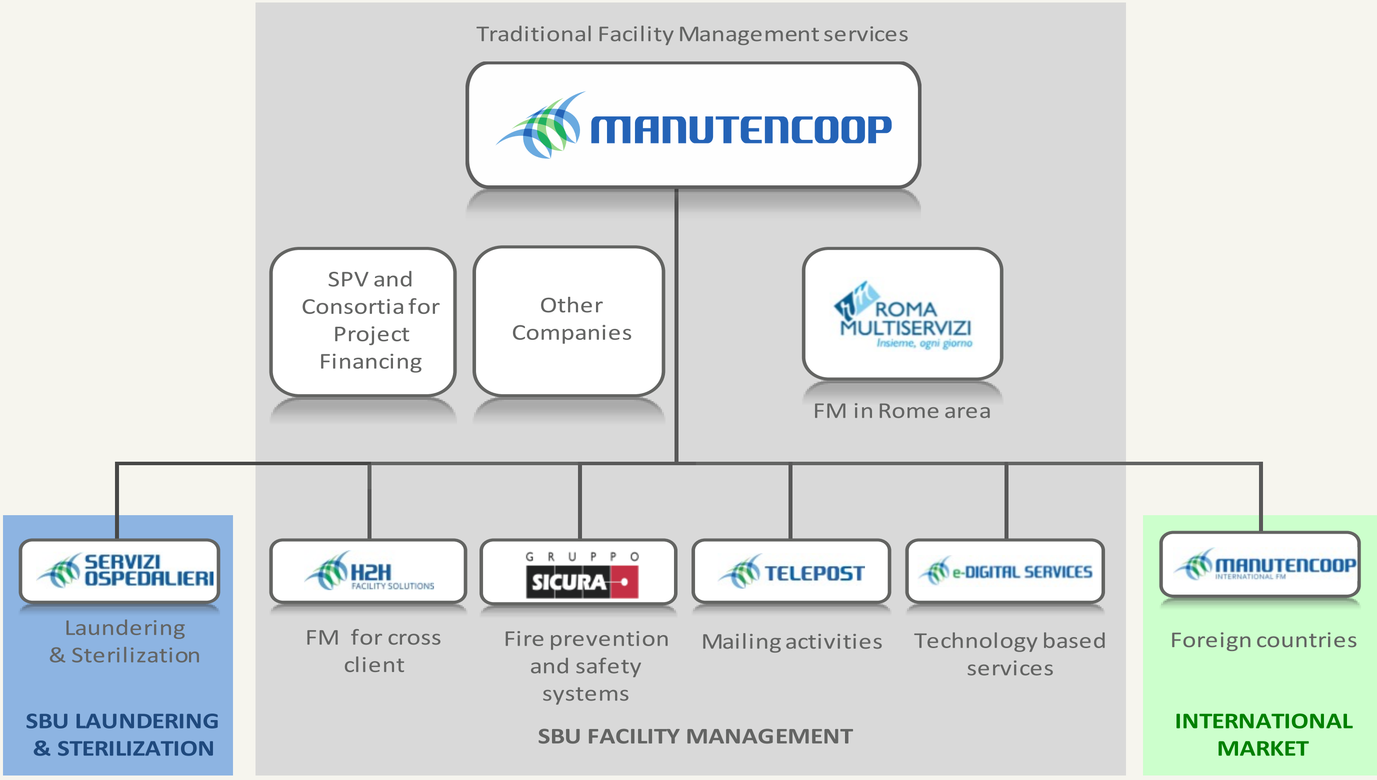
At present the MFM Group is structured around a single operating holding company which combines so-called "traditional" facility management production resources with those related to supporting the whole Group's business. At the same time, in the previous financial years a diversification strategy was 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. On 22 November 2015 the sub-holding Manutencoop International FM S.r.l. was established with a quota capital wholly owned by the Parent CompanyManutencoop Facility Management S.p.A. (hereafter referred to "MFM S.p.A."), for the purpose of creating or acquiring shareholdings in foreign countries for the local development of new business undertakings.

Furthermore, 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 B2B and B2C services markets.

Finally, the negotiations with a third party regarding the sale of the public lighting company conducted by subsidiary SMAIL S.p.A. ended with closing on 13 November 2015, completing the Group's exit from an area of business (street lighting) which the management had decided was not strategic for the Group's future development. The legal entity SMAIL S.p.A., as resulting from the carve-out described, was then merged by incorporation into MFM S.p.A., with statutory, accounting and tax effects from 1 January 2016. At the same time, MACO S.p.A., a company active in sector of *building management*, which was not considered to be strategic any longer, was merged by incorporation into MFM S.p.A., again with effects from 1 January 2016.

Therefore, the Group now operates through specific companies for each sector:



The Facility Management segment offers a collection of logistic and organizational support services targeted at users of properties and aimed at optimizing 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, operation and maintenance services of property-related systems (including heating and air conditioning systems, electrical systems, fire prevention and safety systems), including therein:

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

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

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

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

Finally, with the incorporation of e-Digital Services S.r.l. at the end of 2015, the Group embarked on a path to growth in the markets of B2B and B2C services. The B2B business sector in particular is based on the utilisation of expertise which has been built up in the spheres of applications, management and sourcing. On the other hand the objective of the B2C business sector is to enter the Consumer market for household and personal services, taking advantage of the creation of a digital platform easily accessible to a broad range of potential customers.

The so-called Laundering & 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 also include the following activities:

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

The so-called Project Management consists of a group of activities involving the technical design, planning, procurement management and supervision of job orders for the construction, restructuring or reconversion of properties. The so-called Energy Management consists of a group of activities involving the technical design, construction and operation of photovoltaic and cogeneration plants, from the feasibility study to completion, as well as the operation and maintenance of systems to provide customers with energy efficiency solutions.

The Building activities consist of construction projects, which are not particularly significant in respect of total Group production and which are also carried out on behalf of other Manutencoop Group companies, as well as, on occasion, to support facility management activities where, as part of non-ordinary maintenance works, small building works are also necessary. Currently, the Management does not consider Building activities to be strategic any longer and has therefore decided not to develop those areas of business any further, and it will just manage, in the near future, the commitments it has already taken on with respect to ongoing contracts with customers until they will be completed.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

The consolidated Financial Statements at 31 December 2015 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss, the Consolidated Statement of other comprehensive income, the Consolidated Statement of Cash flows, the Consolidated Statement of changes in Shareholders' Equity and the related Explanatory Notes.

The consolidated Financial Statements at 31 December 2015 were prepared on a historical cost basis, except for the derivative financial instruments that have been measured at fair value.

After considering the possible areas of doubt regarding the continuation of business, including the liquidity risk described in the Notes to the Financial Statements and any other market risk associated with the pending proceedings described in the Report on Operations, the Directors decided to prepare the financial statements on the going concern basis.

The Statement of Financial Position sets forth assets and liabilities distinguishing between current and non-current. The Statement of profit or loss classifies costs by nature, while 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 Financial Statements at 31 December 2015 have been presented in Euro, which is the Group's functional currency. All values showed in the statements and in the explanatory notes are in thousands of Euro, unless otherwise stated.

2.1 Statement of compliance with international accounting standards (IFRS)

The consolidated Financial Statements at 31 December 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The MFM Group is subject to Letter f) of Article 2 under the Italian Legislative Decree no. 38 of 28 February 2005, which rules the exercise of the options provided for by the Article 5 of Regulation (EC) 1606/2002 about the International Financial Reporting Standards and, therefore, pursuant to Article 3, paragraph 2, and Article 4, paragraph 5, of the aforesaid Italian Legislative Decree, the Group has applied the IFRS as adopted by the European Union in the preparation of its consolidated and separate Financial Statements as from the year ended 31 December 2005.

2.2 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the consolidated Financial Statements are consistent with those used to prepare the consolidated Financial Statements of the previous year, with the exception of the aspects detailed below for the standards and interpretations which are newly issued and applicable from 1 January 2015. The Group did not provide for the early adoption of any standard, interpretation or improvement issued but still not obligatorily in force.

New or revised IFRS and interpretations applicable as from 1 January 2015

On 1 January 2015 IFRIC 21, *Levies*, has come into effect. It is an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets which states the method for recognising liabilities for the payment of levies other than income tax, especially as regards the obligating event and the time the liability is recognised.

The 2011-2013 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 Consolidate Financial Statements.

New or revised IFRS and interpretations applicable from subsequent years and not adopted by the Group in advance

The Group is studying these standards and is assessing the impact they will have on its consolidated Financial Statements, but does not intend to promote an early adoption. The innovations brought in are described below.

IFRS14 – Regulatory Deferral Accounts (applicable from the financial years that will end after 1 January 2016). 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.

IFRS15 – Revenues from contracts with customers (applicable from the financial years that will end after 1 January 2017). The new standard replaces the previous IAS11 – Construction contracts, IAS18 – Revenue, IFRIC13 – Customer Loyalty Programme, IFRIC15 – Agreements for the construction of real estate, IFRIC18 – Transfers of Assets from Customers, SIC31 – Barter Transactions Involving Advertising Services. This standard provides a model for the recognition and measurement of all revenues from non-financial assets, including the disposals of property, plant and equipment or intangible assets. The general principle is that the entity must recognise revenue in the amount corresponding to the consideration to which it expects to be entitled for transferring goods or providing a service to a customer. Guidelines are laid down for identifying the contract, the performance obligations and the transaction price. If there are multiple services, suggestions are also given regarding the allocation of their prices. Finally, the criteria for accounting for the revenue when the performance obligation has been satisfied are explained and suggestions are made for accounting for the incremental costs of obtaining the contract if these costs are directly attributable to its performance. Finally, the standard provides guidance on its application to specific issues such as licences, guarantees, right of withdrawal, agency relationships, termination of contracts. The standard is applicable according to a full retrospective approach or a modified retrospective approach.

IFRS9 - Financial Instruments (applicable from the financial years that will end after 1 January 2018). The aim of the new standard is to make it simpler for the user of the financial statements to understand the amounts, timing and uncertainty of cash flows by replacing the different types of financial instruments referred to in IAS 39. In fact all financial assets are initially accounted for at fair value, adjusted by transaction costs if they are not accounted for at fair value through profit or loss (FVTPL). Nevertheless, trade receivables that do not have a significant financial component are initially measured at their transaction price, as defined by the new *IFRS 15 – Revenues from Contracts with Customers*. Debt instruments are measured on the basis of the contract cash flows and the business model on the basis of which they are held. Instruments only involving cash flows for the payment of interest and principal are accounted for according to the amortised cost method, while those also involving the exchange of financial assets are measured at fair value in the OCIs and subsequently reclassified in profit or loss (FVOCI). Finally, there is an express option for accounting at fair value (FVO). Similarly, all equity instruments are initially measured at FVTPL but the entity has an irrevocable option to account for it at FVTOCI. Any additional classifications and the measurement rules laid down under IAS39 have been reported under the new IFRS9.

As regards impairment, the IAS39 model based on the losses incurred has been replaced by the ECL (Expected Credit Loss) model. Finally, some changes are made in Hedge Accounting, with the possibility of conducting a prospective effectiveness and quality test, measuring risk factors independently if they can be identified.

Some amendments to existing standards have also been issued, clarifying some particular points, which will be applicable for periods commencing on or after 1 January 2016:

- *Amendments to IFRS10, IFRS12 and IAS28 – Applying the Consolidation Exception.* The amendments clarify the applicability of the consolidation exceptions for an investment entity. In fact, an Investment entity measures its investments at fair value, while its parent company (if any) will be required to consolidate the subsidiaries of the investment entity. Furthermore, it is also specified that said subsidiaries must be measured at fair value if they are other than investment entities and do not provide services related to the parent's investments activities.
- *Amendments to IFRS11 – Joint Arrangements.* This amendment explains that if an entity acquires an interest in a joint operation which constitutes a form of business, it must apply the accounting standards and disclosure requirements laid down in IFRS 3, *Business Combinations*, and those in all other IFRSs that do not conflict with the provisions of IFRS 11.
- *Amendments to IAS16 and IAS38 – Clarification of Acceptable Methods of Depreciation and Amortisation.* This amendment explains that it is advisable to use methods of amortisation and depreciation of fixed assets that take the actual economic benefit of using them into account. If goods or assets are used in business operations, the ratio between the revenue generated by business and the entity's total revenues is not a correct reflection of the amortisation or depreciation percentage to apply. This ratio may only be used in limited cases for the amortisation of intangible assets.
- *Amendments to IAS16 and IAS41*. This amendment explains that biological assets used in agriculture (e.g. fruit trees) continue to be subject to the requirements of IAS 16 while their products (e.g. the fruit gathered) continue to be subject to the requirements of IAS 41.
- *Amendments to IAS27 – Equity Method in Separate Financial Statements.* This amendment explains that since the equity method is used for accounting for investments in subsidiaries and associates in certain countries, the option previously provided for in IAS 27 has been reinstated. Therefore, the investments in the Separate Financial Statements can be valued at cost (IAS27), in accordance with IAS39 or the new IFRS9 or by using the equity method (IAS27 amended). The method adopted must be applied homogeneously for all types of these investments.
- *Amendments to IAS1 – Presentation of Financial Statements.* The amendments provide clarifications on the requirements of materiality of IAS1 and of elements recognised in the OCI Statement and in the Statement of Financial Position, which may be further disaggregated. Furthermore, it is clarified that the share of OCI of equity-accounted associates and joint ventures should be reported in aggregate as single line items, based on whether or not it will subsequently be reclassified to the Statement of Profit/loss for the year.

Improvements to IFRS

As early as in 2014, the IASB issued a new series of amendments to IFRS (series 2012-2014, which follows the previous series 2009-2011, 2010-2012 and 2011-2013). The Annual improvement of international standards is the instrument by which the IASB introduces amendments or improvements to the standards that are already being applied, thus promoting the ongoing review of the accounting policies of the IAS adopters. The amendments will be obligatory applicable as from the financial years that will end after 1 January 2016. The last series of improvements has specifically concerned a change in the sales programmes under *IFRS5 – Non-current Assets Held for Sale and Discontinued Operations,* the applicability of *IFRS7 – Financial Instruments* in the condensed Interim Financial Statements, the use of discount rates under *IAS19 – Employee Benefits* and the disclosures to be supplemented with respect to *IAS34 – Interim Financial Reporting*.

2.3 Discretionary assessments and significant accounting assumptions

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

Discretionary assessments

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

Uncertainty of estimates

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

Impairment test

Goodwill is subject to impairment test at least annually, or more frequently if there is an indication of potential impairment in the carrying amounts. This requires an estimate of the value in use of the CGU

(cash-generating unit) to which the goodwill is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate.
At 31 December 2015, the carrying amount of the goodwill stood at € 370,456 thousand (31 December 2014 restated: € 369,860 thousand). More details are given in note 6.

Provisions for risks and charges and Allowance for doubtful accounts

Provisions representing the risk of negative outcomes of legal and tax issues have been set aside. The value of the provisions recognized in the accounts in relation to these risks is the best estimate made by the directors at that date. Write-downs of trade receivables were recognised in an adjusting provision against failure to collect debts from clients. The value of the provisions recognised in the accounts in relation to these risks is the best estimate made by the directors at that date. The estimates entail the adoption of assumptions depending on factors which could change in time and could therefore have a substantial impact on the directors' current estimates used to prepare the Group's Consolidated Financial Statements.

Recognition of the present value of liabilities for Put Options 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 contract for the purchase of certain majority interests in subsidiaries provides for the transferors, i.e. the current minority shareholders, 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.

Recognition of revenues and costs relating to contract work in progress

The Group uses the percentage of completion method to account for the portion of long-term contracts for the building and improvement of properties or technological plants for which it does construction work. The margins recognised in profit and loss depend both on the progress of the works and the margins on the entire work when completed; therefore if work in progress and margins on work not yet completed are to be recognised correctly, the directors must make correct estimates of the costs of completion, possible increases in cost, delays, extra costs and penalties which could reduce the expected margin. The use of the percentage of completion method requires the Group to estimate the costs of completion, which entails the adoption of assumptions depending on factors which could change in time and could therefore have a substantial impact on current estimates. Should actual costs be different from estimated costs, this change will impact on the results for future periods.

Deferred tax assets, in particular relating to the likelihood of these being reversed in the future

Deferred tax assets are recognised to the extent that there is a likelihood of there being sufficient future taxable profit for the losses to be utilised. This means that the management must make a strong commitment to working out a correct estimate of the amount of tax assets which can be recognised on the basis of the level of future taxable profit, the timing of the receipt of the profits and tax planning strategies.

Main assumptions applied to the actuarial valuation of the TFR (employee termination indemnity), such as the future turnover rate and discount financial rates

The cost of defined-benefit pension plans and of any other post-employment medical benefit, as well as the present value of the defined-benefit liability, are determined on the basis of actuarial assumptions. Actuarial assessments require various assumptions to be made which can differ from actual developments in the future. These assumptions also include the calculation of the discount rate, future pay rises, the mortality rate and future increases in pensions. Owing to the complexity of the assessment and its long-term nature, these estimates are extremely sensitive to changes in assumptions. All the assumptions are reviewed on an annual basis. For more details, reference is made to note 14.

Consolidation principles

The Consolidated Financial Statements include the financial statements of Manutencoop Facility Management S.p.A. (the ''Parent Company, "MFM S.p.A." or simply "MFM") and its subsidiaries, prepared as at 31 December 2015. 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.

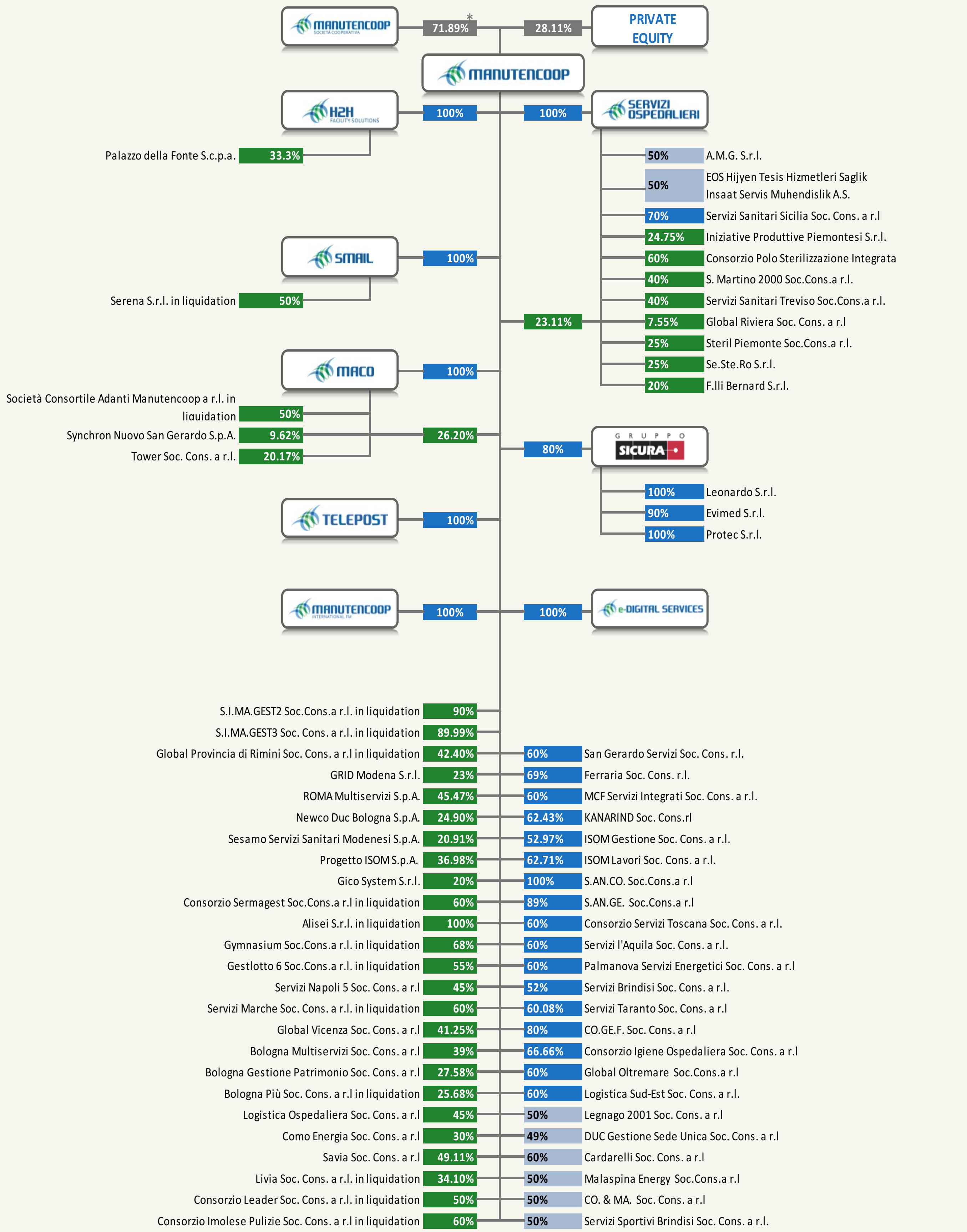
All Intra-Group balances and intercompany transactions, including unrealized profits or losses arising from intra-Group transactions, which are recognized under assets, are eliminated in full.

Subsidiaries are consolidated on a line-by-line basis 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 joint 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 acquiree 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 December 2015 is shown below.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015



Legend:

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

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

In the period the following changes occurred in the scope of consolidation:

- the incorporation of San Gerardo Servizi Soc. Cons a r.l., owned by MFM MFM S.p.A. (60%) on 24 March 2015, responsible for the operation of facility management services within the project finance of the San Gerardo Hospital in Monza;
- the incorporation of Manutencoop International F.M. S.r.l. on 20 November 2015 and of e-Digital Services S.r.l. on 25 November, the quota capitals of which are wholly owned by MFM S.p.A.;
- the transfer of the entire investment (33.33%) held by MFM S.p.A. in United Facility Solutions, which was completed on 6 March 2015;
- the sale on 4 June 2015 of 20% of the equity of Progetto Nuovo Sant'Anna S.r.l., in which MFM S.p.A. previously had a 24% interest, has therefore been reclassified among "Other Equity investments";
- the sale to third parties of the entire investments held directly by subsidiary Sicura S.p.A. in Firing S.r.l. on 1 October 2015.

2.4 Summary of the main accounting policies

Conversion of foreign currency items

The financial statements are presented in Euro, the Group's functional currency.

Statements of financial position and income statements stated in foreign currency are converted to Euro using the year-end exchange rates for the items of the Statement of Financial Position and average exchange rates for items in the Income Statement.

Differences arising from the conversion of opening shareholders' equity at year-end exchange rates are charged to the currency conversion reserve, together with the difference arising from the conversion of the result for the period at year-end exchange rates with respect to the average exchange rate. The conversion reserve is reversed to the income statement at the moment of the sale or liquidation of the company that set up said reserve.

Property, plant and equipment

Property, plant and equipment are recognized at historical cost, net of ordinary maintenance costs, less the associated accumulated depreciation and accumulated impairment losses. This cost includes the costs for the replacement of part of the plant and equipment at the moment they are incurred if they conform to the recognition criteria.

Depreciation is calculated on a straight line basis in line with the estimated useful life of the asset, starting from the date the asset becomes available for use, until the date it is sold or disposed of. The carrying amount of property, plant and equipment is subject to impairment test when events or changes suggest that the carrying amount may not be recoverable. A tangible asset is derecognized from the financial statements at the moment of sale or when no future economic benefits are expected from its use or disposal. Any profits or losses (calculated as the difference between net proceeds from the sale and the carrying amount) are recognized in the income statement in the year of the aforementioned derecognition. The residual value of the asset, useful life and method applied are reviewed annually and adjusted, if necessary, at the end of each financial year.

The useful life of the various classes of tangible assets is estimated as shown below:

Types of plant and equipment	**Useful Life**
Plant and equipment, maintenance and landscaping	11 years
Plant and equipment, maintenance and construction of properties	From 6.5 to 10 years
Telephone systems	4 years
Properties	33 years
Equipment for cleaning/landscaping activities	6.5 years
Equipment for technological system management	3 years
Equipment for building construction and maintenance	2.5 years
Other industrial and commercial equipment	10 years
Laundry equipment	8 years
Linen	From 2.5 to 4 years
Vehicles	From 4 to 5 years
Office furniture and equipment	From 5 to 8 years
Leasehold improvements (including under plant and equipment)	< between useful life and lease term

The plant and equipment category includes not only plant and equipment in the strictest sense, but also machinery, motor vehicles, office machines and furniture.
Financial costs arising from the purchase are charged to the income statement except in the case in which they are directly attributable to the acquisition, construction or production of an asset which justifies their capitalisation (qualifying asset), in which case they are capitalised.
A qualifying asset is an asset that requires a certain period of time to be ready for use. The capitalisation of financial costs ceases when all the activities needed to make the qualifying asset ready for use have been completed.
Extraordinary maintenance expenses are only included in the carrying amount of the asset when the company is likely to receive the associated economic benefits in the future and the cost can be reliably measured. The costs of repairs, maintenance or other operations to ensure the functioning of the assets are charged to the income statement in the year in which they are incurred.

Leasehold improvements are classified, on the basis of the nature of the cost incurred, under property, plant and equipment only when they meet the capitalisation criteria set forth by IAS 16. The depreciation period corresponds to the lower of the residual useful life of the tangible asset and the residual lease term.

Goodwill

Goodwill acquired in a business combination, is initially valued at cost, represented by the excess of the cost of the business combination with respect to the share pertaining to the Group in the net fair value relating to the identifiable values of assets, liabilities and contingent liabilities. After the initial recognition, goodwill is valued at cost less any accumulated impairment losses. Goodwill is subject to an analysis of fairness on an annual basis, or more frequently if events or changes are identified which may give rise to impairment losses.

For the purposes of this analysis of fairness, goodwill is allocated, from the date of acquisition, when the allocation is possible without arbitrariness, to each of the cash-generating units of the Group which believe that they will benefit from the synergies of the acquisition, irrespective of the allocation of other assets or liabilities to said units. Each unit to which goodwill is allocated:

- represents the lowest level, within the Group, at which goodwill is monitored for internal management purposes; and
- is not larger than the segments identified on the basis of either the primary of secondary presentation layout as regards disclosures on the Group's operating segments, based on *IFRS 8 - Operating Segments*.

Impairment is determined by defining the recoverable value of the cash-generating unit (or group of units) to which goodwill is allocated. When the recoverable value of the cash-generating unit (or group of units) is lower than the carrying amount, an impairment loss is recognized. The value of goodwill previously written down cannot be restored.

Other intangible assets

Intangible assets acquired separately are initially capitalised at cost, while those acquired through business combinations of companies not subject to joint control are capitalised at fair value on the date of acquisition. After initial recognition, intangible assets are recorded at cost net of amortisation and accumulated impairment losses.

The useful life of the intangible assets is finite or indefinite. Intangible assets with a finite useful life are amortised over their useful life and subject to fairness tests whenever there is evidence of potential impairment losses. The amortisation period and method applied thereto are reviewed at the end of each financial year or more frequently if necessary. Changes in the expected useful life or the methods with which the future economic benefits of the intangible asset are achieved by the Group are recorded by modifying the amortisation period or method, as necessary, and treated as changes in the accounting estimates. The amortisation charges of intangible assets with a finite useful life are recorded in the income statement under the cost category 'amortisation, depreciation, write-downs and write-backs of assets'.

The Group did not record any intangible assets with an indefinite useful life, with the exception of goodwill.

The principles the Group applied for intangible assets are summarised below:

	Concessions, licences, trademarks and similar rights	Other intangible assets
Breakdown of composition	Software and Trademarks	Contractual customer relations
Useful Life	Finite	Finite
Method used	Amortisation on a straight line basis over the shortest time span between: > legal term of the right > expected period of use.	Amortisation in proportion to consumption of related backlog.
Produced internally or purchased	Purchased	Acquired in business combination.
Impairment tests / tests on recoverable value	Yearly or more frequently when there is evidence of impairment.	Yearly or more frequently when there is evidence of impairment.

Profits or losses arising from the disposal of an intangible asset are measured as the difference between the net sales revenue and the carrying amount of the asset, and are recognised in the income statement at the moment of disposal.

Equity investments in joint venture and in associates

According to the equity method, the equity investment is recognized in the balance sheet at cost increased by changes, after the acquisition, in the Group's share of the investee's net assets. Goodwill relating to the associate is included in the carrying amount of the equity investment and not subject to amortisation. Following application of the equity method, the Group determines whether it is necessary to recognize any additional impairment losses with reference to the Group's net equity investment in the investee. The income statement reflects the Group's share of the investee's result for the year. In the event in which the investee recognises adjustments directly in shareholders' equity, the Group recognises its share, and presents this, where applicable, in the statement of changes in shareholders' equity.

In the majority of cases, the end of the investees' financial year is the same as that of the Group. Where this does not occur, in most cases, the investees prepare accounting statements at the reporting date of the Group's financial year. The accounting standards used conform to those used by the Group.

Impairment of assets

At the reporting date of the financial statements, the Group assesses whether there is any evidence of impairment of assets. In this case, or in the event an annual impairment test is required, the Group prepares an estimate of the recoverable value. The recoverable value is the higher of the fair value of an asset or cash-generating unit, net of selling costs and its value in use and is determined for each individual asset, except when said asset does not generate cash flows that are largely independent from those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable value, said asset has been impaired and is subsequently written down to its recoverable value. In calculating the value in use, the Group discounts estimated future cash flows at the present value by using a pre-tax discount rate which reflects the market valuations on the time value of money and the specific risks of the asset. Impairment losses of operating assets are recognized in the income statement under ‘amortisation, depreciation, write-downs and write-backs of assets’.

At each reporting date, the Group also assesses whether there is any evidence that the impairment losses recorded previously no longer exist (or have fallen) and, if said evidence exists, estimates the recoverable value. The value of an asset previously written down can only be restored if there have been changes to the estimates used to calculate the recoverable value of the asset following the latest recognition of an impairment loss. In said case, the carrying amount of the asset is adjusted at the recoverable value, without, however, the increased value exceeding the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised in the preceding years. Any write-back is recognized as income in the income statement, in the same category in which the write-down was recorded, except where the asset is recognised in a revalued amount, in which case the write-back is treated as a revaluation. After a write-back has been recognised, the amortisation charge of the asset is adjusted in future periods, in order to break down the modified carrying amount, net of any residual values, on a straight line basis over the residual useful life.

Financial assets

IAS 39 makes provision for the following types of financial instruments:

- financial assets at fair value with changes through profit or loss, a category which includes the financial assets held for trading, i.e. all assets acquired for short-term sale;
- loans and receivables, defined as non-derivative financial assets with fixed or determinable payments that are not listed on an active market;
- investments held to maturity, i.e. financial assets that are not derivative instruments and that are characterised by fixed or determinable payments on maturity for which the owner has the intention and capacity to hold them in the portfolio until maturity.
- available-for-sale financial assets, i.e. financial assets, excluding derivative financial instruments, which have been designated as such or are not classified in one of the other three previous categories.

All financial assets are initially recognized at fair value, increased, in the event of assets other than those at fair value through profit or loss, by additional charges. Following the initial recognition, the Group determines the classification of its financial assets and, where appropriate and permitted, reviews said classification at the closing date of each financial year.

The financial assets held by the Group in the year just ended, equal to those held in the previous year, are exclusively attributable to the two categories of ‘loans and receivables’ and ‘available-for-sale financial assets’.

The accounting policies applied by the Group are the following:

Loans and receivables

Loans and receivables are recognized according to the amortised cost criterion using the effective discount rate method. Profits or losses are recognized through profit or loss when the loans and receivables are derecognized from the accounts or when impairment losses occur, as well as through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets, following initial recognition at cost, must be measured at fair value and profits or losses must be recognized in a separate equity item until the assets are derecognised from the accounts or until it has been verified that they have been impaired; profits or losses accumulated up until that moment in shareholders' equity are then charged to the income statement.

For the year ended, however, as in the previous year, the Group only classifies investments of lower than 20% in this category, which are valued at cost if the calculation of the fair value is not reliable. In particular, consortium companies and consortia, which are not listed on regulated markets and whose objective is to regulate relations as part of temporary business combines established for the operational purposes of management of some service contracts, are valued at cost, represented by the portion of subscribed share capital.

Inventories

Inventories are valued at the lower of cost and net presumed realisable value.

The costs incurred to deliver each asset to its current location and for warehousing are recognized as follows:

Raw materials (excluding fuel)	Purchase cost based on the weighted average cost method
Fuel inventories	Purchase cost based on the FIFO method

The net presumed realisable value of raw materials is represented by the replacement cost.

Trade receivables and other receivables

Trade receivables, which generally have contractual maturities of between 30-90 days, are recognized at nominal value, stated in the invoice net of the provisions for bad debts. This allocation is made in the presence of objective evidence that the Group will not be able to collect the receivable. Uncollectible receivables are written down when they are identified. Receivables and payables in a foreign currency other than the functional currency of the individual entities are adjusted at the year-end exchange rates.

Contracts for construction work and plant building

A job order is a contract specifically stipulated for the construction of an asset on the instructions of a customer, who defines its design and technical features on a preliminary basis.

Job order revenues include the considerations initially agreed with the customer, in addition to the changes to the job order and price variations set out in the contract which can be determined reliably.

When the result of the job order can be determined reliably, the job orders are valued on the basis of the percentage of completion method. The progress status is determined by making reference to the costs of the job order incurred up to the balance sheet date as a percentage of total estimated costs for each job order. The percentage of completion determined in this manner is then applied to the contract price in order to determine the value of work in progress, classified under “Trade receivables”. When the costs of the job order are likely to exceed total revenues, the expected loss is recognized immediately as a provision. Should the amount of the contract price already invoiced exceed the estimated value of work in progress, it must be recognised as a payable for the portion exceeding the value of the same and, as such, must be classified under "Advances from customers".

Cash and cash equivalents

Cash and cash equivalents and short-term deposits in the balance sheet include cash at hand and sight and short-term deposits, in the latter case with an original maturity of no more than three months.

Loans

All loans are initially recognized at the fair value of the consideration received net of additional charges involved in raising the loan. After initial recognition, loans are valued according to the amortised cost criterion using the effective interest rate method. All profits or losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised from the accounts when:

- the contractual rights over cash flows arising from financial assets have expired;
- the Group has transferred the financial asset (transferring the right to receive cash flows from the asset or retaining the right to receive these but assuming the contractual obligation to pay them in full and without delay to a third party) and has transferred substantially all risks and rewards of ownership of the financial asset.

If, as a result of the transfer, a financial asset is derecognised in full, but the result is that the Group obtains a new financial asset or assumes a new financial liability, the Group recognizes the new financial asset, financial liability or liability originating from service at fair value.

A financial liability is derecognised from the accounts when the obligation underlying the liability is discharged, cancelled or fulfilled. In cases where an existing financial liability is replaced by another of the same provider, under essentially different conditions, or the conditions of an existing liability are essentially modified, said exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and any differences in the carrying amounts are booked to the income statement.

Impairment of financial assets

At the reporting date, the Group assesses whether a financial asset or group of financial assets has incurred any impairment loss.

Assets valued according to the amortised cost criterion

If there is an objective evidence that a loan or receivable carried at amortised cost has suffered an impairment loss, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future credit losses still not incurred) discounted at the original effective interest rate of the financial asset (i.e. effective interest rate calculated at the initial recognition date). The carrying amount of the asset will be reduced both directly and through the use of a provision. The amount of the loss will be recognized through profit or loss.

The Group firstly assesses whether there is any objective evidence of an impairment loss at individual level, for financial assets that are significant on an individual basis, and therefore at individual or collective level for financial assets that are not significant on an individual basis. In the absence of any objective evidence of impairment of a financial asset that is valued individually, whether it is significant or not, said asset is included in a group of financial assets with similar credit risk characteristics and said group is subject to impairment test in a collective fashion. The assets valued at individual level and for which an impairment loss is recognized or continues to be recognized, will not be included in a collective valuation.

If, in a subsequent financial year, the size of the impairment loss falls and said reduction can be related objectively to an event which occurred after the recognition of the impairment loss, the previously reduced value can be written back. Any subsequent write-backs are recognized through profit or loss to the extent the carrying amount does not exceed the amortised cost at the write-back date.

Assets recognised at cost

If there is objective evidence of an impairment of an unlisted equity instrument which is not recognised at fair value since its fair value cannot be measured reliably, or of a derivative instrument which is linked to said equity instrument and has to be settled through the delivery of said instrument, the amount of the impairment loss is measured by the difference between the carrying amount of the asset and the present value of expected future cash flows and discounted at the current market rate of return for a similar financial asset.

Available-for-sale financial assets

In the case of an impairment of an available-for-sale financial asset, a transfer from shareholders' equity to the income statement is effected of a value equal to the difference between its cost (net of the repayment of capital and amortisation) and its present fair value, net of any impairment losses recognised previously in the income statement. Write-backs of equity instruments classified as available for sale are not recognised through profit or loss. Write-backs of debt instruments are recognised through profit or loss if the increase in the fair value of the instrument can be related objectively to an event which occurred after the loss was recognised in the income statement.

Provisions for risks and charges

Accruals to provisions for risks and charges are made when the Group has to fulfil a current obligation (legal or implicit) resulting from a past event, resources are likely to be sacrificed to meet said obligation and its amount can be estimated reliably.

When the Group believes that an accrual to the provision for risks and charges will be partially or fully reimbursed, e.g. in the event of risks covered by insurance policies, the compensation is recognized separately under assets if and only if it is virtually certain. In said case, a cost is stated through profit or loss which is the cost of the associated related accrual, net of the amount recognised for the compensation.

If the effect of discounting the value of money is significant, accruals are discounted using a pre-tax discount rate which reflects, where appropriate, the specific risks of the liabilities. When discounting is carried out, the increase in the provision due to the passing of time is recognized as a financial cost.

Provision for employee termination benefits

Liabilities in the form of employee termination benefits are only recognized when the Group is demonstrably committed to: (a) terminate the employment of an employee or group of employees before the normal retirement date; or (b) provide termination benefits as a result of an offer made in order to encourage voluntary resignation for redundancy purposes. The Group is demonstrably committed to terminate employment only when it has a detailed formal plan for the dismissal (termination of employment) and is without realistic possibility of withdrawal from the plan.

Employee benefits

Italian legislation (art. 2120 of the Civil Code) requires that, on the date of termination of their employment with the company, each employee receives compensation known as ESI (Employee Severance Indemnity). Calculation of this indemnity is based on certain items that form the annual employee remuneration for each year of employment (re-valued as necessary) and on the length of service. According to statutory Italian legislation, said indemnity is reported in the financial statements according to a calculation method based on the indemnity accrued by each employee at the balance sheet date, in the assumption that all employees terminate their employment at said date.

The IFRIC issued by the IASB tackled the issue of Italian ESI and concluded that, in application of IAS 19, it falls within the scope of “defined benefit” plans, as regards post-employment benefits and, as such, must be calculated using the Projected Unit Credit Method (PUCM), in which the amount of liabilities in the form of acquired benefits must reflect the expected date of termination and must be discounted.

Following the 2007 reform of national legislation which governs, for Companies with more than 50 employees, ESI accruing from 1 January 2007, it is established as a “defined contribution” plan, whose payments are accounted for directly in the income statement, as a cost, when recognised. ESI accrued up until 31.12.2006 remains a defined benefit plan, without future contributions.

The Group accounts for actuarial gains or losses arising from the application of the aforementioned method (PUCM) in an appropriate equity reserve according to the provisions of IAS 19 pars. 120 and 128.

The actuarial valuation of the liability was entrusted to an independent actuary.

The Group has no other significant defined benefit pension plans.

Leasing

The definition of a contractual agreement as a leasing transaction (or containing a leasing transaction) is based on the substance of the agreement and requires an assessment of whether fulfilment of the contractual obligations depends on the use of one or more specific assets and whether the agreement transfers the right to use said asset.

A review is carried out after the start of the contract only if one of the following conditions is met:

(a) there is a change in the contractual conditions, other than a contract renewal or extension;

(b) a renewal option is exercised or an extension granted, provided that the terms of the renewal or extension were not initially included in the terms of the leasing transaction;

(c) there is a change in conditions according to which fulfilment of the contract depends on a specific asset; or

(d) there is a substantial change in the asset.

Where a review is carried out, accounting of the leasing will start or end from the date on which the circumstances change which gave rise to the revision for cases a), c) or d) and on the renewal or extension date for scenario b). For contracts signed prior to 1 January 2005, the start date is considered 1 January 2005, in line with the transitional provisions of IFRIC 4.

Finance lease contracts, which substantially transfer all risks and rewards of ownership of the leased asset to the Group, are capitalised at the date of the start of the lease at the fair value of the leased asset or, if lower, at the present value of rental fees. Rental fees are split between the portions of principal and interest so as to obtain the application of a constant interest rate on the residual debt balance. Financial costs are charged directly to the income statement.

Capitalised leased assets are amortised over the estimated useful life of the asset and the lease term, whichever is the shorter, if there is no reasonable certainty that the Group will obtain ownership of the asset at the end of the contract.

Operating lease fees are recognized as costs in the income statement on a straight line basis over the contract term.

Revenue recognition

Revenues are recognized to the extent in which it is likely that economic benefits can be achieved by the Group and the associated amount can be determined reliably. The following specific revenue recognition criteria must be complied with before revenues are charged to the income statement:

Provision of services

The main types of service provided by the Group, separately or jointly as part of Integrated Services, are:

- operation and maintenance of properties and plants, often associated with the provision of heat (energy service);
- cleaning and environmental hygiene services;
- landscaping;
- project management services;
- linen rental and industrial laundering and sterilization services.

Revenues are recognised on the basis of the progress of the services underway at the balance sheet date, measured as a percentage with reference to the different variables depending on the services provided and the contracts stipulated with the customer (square metres, hours, costs incurred, hospital days).

The provisions of services, which are still not completed at the reporting date, constitute contract work in progress and are classified under trade receivables.

Revenues billed at the balance sheet date, which exceed the amount accrued on the basis of the progress status of the service, are suspended under advances from customers, and classified under trade payables.

The considerations, also as part of multi-service contracts, are, as a rule, defined separately by service type and the amount of revenues to be attributed to the individual services is quantified at fair value.

When the outcome of a services transaction cannot be measured reliably, revenues are only recognised to the extent it is believed that the costs incurred can be recovered.

Building activity

The Group recognizes the revenues arising from building contracts on the basis of the percentage of completion of the job order, measured as a percentage of the costs incurred with respect to the total estimated costs for completing the work. When the outcome of a job order cannot be measured reliably, revenues are only recognised to the extent it is believed that the costs incurred can be recovered.

Sale of assets

The revenue is recognised when the company has transferred all significant risks and rewards related to ownership of the asset to the purchaser.

Interest

Interest is recognized as financial income following the verification of interest income accrued (carried out using the effective interest rate method which is the rate that accurately discounts expected future cash flows based on the expected life of the financial instrument at the net carrying amount of the financial asset).

Dividends

Revenues are recognised when the right of shareholders to receive the payment arises.

Government grants

Government grants are recognized when it is reasonably certain they will be received and all inherent conditions are met. When grants are related to cost components, they are recognized as revenues, but are systematically split over the financial years so they are commensurate with the costs they intend to compensate. In the event the grant is related to an asset, the fair value is deducted from the carrying amount of the asset to which it is related and the release to the income statement occurs progressively over the expected useful life of the asset on a straight line basis, through the systematic reduction of the associated amortisation charges.

Income taxes

Current taxes

Current tax assets and liabilities for the year are valued by applying estimate criteria to determine the amount accrued in the period which is expected to be recovered or paid to the tax authorities. The rates and tax legislation used to calculate the amount are those issued at the balance sheet date.

Deferred taxes

Deferred taxes are calculated on the temporary differences arising at the balance sheet date between the tax values taken as a reference for assets and liabilities and the values stated in the financial statements.
Deferred tax liabilities are recognized against all temporary taxable differences, except:

- when deferred tax liabilities arise from the initial recognition of goodwill or of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, does not have any effect on the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated with equity investments in subsidiaries, associates and joint ventures, in the event in which the reversal of the temporary differences can be controlled and is not likely to occur in the foreseeable future.

Deferred tax assets are recognised against all deductible temporary differences and for tax assets and liabilities carried forward, to the extent it is possible that there will be adequate future tax profits that make the use of temporary deductible differences and tax assets and liabilities carried forward applicable, except in the case in which:

- deferred tax assets connected to deductible temporary differences arise from the initial recognition of an asset or liability in a transaction which is not a business combination and which, at the time of the transaction, does not have any effect on the profit for the year calculated for financial statement purposes or the profit or loss calculated for tax purposes;
- with reference to taxable temporary differences associated with equity investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent in which it is likely that the deductible temporary differences will be reversed in the immediate future and that sufficient tax profits will be generated against which the temporary differences can be used.

The value of deferred tax assets to be recognized in the financial statements is reviewed at each reporting date of the financial statements and reduced to the extent it is no longer likely that sufficient tax profits will be available in the future to permit all or part of said receivable to be used. Unrecognised deferred tax assets are reviewed annually at the reporting date of the financial statements and are recognized to the extent it has become likely that the tax profit is sufficient to allow said deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured on the basis of the tax rates that are expected to be applied in the year in which said assets are sold or said liabilities are extinguished, considering the rates in force and those already issued or substantially issued at the balance sheet date.

Income taxes relating to items recorded directly in equity are charged directly to equity and not to the income statement.

Deferred tax assets and liabilities are offset, if there is a legal right to offset the current tax assets with current tax liabilities and the deferred taxes refer to the same tax entity and the same tax authorities.

VAT

Revenues, costs and assets are recognized net of VAT, with the exception of the case in which said tax applied to the purchase of goods or services is non-deductible, in which case it is recognised as part of the purchase cost of the asset or part of the cost item recognized through profit or loss. Trade receivables and payables for which an invoice has already been issued or received are carried inclusive of tax.

The net amount of indirect taxes on sales and purchases that can be recovered from or paid to the tax authorities is included in the financial statements under other receivables or payables depending on whether the balance is receivable or payable.

Derivative financial instruments and cash flow hedges

At the moment of initial recognition, and then subsequently, derivative instruments are recognized at fair value, any changes in fair value are recognized through profit or loss, with the exception of derivatives designated as cash flow hedges pursuant to IAS 39, whose fair value changes are charged to equity.

In particular, the transaction is considered a hedge if documentation exists on the relationship between the hedging instrument and the liability hedged that shows risk management objectives, the hedging

strategy and methods used to verify the effectiveness of the hedge. A transaction is considered a hedge if the effectiveness is verified at the moment it starts and, going forward, confirmed during its entire life.
Within the scope of the International Accounting Standards (IFRS), these instruments are viewed as derivative financial instruments.
These derivative financial instruments are initially recognised at fair value at the date they are stipulated; subsequently, said fair value is re-measured periodically. They are accounted as assets when the fair value is positive and liabilities in the case of a negative fair value.
Any profits or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are charged directly to the income statement in the year.

Service concession arrangements

The Group is the holder of concession agreements in which certain companies manage activities in the public interest, provided that the grantor (i) controls/regulates, by determining the price, which public services must be offered by the concessionary companies through the infrastructures that the concessionary company obtains under management or constructs and (ii) maintains, through ownership or by other means, the authorisation granted and any other interest in the infrastructures upon expiry of the concession agreement.
The concessionary company shall not carry infrastructure under tangible assets as it does not hold "control", as set forth in IFRIC 12. The asset to be recognised is the right to use the infrastructure for providing the service, to be classified as a financial asset in the presence of an unconditional right to receive future compensation regardless of actual use of the infrastructure and as an intangible asset in the presence of a right to exploit the infrastructure itself in financial terms, charging users based on use of the service received. Provision is also made for a "mixed" accounting model if the concessionary company is the holder of both a financial asset and an intangible right, where it is necessary to separate the component of remuneration as provided for under the agreement relating to the financial asset, determining the amount of the intangible asset as a secondary activity (with respect to the value of the construction services provided).
The concessionary company also recognises revenues for the services it provides, in compliance with IAS 11 and IAS 18 and, therefore, the consideration envisaged in the agreement must be allocated with reference to the fair value of the associated services provided (construction, improvements and management respectively). Pursuant to IAS 23, financial costs attributable to the agreement must be recognised as costs in the year in which they are incurred, unless the concession holder has recognised an intangible asset, for which said costs are capitalised during the phase of drafting of the agreement. Otherwise, if the concession holder has recognized a financial asset, IAS 39 requires financial income calculated on the basis of the effective interest method to be recognised in the income statement.

Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to the Parent Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to the Parent Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year.

The Parent Company presents voluntary disclosures on earnings per share, with reference solely to consolidated data.

Operating segments

An operating segment is made up of a clearly identifiable group of assets and operations which provides a collection of related products and services, subject to risks and rewards other than those of other Group business sectors. For operational purposes, the Group is structured into business areas that coincide with the "strategic business units" in which the Group operates.

No operating segments were combined for the purpose of determining the operating segments subject to disclosure obligations.

The Group's Management look at the results achieved by the individual Strategic Business Units separately, for the purpose of making decisions regarding the allocation of resources and performance monitoring. The segment performance is assessed on the basis of the EBIT. The Group's financial management (including loan costs and revenues) and income taxes are managed at Group level and are not allocated to operating segments.

Methods of calculation of the costs allocated to the segments

The Group includes direct and indirect production costs relating to the business sector in the costs attributed to the segments. Starting from the consolidated financial statements for the year ended 31 December 2007, it was deemed appropriate to also allocate to the segments commercial costs and other general overheads on the basis of the appropriate conventional allocation drivers. By contrast, any income and costs generated by financial management and current and deferred taxes remain unallocated to the segments, while income from equity investments valued at equity is attributed to the segments.

Methods of calculation of the assets and liabilities allocated to the segments

The assets and liabilities have been attributed to the various segments in accordance with the method used for income statement items.

Changes in accounting estimates and errors

Some elements in the financial statements cannot be measured accurately and are therefore the objects of estimates which depend on future uncertain circumstances governing the conduct of the entity's business. Over time these estimates will be revised to take account of the data and information that subsequently become available. The effect of a change in accounting estimates in the financial year in which it has occurred must be recognised prospectively and included in the income statement of that period and in future periods if the change also affects these. Prospective recognition of the effects of the changed estimate means that the change is applied to transactions that take place from the time that the estimate is changed. Accounting estimates are reviewed or changed if new information comes to hand or if there are new developments in operations and. for these reasons, these do not constitute corrections of errors.

Prior period errors are omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or a misuse of, reliable information that was available when the financial statements for those periods were authorized for issue, and could reasonably have been expected to have been obtained and used in the preparation and presentation of these financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting standards, oversights or misinterpretation of facts and fraud. Financial statements do not comply with IFRSs if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's statement of financial position, financial performance or cash flows. Potential current period errors discovered in that period must be corrected before the financial statements are authorised for issue. Errors discovered in subsequent periods must be corrected in the comparative information presented in the financial statements for that subsequent period if they are material errors and the correction is deemed feasible, restating the opening balances of assets, liabilities and equity for that period.

Restatement is not applied and errors are recognised prospectively if the errors and omissions are considered immaterial. Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that the users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

3. BUSINESS COMBINATIONS

On 29 July 2015 Sicura S.p.A. acquired a fire fighting services business unit from Triveneta Servizi S.r.l., including its assets, equipment, trademarks and distinctive marks in addition to all the existing contractual relationships. The transfer of the business unit came into effect on 1 August. The transaction took place for a total consideration of € 568 thousand, partially paid up on the closing date (€ 408 thousand). The remainder (€ 160 thousand) will be paid by 28 February 2017. No future adjustments to the purchase price are expected.

Accounting effects of the acquisition

The acquisition constituted a business combination; therefore, the Group accounted for it according to IFRS 3.

	Recognised value	Book Value
Assets		
Property, plant and equipments	2	2
Other intangible assets	2	2
Total assets	**4**	**4**
Liabilities		
Employee termination indemnity	32	32
Total liabilities	**32**	**32**
Fair value of net assets	**(28)**	**(28)**
GOODWILL FROM THE BUSINESS COMBINATION	**596**	
Total cost of the business combination		
Consideration paid to the transferor	408	
Deferred consideration for the acquisition	160	
TOTAL COST OF THE BUSINESS COMBINATION	**568**	
Net Liquidity used in the acquisition		
Payments to the transferor	(408)	
NET LIQUIDITY USED IN THE ACQUISITION	**(408)**	

The fair value of assets and liabilities acquired through the business combination was negative for € 28 thousand, while the total cost of the business combination was equal to € 568 thousand. The net liquidity used in the combination was equal to € 408 thousand.

4. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment (owned and under a finance lease) in the year ended 31 December 2015.

	Property	Plant and equipment	Property under lease	Plant and equipment under lease	Total
At 1 January 2015, net of accumulated depreciation and impairment	**4,970**	**62,721**	**200**	**2,667**	**70,558**
Additions from business combinations		2			2
Additions from acquisitions		17,389			17,389
Impairment losses					0
Disposals	(32)	(761)			(793)
of which discontinued operations		*(15)*			*(15)*
Depreciation for the year	(137)	(21,981)	(22)	(626)	(22,766)
of which discontinued operations		*(5)*			*(5)*
Others		(14)		(2)	(16)
At 31 December 2015	**4,800**	**57,355**	**178**	**2,039**	**64,372**
At 1 January 2015					
Historical cost	6,981	304,936	375	4,953	**317,245**
Accumulated depreciation and impairment losses	(2,011)	(242,215)	(175)	(2,286)	**(246,687)**
NET BOOK VALUE	**4,970**	**62,721**	**200**	**2,667**	**70,558**
At 31 December 2015					
Historical cost	6,949	321,551	375	4,953	**333,827**
Accumulated depreciation and impairment losses	(2,148)	(264,196)	(197)	(2,914)	**(269,455)**
NET BOOK VALUE	**4,800**	**57,355**	**178**	**2,039**	**64,372**

The additions from acquisitions for the year mainly refers to the purchase of linen in the Laundering & Sterilization segment (€10,658 thousand) and to the purchases of plant, machinery and specific equipment (€ 3,602 thousand). In the period ended 31 December 2015, some plant and equipment were disposed of for a total amount of € 761 thousand, manly relating to disposals concerning linen (€ 395 thousands) and surgical instrument (€ 303 thousand).

Other changes mainly relate to reclassifications of lower amounts under classes and categories of assets, first of all after the repurchase of leased assets and equipment. These changes are not recognized in the financial year.

The table below shows the changes in property, plant and equipment (owned and under a finance lease) in the year ended 31 December 2014.

	Property	Plant and equipment	Property under lease	Plant and equipment under lease	Total
At 1 January 2014, net of accumulated depreciation and impairment	**5,243**	**72,077**	**222**	**3,376**	**80,918**
Additions from acquisitions	8	17,512			17,520
of which discontinued operations		*90*			*90*
Impairment losses	(23)				(23)
Disposals	(35)	(1,774)		(2)	(1,811)
of which discontinued operations		*(18)*			*(18)*
Depreciation for the year	(162)	(24,387)	(22)	(685)	(25,256)
of which discontinued operations	*(2)*	*(102)*			*(104)*
Others	(61)	(707)		(22)	(790)
At 31 December 2014	**4,970**	**62,721**	**200**	**2,667**	**70,558**
At 1 January 2014 restated					
Cost	7,296	294,984	375	6,215	308,870
Accumulated depreciation and impairment losses	(2,053)	(222,907)	(153)	(2,839)	(227,952)
NET BOOK VALUE	**5,243**	**72,077**	**222**	**3,376**	**80,918**
At 31 December 2014					
Cost	6,981	304,936	375	4,953	317,245
Accumulated depreciation and impairment losses	(2,011)	(242,215)	(175)	(2,286)	(246,687)
NET BOOK VALUE	**4,970**	**62,721**	**200**	**2,667**	**70,558**

5. INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the year ended 31 December 2015.

	Other intangible assets	Goodwill	Total
At 1 January 2015, net of accumulated amortization and impairment	**24,782**	**369,860**	**394,642**
Additions from business combinations	2	596	598
Additions from acquisitions	6,614		6,614
Disposals	(112)		(112)
Amortization	(5,276)		(5,276)
of which discontinued operations	*(10)*		*(10)*
Impairment losses	(4)		(4)
of which discontinued operations	*(4)*		*(4)*
Others			
At 31 December 2015	**26,005**	**370,456**	**396,461**
At 1 January 2015			
Cost	89,572	372,253	**461,825**
Accumulated amortization and impairment losses	(64,790)	(2,393)	**(67,183)**
NET BOOK VALUE	**24,782**	**369,860**	**394,642**
At 31 December 2015			
Cost	96,076	372,849	**468,925**
Accumulated amortization and impairment losses	(70,071)	(2,393)	**(72,464)**
NET BOOK VALUE	**26,005**	**370,456**	**396,461**

Goodwill is tested annually for impairment; for more details please refer to note 6 below. The increase recorded in the year was mainly attributable to the Sicura S.r.l.'s acquisition of a business unit from Triveneta Servizi S.r.l..

Other intangible assets, amounting to € 26, 005 thousand at 31 December 2015, 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 for the year (€ 6,614 thousand) were attributable almost entirely to the investments in software used in the corporate IT systems within the Facility Management SBU (€ 6,408 thousand).

The amortisation charges of intangible assets amounted to € 5,276 thousand in the year ended 31 December 2015.

The table below shows the changes in intangible assets in the year ended 31 December 2014.

	Other intangible assets	Goodwill	Total
At 1 January 2014 restated, net of accumulated amortization and impairment	**29,062**	**415,094**	**444,156**
Additions from acquisitions	9,276		9,276
of which discontinued operations	*172*		*172*
Disposals	(9)		(9)
Amortization	(8,285)		(8,285)
of which discontinued operations	*(1,289)*		*(1,289)*
Impairment losses	(4,418)		(4,418)
Others	(844)	(45,234)	(46,078)
At 31 December 2014	**24,782**	**369,860**	**394,642**
At 1 January 2014 restated			
Cost	85,558	417,487	503,045
Accumulated amortization and impairment losses	(56,496)	(2,393)	(58,889)
NET BOOK VALUE	**29,062**	**415,094**	**444,156**
At 31 December 2014			
Cost	89,572	372,253	461,825
Accumulated amortization and impairment losses	(64,790)	(2,393)	(67,183)
NET BOOK VALUE	**24,782**	**369,860**	**394,642**

6. IMPAIRMENT TEST OF GOODWILL

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

SBU – Facility Management

The SBU is identified with:

- Manutencoop Facility Management S.p.A.
- H2H Facility Solutions S.p.A.
- SMAIL S.p.A. and the Group controlled by Sicura S.p.A., operating in the facility management segment as suppliers 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.

At 31 December 2014, the SMAIL S.p.A. business unit used in the public lighting equipment maintenance business was classified as an asset held for sale pursuant to IFRS5, and then transferred to third parties during 2015. With effect from 1 January 2016, SMAIL S.p.A. was merged into MFM S.p.A..

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

The SBU is identified with:

- MACO S.p.A., to which the business unit relating to Group ‘‘building’’ activities was conferred in 2009; this company has also been the object of assessments by the Management as to the exit from the market of this business, since Management does not consider it to be strategic any longer.
- Other minor investee companies operating in the same segment.

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

The table below sets forth the carrying amounts of the goodwill recognized in the Consolidated Financial Statements at 31 December 2015, relating to the different CGUs, compared with the figures for the year ended 31 December 2014.

	31 December 2015	31 December 2014
Goodwill allocated to Facility Management CGU	358,693	358,097
Goodwill allocated to Laundering/Sterilization CGU	11,763	11,763
CONSOLIDATED GOODWILL	**370,456**	**369,860**

Facility Management CGU goodwill

The goodwill allocated to the Facility Management CGU, which amounted to € 358,693 thousand at 31 December 2015, was recognized as a result of various business combinations from 2004 to date, the most important of which are listed below:

- Operation ‘Palladio’, which took place on 29 December 2003, involved the Group acquiring control of the business unit relating to facility management technical services previously managed by the parent company Manutencoop Società Cooperativa.
- Acquisition of MCB S.p.A., a company through which the Group established the first facility management unit for “network” customers (banks, insurance companies, etc.). In 2010, MCB S.p.A. was merged by incorporation into MP Facility S.p.A. (now H2H Facility Solutions S.p.A.)

- Acquisition of Teckal S.p.A., which was merged by incorporation into Manutencoop Facility Management S.p.A. in 2010, through which the Group strengthened the production structure of traditional facility management, in particular in the heat management service.
- Acquisition of Altair IFM S.p.A. (the most significant transaction to date), which enabled the Group to gear the customer portfolio towards large private customers. In 2010 the larger companies in the Altair sub-group were merged by incorporation into Manutencoop Facility Management S.p.A.
- Acquisition of Gruppo Sicura S.r.l. (now Sicura S.p.A.), which paved the way for an expansion in the range of specialist facility management services in the fire prevention and accident prevention market.

In 2015 the value of goodwill pertaining to the Facility Management CGU increased by € 596 thousand following the subsidiary Sicura S.p.A.'s acquisition of the Triveneta Servizi S.r.l. business unit, as described in note 3.

Laundering & Sterilization CGU goodwill

The goodwill allocated to the Laundering & Sterilization CGU emerged as a result of the following acquisition:

- Acquisition during the 2003 financial period of a business unit dealing with the linen rental and industrial laundering and sterilization activities for public and private healthcare of LIS S.p.A., with contracts mainly located in the Marche Region.
- Acquisition during the 2006 financial period of a business unit dealing with the linen rental and industrial laundering and sterilization activities for public healthcare of Lidi Service S.p.A., the activity of which was carried out in Porto Garibaldi (province of Ferrara) plant.
- Acquisition of Omasa S.p.A. in 2007, a company operating in the market for the sterilization of surgical instruments and linen, as well as following further minor acquisitions, all made by Servizi Ospedalieri S.p.A., a company operating in the linen rental and industrial laundering and sterilisation market. Omasa S.p.A. was then merged by incorporation into Servizi Ospedalieri S.p.A. on 1 July 2009.

At 31 December 2015 total goodwill attributable to the Laundering & Sterilization CGU, unchanged with respect to the previous year, amounted to € 11,763 thousand.

Impairment Test

Pursuant to IAS 36, goodwill is not amortised, but is tested for any possible impairment on an annual basis, or more frequently, should specific events or circumstances arise which provide evidence of an impairment loss. The impairment test, prepared by the Management and presented to the Management Board at the time of the approval of the draft financial statements, was carried out through the comparison between the net book value and the recoverable value of the individual CGUs/SBUs.

The cash flows of the individual CGUs used for the impairment test were taken from their respective 2016 Budgets (approved by the Management Board on 16 December 2015) and the Management's forecasts for the period from 2016 to 2019, which project the assumptions in the 2016 budget using growth rates which are more conservative than those in the previously approved 2015-2019 Long-term Plan owing to the purpose of the test and the requirements of the applicable standards.

The estimated value in use of the Facility Management SBU and of the Laundering & Sterilization SBU was based on the following assumptions:

- The expected future cash flows based on cash flow projections were obtained through:
  - determination of the value of the forecast gross margins according to the projection of the backlog of existing service contracts, augmented by the assumption of new portfolio acquisitions.
  - estimates of changes in Net Working Capital on the basis of the target days of stock rotation, the payment of amounts due and collection of receivables.
- A terminal value used to estimate future results beyond the time horizon expressly considered. The terminal value was determined by applying a NOPLAT equal to 2019 EBIT adjusted by the average expected depreciation and amortisation and investments, net of a nominal tax rate. As regards long-term growth rates, an assumption of 1% was considered both for the Facility Management SBU and for the Laundering & Sterilization SBU.
- The expected future cash flows were discounted back at a discount rate (WACC) of 7.35% for the Facility Management SBU (2014: 7.35%) and at a discount rate (WACC) of 7.68% (2014: 6.61%) for the Laundering & Sterilization SBU. The WACC was determined by using the Capital Asset Pricing Model ("CAPM"), by which the risk-free rate was calculated with reference to the curve of the rates of return of Italian long-term government bonds, while the non-diversifiable systematic risk ratio (*βeta*) and the debt/equity ratio were extrapolated from the analysis of a group of comparable companies operating in the European facility management and laundering sector. In addition, in order to reflect the uncertainty of the current economy and the future market conditions, the cost of the equity component of the WACC rate was increased with a risk premium of 100 basis points for the Facility Management SBU and 150 basis points for Laundering & Sterilization SBU in each period of time.

For all CGUs/SBUs analysed, the analysis confirmed that the recoverable value of the same exceeds the associated carrying amount, therefore not requiring any write-downs. On a prudential basis, a "Worst Case" was outlined with reference to the WACC and to the growth rates applied. However, in simulating nil growth rates (equal to 0%), also in combination with WACCs exceeding those applied by a percentage point (and, then, equal to 8.35% for Facility Management and to 8.68% for Laundering & Sterilization, respectively), there would be no need to make write-downs in both CGUs/SBUs, as the recoverable value would exceed the related book value.

7. INVESTMENTS IN COMPANIES VALUED AT EQUITY

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 31 December 2015 the net-book value of investments valued at Equity amounted to € 28,419 thousand, compared to a figure of € 29,330 thousand in the previous year.

	Net Assets 31 December 2015	Net Assets 31 December 2014
Investments valued at Equity	28,484	29,390
Provision for risks on investments	(65)	(60)
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	**28,419**	**29,330**

The breakdown of changes during the year is shown in Annex II attached to the Consolidated Financial Statements.

In 2015 investments accounted for under the equity method overall recorded a positive result equal to €90 thousand, for the share attributable to the Group, as a result of the recognition of income from equity investments of € 1,861 thousand and write-downs of € 1,771 thousand. Furthermore, positive effects were recognized directly in the consolidated equity to an overall amount of € 119 thousand.

Below are the main financial statements data relating to the most important companies, as well as to the project financing companies owned by the Group. The data relate to the information contained in the most recent approved separate financial statements.

	Ownership %	Total Assets	Liabilities	Shareholders' equity	Net financial position	Revenues	Profit (loss) for the year
Palazzo della Fonte S.c.p.a.	33%	89,757	(51,030)	(38,727)	(46,389)	15,919	0
Roma Multiservizi S.p.A.	45%	57,380	(40,566)	(16,814)	(15,334)	79,397	630
Project financing companies	<50%	250,351	(223,691)	(26,661)	(71,236)	120,005	2,320

Project financing companies (Newcoduc S.p.A., Progetto ISOM S.p.A., Se.sa.mo. S.p.A., Synchron Nuovo San Gerardo S.p.A.) are vehicles participated in by the Group in order to do work in the field of long-term project financing concessions.

8. OTHER ITEMS OF NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets at 31 December 2015 and at 31 December 2014:

	31 December 2015	31 December 2014
Other investments	3,502	3,341
Non-current financial assets	15,657	18,449
Other non-current assets	2,180	1,787
OTHER NON-CURRENT ASSETS	**21,339**	**23,577**

The financial assets accounted for as *Other investments* relate to investments in companies in which the Group has no significant or controlling interests and that have been acquired for strategic/production purposes. There are also investments in National Cooperative Consortia, as well as investments in production sites, or in other minor activities such as industrial laundering services, performed by minor companies that may also act as sub-contractors.
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 € 15,657 thousand at 31 December 2015 (€18,449 thousand at 31 December 2014), are composed of:

› € 6,413 thousand of non-current financial receivables due from associates, affiliates and joint ventures (€ 7,541 thousand at 31 December 2014). The face value of these receivables is € 6,521 thousand, while the discounting fund amounts to € 109 thousand. Some of these are non-interest bearing since they were drawn down proportionally from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying Eurirs as the reference interest rate, plus a spread The decrease recognised in the year was mainly linked to the divestment of the shareholders' loan which MFM S.p.A. had granted to Progetto Nuovo Sant'Anna S.r.l. after the sale of its shares during the period (€ 4,218 thousand), as against new loans to project financing companies (Progetto ISOM S.p.A. for € 1,596 thousand, Synchron Nuovo San Gerardo S.p.A. for € 2,064 thousand).

› € 9,082 thousand of non-current financial receivables from third parties (€ 10,745 thousand at 31 December 2014), the main balance of which is made up of the receivable for amounts in escrow relating to the transfer of MIA S.p.A. that took place in December 2014. The variation from last year mainly arises from the classification of a part of these receipts (nominal amount of € 5 million) among short-term financial assets in conformity to some provisions of the sale agreement, in addition to the increase in the loan to Arena Sanità for € 1,942 thousand.

› € 162 thousand of securities held to maturity (this value remained unchanged compared to 31 December 2014).

Other non-current assets, amounting to € 2,180 thousand at 31 December 2015 (€1,787 thousand at 31 December 2014) mainly consist of security deposits related to long-term manufacturing contracts (€ 1,031 thousand) and long-term prepaid expenses relating to certain job orders (€ 869 thousand).

9. INVENTORIES

The Group recognized inventories of € 4,763 thousand at 31 December 2015, marking a decrease of € 352 thousand compared to the previous year.

	31 December 2015	31 December 2014
Inventories of raw materials, consumables and goods for resale	4,877	5,257
Provision for write-down of raw materials, finished products and goods for resale	(114)	(142)
INVENTORIES	**4,763**	**5,115**

The final inventory of raw materials is composed of materials present in the warehouses, while waiting to be used at work sites, valued at the average weighted purchase cost, goods for resale (mostly safety and fire prevention devices) stored in the warehouses of the Sicura Group and stocks of fuel in tanks belonging to integrated service customers.

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

The following table includes the breakdown of *Trade receivables and advances to suppliers* and *Other current operating receivables* at 31 December 2015 and 31 December 2014:

	31 December 2015	of which from related parties	31 December 2014	of which from related parties
Inventories of contract work in progress	19,062		21,242	4
Trade receivables, gross	489,519		552,564	
Allowance for doubtful accounts	(29,500)		(37,507)	
Provision for discounting of trade receivables	0		(57)	
Trade receivables from third parties	**479,081**		**536,242**	**4**
Trade receivables from Parent Companies	74	74	113	113
Trade receivables from Group companies	29,242	29,242	34,801	34,801
Trade receivables from Affiliates and Joint Ventures	7,992	7,992	7,706	7,706
Trade receivables from Manutencoop Group	**37,308**	**37,308**	**42,620**	**42,620**
Advances to suppliers	2,805	2	1,767	
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**519,194**	**37,310**	**580,629**	**42,624**
Other tax receivables due within 12 months	13,701		10,999	
Other current receivables from third parties	12,315		13,776	
Short-term receivables from social security institutions	2,898		4,057	
Short-term receivables from employees	472		485	
Other current assets from third parties	**29,386**		**29,317**	**0**
Current assets from Manutencoop Società Cooperativa	5	5	9	9
Current assets from associates	649	649	78	78
Other current assets from Manutencoop Group	**654**	**654**	**87**	**87**
Accrued income	0		1	0
Prepaid expenses	1,098		1,227	0
Accrued income and prepaid expenses	**1,098**		**1,228**	**0**
OTHER CURRENT ASSETS	**31,138**	**654**	**30,632**	**87**

The balance of *trade receivables and advances to suppliers*, which also includes inventories of contract work in progress, amounted to € 519,194thousand at 31 December 2015, showing a decrease of € 61,435 thousand compared to the amount at 31 December 2014. The changes reported in the period mainly concerned a decrease in trade receivables from third parties, which amounted to € 479,081 thousand at 31 December 2015 (31 December 2014: € 536,242 thousand). Trade receivables from the Group amounted to € 37,308 thousand (€ 42,620 thousand as at 31 December 2014).

Since many of the Group's customers are Public Authorities, who are notorious for long payment delays, it was necessary to discount trade receivables in the past. Changes in the provision for discounting of trade receivables in 2015 are shown below:

	31 December 2014	Increases	Uses	Other changes	31 December 2015
Provision for discounting of trade receivables	57		(57)		0
of which discontinued operations			*(57)*		

The provision has been set to zero, since collections are now in line with market practice after the substantial improvement in average sale days outstanding and the discounting impact is no longer judged to be significant.

A specific provision for bad debts was recognized in connection with non-performing receivables, which are difficult to fully recover, amounting to € 29,500 thousand at 31 December 2015 (at 31 December 2014: € 37,507 thousand). Below are the reported the changes in the year:

	31 December 2014	Increases	Uses	Releases	Other changes	31 December 2015
Provision for bad debts	37,507	4,485	(12,241)	(113)	(138)	29,500
of which discontinued operations		*440*	*(97)*	*(32)*	*(2)*	

The other changes relate to amounts previously classified as *provisions for future charges* that for the purpose of clarification have been reclassified and directly deducted from the asset items to which they referred. The same section also reports an increase in the consolidated provision for write-down of default interest.

€ 9,395 thousand of the amount used during the period was employed in a non-performing trade receivables assignment without recourse transaction carried out during the last quarter. These accounts had already been written down to their assumed realisable value in the accounts for 31 December 2014 and they were therefore written off on the date on which they were assigned.

An analysis of trade receivables at 31 December 2015 and as at the end of the previous year is provided below, broken down by maturity.

	Total	Trade receivables reaching maturity	Overdue trade receivables				
			< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	after 120 days
31 December 2015	460,019	311,022	28,310	17,703	9,492	9,688	83,805
31 December 2014	515,057	338,880	35,276	22,162	8,698	10,380	99,661

The balances shown are net of the provision for bad debts but include the effect of discounting.

Other current assets, equal to € 31,138 thousand (€ 30,632 thousand at 31 December 2014) increased by an overall amount of € 506 thousand in the year.

This item includes the receivables arising from the periodic VAT settlements of some Group companies (€ 10,648 thousand compared to € 7,982 thousand at 31 December 2014). The same item had also been recognizing, since 2012, receivables of € 2,587 thousand from the Tax Authorities on account of refund following the petition submitted for the deduction of IRAP (Local Production Activities) tax from the IRES (Corporate Income) tax base by companies not adhering to the National Tax Consolidation agreement with Manutencoop Società Cooperativa.

Finally, the item also recognizes € 2,176 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 entered into with the aforementioned authority. At present some restrictions have been placed on said accounts as a result of the dispute that has arisen with INPDAP. Therefore, for the purposes of an accurate presentation, it was deemed appropriate to classify said item under *Other current receivables*.

11. CASH AND CASH EQUIVALENTS, RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS

A breakdown of the balance as at 31 December 2015 and 31 December 2014 is shown below:

	31 December 2015	31 December 2014
Bank and postal deposits	85,975	108,529
Cash in hand	34	36
Current financial accounts - consortia	28,382	4,817
CASH AND CASH EQUIVALENTS	**114,391**	**113,382**
Current financial receivables from third parties	3,822	2,005
Current financial receivables from Group companies	1,433	1,494
Other receivables for dividends	2	2
RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS	**5,257**	**3,501**

Bank deposits accrue interest at the respective short-term interest rates.

Amounts deposited at Consorzio Cooperativo Finanziario per Lo Sviluppo (C.C.F.S.) and Consorzio Cooperative Costruzioni (C.C.C.) also have the nature of available current accounts on demand and accrue interest.

At 31 December 2015 *Current financial assets* amounted to € 5,257 thousand (at 31 December 2014: € 3,501 thousand). At 31 December 2015 the following items had been mainly recognised:

- receivables for amounts yet to be collected on disposals of equity investments in previous years for € 3,738 thousand, in conformity to provisions in the agreement;
- an overall amount of € 1,433 thousand of receivables from short-term loans and financial accounts held with non-consolidated Group companies.

12. NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

On 13 November 2015 SMAIL S.p.A. transferred to third parties the public lighting business unit, which had already been classified under assets held for sale at 31 December 2014.
Furthermore, on 30 December 2014 MFM S.p.A. transferred the total stake in MIA S.p.A., the sub-holding company of the group active in the maintenance and installation of lifting equipment (MIA Group).
In the Consolidated Financial Statements at 31 December 2015, as well as in the Consolidated Financial Statements at 31 December 2014, 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 as "Profit (loss) from discontinued operations", in accordance with IFRS5.

Non-current assets held for sale

At 31 December 2014 *Non-current assets held for sale* was set to zero during 2015 (at 31 December 2014: € 5,003 thousand).

	31 December 2015	31 December 2014
Assets related to the transferred SMAIL S.p.A.	0	5,003
NON-CURRENT ASSETS HELD FOR SALE	**0**	**5,003**

At 31 December 2014 non-current assets held for sale fully related to the assets involved in the SMAIL S.p.A..

Income from discontinued operations

Below is the breakdown of income from discontinued operations:

	31 December 2015	31 December 2014
Revenue	3,050	31,655
Operating costs	(5,641)	(28,250)
GROSS MARGIN	**(2,591)**	**3,405**
Amortization, depreciation, write-downs and write- backs	(19)	(2,011)
Accrual (reversal) of provisions for risks and charges		(58)
Net financial charges	201	34
Capital gain (Capital losses) from discontinued operations	(1,303)	13,351
Write-down recognized on the restatement at fair value		(2,751)
PROFIT (LOSS) BEFORE TAXES FROM DISCONTINUED OPERATIONS	**(3,713)**	**11,970**
Income taxes from discontinued operations:		
- related to profit (loss) for the year	17	(183)
- related to the capital gain (capital losses) from discontinued operations	809	(106)
- related to fair-value measurement		368
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	**(2,887)**	**12,049**
Basic earnings per share from discontinued operations	(0.0264)	0.1104
Diluted earnings per share from discontinued operations	(0.0264)	0.1104

The result of discontinued operations for the period ended 31 December 2015 was a loss of € 2,887 thousand, which was determined by:

- The net profit for the year relating to the business perimeter transferred by SMAIL S.p.A., totalling € 1,600 thousand, including the related tax effect;
- Charges accrued in 2016 in relation to disposals of equity investments in previous years (€ 1,286 thousand, including the related tax effect).

At 31 December 2014, Profit (loss) from discontinued operations showed a profit of € 12.049 thousand, which included net capital gain from the transfer of the quota held in MIA S.p.A. equal to € 13,351 thousand.

Net cash flows generated from/(used in) discontinued operations

In 2015 and 2014, non-current assets classified as held for sale generated the following cash outflows:

	31 December 2015	31 December 2014
Profit/(loss) for the year from discontinued operations	**(662)**	**1,450**
Amortization, depreciation, write-downs and (write-backs) of assets	19	2,010
Accrual (reversal) of provisions		58
Employee termination indemnity provision	4	339
Payments of employee termination indemnity	(57)	(1,937)
Utilization of provisions	(25)	(102)
Financial expenses (income) for the year	(201)	(34)
CASH FLOW RELATED TO THE PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**(922)**	**1,784**
Net transfer price of Unilift S.r.l. property		74
Repayment of MFM S.p.A. loan to Energyproject S.r.l.	50	3,905
Net transfer price relating to the transfer of SMAIL	4,900	0
Net cash flow from MIA S.p.A.'s transfer	(18)	54,863
CASH FLOW FROM INVESTMENTS	**4,932**	**58,842**

The cash flows relating to the business of SMAIL S.p.A., which was disposed of on 13 November 2015, include an amount of € 4,900 thousand corresponding to the net price of the disposal itself, which was collected in full at the time of the closing.

The agreement for the transfer of the quota of the total quota 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), took place on 30 December 2014, 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 former Parent Company MFM S.p.A.. On the closing date the buyer followed up the payment, totalling € 60,405 thousand, in connection with the repayment of the intragroup loan and a portion of the preliminary consideration relating to the transfer of the equity, while 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. As of 31 December 2015 a € 5 million portion of this escrow was reclassified as a short-term financial asset since it is expected to be released in the first part of 2016 after it has been verified whether some contractual requirements have been met, which could reduce the amount to be paid by the buyer.

Furthermore, 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. Therefore, the financial items were settled in 2015 for € 18 thousand.

Finally, the agreement for the transfer of the quota held in Energyproject S.r.l. provided for the procedures to repay the loan granted by MFM S.p.A. to the same company, equal to € 4,155 thousand as at the date of execution of the agreement. A portion of the same was collected in 2014 (€3,905 thousand) and € 50 thousand in 2015.

13. SHARE CAPITAL AND RESERVES

	31 December 2015	31 December 2014
Share Capital - Ordinary shares	109,150	109,150

Ordinary shares have a nominal value of Euro 1 each. Ordinary shares issued and fully paid up at 31 December 2015 amounted to 109,149,600.

The Parent Company does not hold own shares.

Reserves and Retained Earnings

The table below shows changes in equity reserves in the year:

	Share premium reserve	Legal reserve	SE reserves companies valued at equity	Cash flow hedge reserve	SORIE reserve	Other reserves	Total reserves
1 January 2014 Restated	**145,018**	**17,469**	**240**	**0**	**(4,445)**	**9,515**	**167,797**
Allocation of profits of previous years		267				4,532	**4,800**
Economic effects on equity			(1,095)		(1,336)		**(2,431)**
31 December 2014	**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 equity			130		643		**773**
31 December 2015	**145,018**	**18,382**	**3,079**	**0**	**(4,465)**	**26,334**	**188,349**

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

- The reserve originating from the recognition of joint operations, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between jointly-controlled entities, for a negative amount of € 45,400 thousand at 31 December 2015.
- The Parent Company's extraordinary reserve (€ 73,229 thousand).

The table below shows changes in *Retained earnings*:

	Accumulated profits (losses) of the Parent Company	Consolidation reserve	Total retained earnings
1 January 2014 Restated	**3,809**	**29,797**	**33,606**
Allocation of profits of previous years		8,947	8,947
31 December 2014	**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**

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

	31 December 2015	31 December 2014
Equity attributable to minority interests	**380**	**682**
of which attributable to:		
Subsidiaries of Sicura S.p.A.	306	608
Other minor consortia	74	74

	31 December 2015	31 December 2014
Profit (loss) attributable to minority interests	**43**	**273**
of which attributable to:		
Subsidiaries of Sicura S.p.A.	43	100
Subsidiaries of MIA S.p.A.		173

MFM S.p.A. holds a stake of 80% in the share capital of Sicura S.p.A.. However, no equity attributable to minority interests has been recognized as the Parent Company holds a Call option on the minority interest, linked to a put option in favour of the minority shareholder which is recognised as a financial liability.

Therefore, the equity attributable to minority interests relates to the minorities present in some indirect subsidiaries relating to the same sub-group.

14. EMPLOYEE TERMINATION INDEMNITY (TFR)

Below are the changes in the liabilities relating to Employee Termination Indemnity (TFR) in 2015 are shown below, compared with changes in the previous year.

	For the year ended			
	31 December 2015	of which discontinued operations	31 December 2014	of which discontinued operations
At 1 January	**21,207**		**27,599**	
Increases from business combinations	32			
Current service cost	454		660	*237*
Interest costs on benefit obligations	380		877	*22*
Curtailment	0		(78)	
Benefits paid	(2,461)	*(57)*	(7,514)	*(226)*
Transfers of businesses/branches	(49)		(1,711)	*(1,711)*
Net actuarial (gains)/ losses from benefit obligations	(831)		1,843	
Other changes	(308)		(469)	
AT 31 DECEMBER	**18,424**		**21,207**	

Increases for business combinations related to the acquisition of the business unit of Triveneta Servizi S.r.l. (€ 32 thousand). Decreases from transfers of businesses/branches (€ 49 thousand) relate to the sale to third parties of the subsidiary Firing S.r.l..

The financial year also saw the recognition of actuarial gains of € 831 thousand (actuarial losses of € 1,843 thousand at 31 December 2014), mainly as a result of a positive change in the discount rate compared to the previous year.

Below is the breakdown of the net cost of the benefit relating to ESI:

	For the year ended			
	31 December 2015	of which discontinued operations	31 December 2014	of which discontinued operations
Curtailment	0		(78)	
Current service cost	454		660	*237*
Interest costs on benefit obligations	380		877	*22*
Net cost of the benefits recognized through profit or loss	**834**		**1,459**	
Net actuarial (gains)/ losses recognized in equity	*(831)*		*1,843*	
TOTAL NET BENEFIT COSTS	**(4)**		**3,302**	

The curtailments reported during the 2014 financial year concerned MFM S.p.A., for which a corporate restructuring plan has been embarked on which has changed the actuarial assumptions regarding its liabilities.

The main financial and demographic assumptions used in the actuarial valuation of the obligation relating to TFR are illustrated below:

	31 December 2015	31 December 2014
Discount rate	2%	1.6%
Inflation rate	1.5%	1.5%
Estimated turnover	From 1.5% to 11.50%	From 1.5% to 11.50%

The discount rates used to assess the TFR obligation are defined on the basis of curves of rates of return of high-quality fixed-interest securities, the amounts and maturity dates of which correspond to the amounts and maturity dates of the payments of expected future benefits. In 2015 the discount rate was equal to 2% (2014: 1.60%).

The estimated turnover rate is presented in a range as the actuary appointed by the Group Companies for the actuarial estimate of the liability used different turnover rates for the individual companies.

The effects on the TFR obligation from the increasing or decreasing measurement of the financial rates in relation to reasonably possible changes in interests rates and in the assumptions of average duration of the working population, while maintaining all the other variables unchanged, are illustrated below:

	Discount rate	Actuarial assumptions	Employee termination indemnity
Financial year ended 31 December 2015	+ 0.25 bps	+ 0.09 pps	17.939
	- 0.25 bps	- 0.09 pps	18.930
Financial year ended 31 December 2014	+ 0.25 bps	+ 0.09 pps	21.794
	- 0.25 bps	- 0.09 pps	20.644

Finally, 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 Financial year ended	
	31 December 2015	31 December 2014
Executives	57	61
Office workers	1,358	1,582
Manual workers	14,764	14,625
AVERAGE STAFF	**16,179**	**16,268**

In 2015, the average number of leased personnel employed, including those shown in the table, stood at 526 (2014: 582).

15. PROVISIONS FOR RISKS AND CHARGES

The breakdown and changes in the provisions for risks and charges in 2015 are shown below:

	Risks on investments	Risks on job orders	Pending legal disputes	Tax litigation	Agents' indemnity leave	Termination employee benefits	Bonuses	Other provisions	Total
At 1 January 2015	**60**	**6,264**	**10,268**	**685**	**177**	**11,726**	**2,544**	**1,208**	**32,932**
Accruals	8	2,715	50,912			1,603	334	47	**55,618**
Uses	(3)	(897)	(1,816)	(162)	(3)	(6,788)	(1,446)	(130)	**(11,244)**
Reversal		(47)	(1,647)	(45)		(2,152)	(106)	(61)	***(4,057)***
Others		*122*			*17*	*(135)*			*4*
At 31 December 2015	**65**	**8,157**	**57,717**	**478**	**192**	**4,254**	**1,326**	**1,064**	**73,253**
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***
At 31 December 2014:									
Current	*60*	*5,873*	*661*	*685*		*11,726*	*1,503*	*51*	***20,559***
Non-current		*391*	*9,607*		*177*		*1,041*	*1,157*	***12,373***

Provision for risks on investments

The item, amounting to € 65 thousand at 31 December 2015, includes the provision for unrecoverable future losses of Group companies and fully 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 at year-end amounted to € 8,157 thousand, against accruals of € 2,715 thousand, in addition to uses, releases and other changes that led to an overall decrease of € 821 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. In the year ended 31 December 2015 the provision recorded total increases for accruals of € 50,912 thousand and decreases for uses, releases and other changes of € 3,463 thousand.

Accruals were mainly recognized to cover risks of MFM S.p.A. for € 50,215 thousand and Servizi Ospedalieri S.p.A. for € 483 thousand. Uses and releases in the year, totalling € 3,463 thousand, refer to the provisions recognized 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., which rejects the arguments on which the charge was based and will lodge an appeal against the Authority's order with the Lazio Regional Administrative Court (*Tribunale Amministrativo Regionale*, TAR), at the same time submitting an interim application to stay the payment of the fine.

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 of € 3,378 thousand 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 € 1,536 thousand, as this was an investment consolidated according to the Equity method.

The Group, as described in note 34 (*Management of Financial Risk*), has in any case revised its financial planning in order to create the conditions to deal with this extraordinary outflow of cash. The abovementioned provision is a non-recurring provision, as it was set aside as a result of an event that occurred outside the ordinary course of business of the Company: in fact, this charge certainly arises from an accidental, non-recurring event that cannot be connected to the core or non-core business of the Company. Additional risks associated with measures that could take CONSIP against possible reject of the appeal against the Authority's order, as described in Note 32 (*Commitments and contingent liabilities*) were considered by Management as possible but not probable.

Tax litigation

In 2015 uses totalled € 162 thousand and releases € 45 thousand, as a result of the completion of certain tax assessments.

Provision for termination employee benefits

This provision has been set aside to include the amounts due for severance and employee redundancy costs, as part of the sundry restructuring plans implemented by some Group companies over the last few years. At 31 December 2014 the Group had recognized provisions totalling € 11,726 thousand (of which € 6,730 thousand in MFM S.p.A., € 2,707 thousand in Telepost S.p.A., € 87 thousand in H2H Facility Solutions S.p.A., € 280 thousand in MACO S.p.A. and € 1,923 thousand in Servizi Ospedalieri S.p.A.). In 2015 there were uses of € 6,788 thousand (of which € 5,047 thousand in MFM S.p.A., € 896 in Servizi Ospedalieri S.p.A. and € 613 in Telepost S.p.A.).

Provision for bonuses

This provision includes accrual for future payments in relation to the s 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 and, therefore, there was an allocation of the residual amounts. The changes that occurred in the year ended 31 December 2015 comprised new accruals for € 334 thousand and uses and releases for a total of € 1,552 thousand.

Other provisions for risks and charges

The provision, amounting to € 1,064 thousand at 31 December 2015 recognized accruals of € 47 thousand in the year, net of releases for € 61 thousand, as well as uses of € 130 thousand.

16. DERIVATIVES

At 31 December 2015, the Group did not record any derivative assets or liabilities.

17. BORROWINGS, LOANS AND OTHER CURRENT FINANCIAL LIABILITIES

The items *Non-current loans* and *Loans and other current financial liabilities* include both the non-current and current portion of loans from credit institutions and consortium members, respectively.

Furthermore, in application of the financial method of recognizing leases, payables to other lenders are included, as well as other current debt balances of a financial nature such as, for example, the debt for the acquisition of investments or business units and the liability for dividends to be paid.

The tables below set forth the qualitative breakdown by current and non-current financial liabilities at 31 December 2015 and at 31 December 2014.

	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 expenses on financial interest	(52)	(52)		
Accrued interest expense	10,651	10,651		
Long-term bank borrowings and current portion of long-term bank borrowings	**314,034**	**10,599**	**303,435**	
Current account overdrafts, advance payments and hot money	34,064	34,064		
Finance lease obligations	1,484	564	888	32
Loans from syndicated shareholders	351	351		
Loan from the parent company (Manutencoop Cooperativa)	15	15		
Other financial liabilities	3	3		
Obligations from assignments of receivables with recourse	2,543	2,543		
Debt for the acquisition of investments/business units	226	146	80	
Options on subsidiaries' minority shareholdings	7,250		7,250	
Share capital to be paid into associates	277	277		
TOTAL FINANCIAL LIABILITIES	**360,248**	**48,562**	**311,653**	**32**

	31 December 2014	within 1 year	from 1 to 5 years	after 5 years
Senior Secured Notes	370,280			370,280
BPV loan	12,869	12,869		
Prepaid expenses on financial interest	(55)	(55)		
Accrued interest expense	13,464	13,464		
Long-term bank borrowings and current portion of long-term bank borrowings	**396,558**	**26,278**	**0**	**370,280**
Finance lease obligations	2,288	775	1,408	105
Loans from syndicated shareholders	376	376		
Loan from the parent company (Manutencoop Cooperativa)	26	26		
Other financial liabilities	733	733		
Due to factoring agencies	53	53		
Debt for the acquisition of investments / business units	66	66		
Options on subsidiaries' minority shareholdings	7,207		7,207	
Share capital to be paid into associates	5	5		
Debt for dividends to other Shareholders	200	200		
TOTAL FINANCIAL LIABILITIES	**407,513**	**28,512**	**8,616**	**370,385**

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, reserved for 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. The change in the balance compared to the year ended 31 December 2014 was due to the € 80 million nominal value buy-back transaction and to the recognition of the amortised cost for the period.

To protect the investment of the Bondholders of the 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.

In the 2014 financial year there was a substantial development in the market which led to average lending rates being observed which were well under historical averages, at the same time as a trend reversal on the part of Italian public authorities, whose payments gradually became more reliable, providing regular and constant cash flows. The Group therefore started to consider its options for rebalancing its sources of finance towards various credit lines and in the fourth quarter of 2014 this process had already led to a € 45 million buy-back transaction. Given the opportunity further to reduce the average financial cost of debt, the Group launched a tender offer on 19 May 2015 for an € 80 million portion of the bond issue, which was bought back at par, with financial settlement on 3 June 2015. The transaction entailed the recognition of € 1.9 million financial costs for the proportional write-off of the upfront fees paid when the bonds were issued, accounted for at amortised cost in compliance with IAS 39. None of the notes purchased (nominal value € 125 million) were cancelled; they were deposited in a securities account with Unicredit S.p.A. and are reported in the Statement of Financial Position as a straight reduction of total financial debt since, from the accounting point of view, they constitute the repayment of a debt. Furthermore, an amount of € 14 million of the same were pledged against the committed 3-year credit line of € 10 million obtained from CCFS.

C.C.F.S. loan (MFM S.p.A.)

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

Banca Popolare di Vicenza loan (MFM S.p.A.)

he loan with Banca Popolare di Vicenza was stipulated for € 50 million and will expire on 31 December 2015, with repayments in half-yearly instalments. The loan has variable interest rates equal to 1-month Euribor plus a spread. The residual debt was paid off during the year, as provided for in the relevant agreements.

Accrued interest expenses

At 31 December 2015 the Group recognised accrued interest expenses of € 10,651 thousand, of which € 10,625 thousand relating to the amount accrued on the coupon of the Senior Secured Notes due 2 February 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 MFM S.p.A., 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.

Obligations from assignments of receivables with recourse

During the year 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 assignment took place on 28 October 2015 at a nominal value of receivables of € 5,442 thousand, while the amount of receivables assigned but not yet collected by the factor at 31 December 2015 amounted to € 2,543 thousand.

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 € 351 thousand, remained almost unchanged compared to 31 December 2014.

Share capital to be paid into associates

The Group recognized liabilities for capital contribution to be paid to unconsolidated companies for € 277 thousand, against € 5 thousand at 31 December 2014. The change compared to the previous year was due to the recognition of a Servizi Ospedalieri S.p.A.'s debt to associate EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S. for € 273 thousand.

Debt for the acquisition of investments/business units

This item, amounting to € 226 thousand at 31 December 2015 (€ 66 thousand at 31 December 2014) relates to the amounts still not paid to the transferor within business combinations.

The increase recorded in the year was due to the Sicura S.p.A.'s acquisition of the business unit from Triveneta Servizi S.r.l.. This transaction provides for a deferred payment of € 160 thousand.

Potential debt for the acquisition of investments/business units

Potential debt for the acquisition of investments was recognized to an amount of € 7,250 thousand (€ 7,207 thousand at 31 December 2014).

At 31 December 2015 a present value of €7,250 thousand was also recognized for the Put option held by the minorities of Sicura S.p.A. in relation to 20% of the share capital that is still owned by them (€ 7,207 thousand at 31 December 2014). In connection with the fair value measurement of the same liability, the Group recognized net financial costs against their fair value for € 43 thousand.

18. TRADE PAYABLES, ADVANCES FROM CUSTOMERS AND OTHER CURRENT PAYABLES

The table below sets forth the breakdown of the item at 31 December 2015 and 31 December 2014:

	31 December 2015	of which to related parties	31 December 2014	of which to related parties
Trade payables	345,833		347,061	4
Trade payables to third parties	**345,833**		**347,061**	**4**
Trade payables to Manutencoop Cooperativa	6,421	6,421	10,897	10,897
Trade payables to Group companies within 12 months	17,016	17,016	15,798	15,798
Trade payables to related parties	**23,437**	**23,437**	**26,695**	**26,695**
Advances from customers and payables for work to be performed	10,945		7,065	0
TRADE PAYABLES AND ADVANCES FROM CUSTOMERS	**380,215**	**23,437**	**380,821**	**26,699**
Fees due to directors and statutory auditors	552		706	0
Tax payables	12,148		44,292	0
Payables to social security institutions within 12 months	8,282		9,152	0
Other payables to TJA	10,477		11,859	0
Payables to employees within 12 months	48,875		47,149	0
Other payables within 12 months	10,292		6,429	0
Property collection on behalf of customers	2,176		2,176	0
Other current operating payables to third parties	**92,802**		**121,763**	**0**
Other current payables to Manutencoop Cooperativa	131	131	80	80
Other payables to Group subsidiaries	462	462	701	701
Other current operating payables to Group	**593**	**593**	**781**	**781**
Accrued expenses	10		6	0
Deferred income	1,167		1,074	0
Accrued expenses and deferred income	**1,177**		**1,080**	**0**
OTHER CURRENT LIABILITIES	**94,572**	**593**	**123,624**	**781**

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

Trade payables and advances from customers at 31 December 2015 amounted to € 380,215 thousand, against a balance of € 380,821 thousand at 31 December 2014.

Trade payables to Manutencoop Group, amounting to € 23,437 thousand at 31 December 2015, are mainly composed of payables due to Manutencoop Cooperativa for € 6,421 thousand, Bologna Multiservizi Soc. Cons. a r.l. for € 1,619 thousand, Se.Sa.Tre. Soc. Cons. a r.l. for € 1,475 thousand, CO.& MA. Soc. Cons. a r.l for € 2,287 thousand and Roma Multiservizi S.p.A. for € 1,330 thousand.

Other current liabilities showed a balance of € 94,572 thousand at 31 December 2015 and are mainly made up of the following items:

- payables to employees of € 48,875 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 salaries to be paid (a portion of the 14th salary, to be paid in the month of July). Furthermore, the corresponding payables to social security institutions were recognized for € 8,282 thousand.
- payables to tax authorities for € 12,148 thousand, mainly related to the balance of the VAT payables due from Group subsidiaries (€ 44,292 thousand at 31 December 2014).
- Other payables to Temporary Associations of Companies for € 10,477 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mainly relating to job orders under Consip agreements.

19. 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. See note 6 for details.

Information on the operating segments for the financial year ended 31 December 2015

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Segment revenues	819,153	138,568	2,205	(4,197)	**955,729**
Segment costs	(823,180)	(124,891)	(2,845)	4,197	**(946,719)**
Operating income (loss) by segment	**(4,027)**	**13,678**	**(640)**	**0**	**9,009**
Share of net profit of associates	(96)	186			90
Net financial income (costs)					(33,550)
Profit (loss) before taxes					**(24,451)**
Income taxes					(18,031)
Profit (loss) from discontinued operations	(2,887)				(2,887)
NET PROFIT (LOSS) FOR THE YEAR ENDED 31 DECEMBER 2015					**(45,369)**

	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 held for sale					
Other assets not allocated and related taxes					179,960
SEGMENT ASSETS	**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	**507,842**	**59,179**	**1,719**	**(2,275)**	**937,909**

	Facility Management	Laundering & Sterilization	Other Activities	Total
Other segment information at 31 December 2015				
Investments in segment assets	7,683	16,319	0	24,003
Amortisation/depreciation and write-downs of segment assets	64,059	19,883	113	84,054

Information on the operating segments for the financial year ended 31 December 2014

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Segment Revenues	824,370	144,856	8,654	(3,590)	974,290
Segment costs	(791,206)	(130,098)	(9,578)	3,590	(927,292)
Operating income (loss) by segment	**33,164**	**14,758**	**(924)**	**0**	**46,998**
Share of net profit of associates	1,057	141			1,198
Net financial income (costs)					(36,203)
Profit (loss) before taxes					**11,992**
Income taxes					(11,414)
Profit (loss) from discontinued operations	12,049				**12,049**
NET PROFIT (LOSS) FOR THE YEAR ENDED 31 DECEMBER 2014					**12,627**

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Assets allocated to the segment	**564,369**	**139,484**	**5,125**	**(2,267)**	**706,712**
Goodwill	358,097	11,763			369,860
Investments	26,611	5,270	852		32,733
Assets held for sale	5,003				5,003
Other assets not allocated and related taxes					198,484
SEGMENT ASSETS	**954,080**	**156,517**	**5,977**	**(2,267)**	**1,312,790**
Liabilities allocated to the segment	485,668	69,015	6,170	(2,267)	558,585
Other liabilities not allocated and related taxes					419,300
SEGMENT LIABILITIES	**485,668**	**69,015**	**6,170**	**(2,267)**	**977,884**

	Facility Management	Laundering & Sterilization	Other Activities	Total
Other segment information at 31 December 2014				
Investments in segment assets	10,780	16,016	0	26,796
Amortisation/depreciation and write-downs of segment assets	18,565	21,933	146	40,644

Geographical areas

The Group conducts its core business in Italy. At 31 December 2015 the activities conducted abroad were entirely marginal for the Group and generated revenues amounting to € 2,430 thousand (€ 1,435 thousand at 31 December 2014).

The information by geographical area required by IFRS 8 is shown below for the years ended 31 December 2015 and 2014.

	Italy	Foreign countries	Eliminations	Total
Information by Geographical Area at 31 December 2015				
Revenues	953,299	2,430		955,729
Non-current operating assets	462,746	267		463,013

	Italy	Foreign countries	Eliminations	Total
Information by Geographical Area at 31 December 2014				
Revenues	972,855	1,435		974,290
Non-current operating assets	466,793	194		466,987

20. REVENUES FROM SALES AND SERVICES

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Revenues from product sales	9,545	9,329
Service revenues	825,018	820,594
Revenues from construction activities and plant installation	86,519	100,876
Other sales revenues	32,731	39,725
REVENUES FROM SALES AND SERVICES	**953,813**	**970,524**

At 31 December 2015, the item *Revenues from sales and services* amounted to € 953,813 thousand (€ 970,524 thousand at 31 December 2014).

The decrease recorded in this item was attributable to the reduced volumes achieved towards some big accounts and to the continuing effects of the price pressure, already noted in previous years.

21. OTHER REVENUES

The breakdown of the item is shown below for the years ended 31 December 2015 and 2014:

	For the year ended	
	31 December 2015	31 December 2014
Grants	546	613
Asset capital gains	392	503
Recovery of costs - seconded personnel	270	137
Payment of damages	513	620
Revenues for leases and rentals		15
Other revenues	195	1,878
OTHER REVENUES	**1,916**	**3,766**

At 31 December 2015, the balance of *Other revenues* was € 1,916 thousand compared to € 3,766 thousand in 2014. Capital gains were predominantly realised by Servizi Ospedalieri through the sale of linen and machinery no longer usable in linen rental and industrial laundering activities.

The item also includes additional revenues arising from the energy management of some PV plants.

Finally, an amount of € 546 thousand was recognised as operating grants, mainly relating to employee training projects.

22. COSTS OF RAW MATERIALS AND CONSUMABLES

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Change in inventories of fuel and raw materials	(93)	342
Fuel consumption	61,135	65,974
Consumption of raw materials	55,759	48,280
Purchase of semi-finished/finished products	634	6,319
Purchase of auxiliary materials and consumables	11,788	10,084
Packaging	1,747	1,951
Other purchases	2,185	2,574
CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**133,155**	**135,524**

At 31 December 2015 the item amounted to € 133,155 thousand compared to € 135,524 thousand at 31 December 2014. The decrease, equal to € 2,369 thousand, is mainly due a decrease in fuel prices, used within integrated service contracts, compared to the previous year.

23. COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Third-party services	228,092	245,147
Consortia services	10,996	11,808
Equipment maintenance and repair	6,833	6,874
Professional services	35,225	38,754
Statutory Auditors’ fees	484	655
Transport	8,057	9,125
Advertising and promotion	287	578
Bonuses and commissions	2,265	2,368
Insurance and sureties	4,852	4,776
Bank services	295	299
Utilities	7,870	9,488

	For the year ended	
	31 December 2015	31 December 2014
Travel expenses and reimbursement of expenses	3,368	3,541
Employee services	6,507	7,414
Other services	1,756	1,579
Costs for services	**316,887**	**342,406**
Rent expense	15,382	17,625
Rentals and other	3,845	4,009
Costs for leased assets	**19,227**	**21,634**
COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS	**336,114**	**364,040**

For the year ended 31 December 2015, *Costs for services and use of third party assets* totalled € 336,114 thousand, marking a decrease of € 27,926 thousand compared to the previous year, mainly due to lower costs for third party services (€ 17,055 thousand). As early as in previous years the Group started up a process to increase insourcing of certain activities, which resulted in a change in the mix of production factors in favour of the cost of labour, as described in detail under note 24 below. At the same time, the Group set targets for limiting overheads relating to its organizational structures, also by reducing recourse to professional services.

24. PERSONNEL COSTS

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Wages and salaries	247,153	238,370
Social security charges	78,539	75,977
Secondment costs	33,601	37,478
ESI paid to INPS (National Social Security Institute) and to funds	14,616	14,208
Directors' fees	1,776	2,077
Other personnel costs	979	1,554
Current benefits	**376,664**	**369,664**
Employee termination indemnity provision	834	1,120
Subsequent benefits	**834**	**1,120**
Employment termination benefits	3,295	3,426
Employment termination benefits	**3,295**	**3,426**
PERSONNEL COSTS	**380,793**	**374,210**

At 31 December 2015, *Personnel Costs*, equal to € 380,793 thousand, showed an increase of € 6,583 thousand compared to the same period in the previous year (€ 374,210 thousand).

The financial year saw:

- the insourcing process described in note 23, and partly due to the use of personnel in the changed contracts in the Hygiene segment;
- additional reorganisation efforts for certain Group companies, which also entailed, in 2015, costs for mobility, extraordinary redundancy schemes and early retirement incentives.

The total change in Group personnel costs is necessarily correlated to the cost of services, as the mix of production costs linked to “internal” work (i.e. work performed by employees of Group companies) and “external" work (i.e. work performed by third-party providers) can change significantly according to organisational changes aimed at increasing overall productivity.

The ratio between *Revenues from sales and services* and the total amount of costs for internal and external personnel used in production (cost of employed workers, cost of external workers, services provided by consortia and professional services) came to 146% at 31 December 2015 (144% at 31 December 2014). This effects is due to the different mix of the orders in the backlog, which require higher workforce.

The “make-or-buy ratio”, i.e. the ratio between the cost of internal labour (“make”) and the cost of services provided by third parties, services provided by consortia and professional services (“buy”), shows that the Group has been implementing, since the previous financial year, an organisational preference for producing by greater recourse to internal production factors than to purchasing services from external sources.

25. OTHER OPERATING COSTS

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	**31 December 2014**
Capital losses on disposals of assets	40	298
Losses on receivables	35	73
Other taxes	1,824	2,088
Fines and penalties	1,732	1,747
Other operating costs	8,971	3,439
OTHER OPERATING COSTS	**12,602**	**7,645**

Other operating costs amounted to € 12,602 thousand, showed an increase of € 4,957 thousand compared to the previous year (€ 7,645 thousand at 31 December 2014).
€ 6,152 thousand is reported among *Other operating costs* for "system charges" (*oneri di sistema*) related to energy services contracts as a result of some recent changes in electricity regulations (which concerned, among others: Legislative Decree no. 79/1999, Industry Ministry's Decree 26/2000, Laws 83/2003 and 368/2003).

26. AMORTIZATION/DEPRECIATION, WRITE-DOWNS AND WRITE-BACKS OF ASSETS

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Amortisation of intangible assets	5,266	6,996
Depreciation of property, plant and equipment	22,762	25,152
Write-backs of assets		(61)
Write-downs of receivables, net of releases	4,372	2,107
Write-downs of other equity investments	21	
Impairment of Property, Plant and Equipment		23
Impairment of Intangible Assets	1	4,418
Other write-downs	71	
AMORTISATION/DEPRECIATION, WRITE-DOWNS AND WRITE-BACKS	**32,493**	**38,635**

At 31 December 2015, l the item *Amortization/depreciation, write-downs and write-backs of assets* amounted to € 32,493 thousand compared to € 38,635 thousand at 31 December 2014. The decrease of € 6,142 thousand was determined by the net effect of the following main changes:

- A decrease in amortization/depreciation for a total of € 4,120 thousand, as a result of a lower net book value of fixed assets recognized compared to the previous year;
- An increase in the write-downs of trade receivables for € 2,665 thousand, mainly due to a general higher risk of the receivables recognized.

In the previous year impairment losses of tangible and intangible assets had been also accounted for, totalling € 4,441 thousand, relating to the write-off of the residual net value of specific software used in the facility management operations, which proved to be no longer suitable and strategic to be used for company business purposes.

27. DIVIDENDS, INCOME AND CHARGES FROM INVESTMENTS

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Dividends	360	345
Capital gains (capital losses) from sale of equity investments	(819)	82
DIVIDENDS, INCOME AND CHARGES FROM INVESTMENTS	**(459)**	**427**

In 2015, dividends were collected from other companies not included under the scope of consolidation. They amounted to € 360 thousand, € 217 thousand of which from investee companies of the Parent Company MFM S.p.A. and € 143 thousand from investee companies of Servizi Ospedalieri S.p.A.. Capital losses were also accounted for, which mainly arose from the transfer of a 20% quota of the capital held in Progetto Nuovo S. Anna S.r.l., which is currently held for the remaining quota of 4%.

28. FINANCIAL INCOME

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Interest on bank current accounts	64	518
Interest on non-proprietary and intercompany current accounts	224	261
Interest on trade receivables	238	985
Interest from discounting of non-interest bearing loans	177	333
Interest and other income from securities	2	38
Capital gains on securities		3,400
Other financial income	279	144
FINANCIAL INCOME	**984**	**5,679**

Financial income recorded a decrease compared to the previous year, equal to € 4,695 thousand. However, this item had recorded, during the previous year, financial capital gains of € 3,400 thousand related to the buy-back of bonds on the open market for € 45 million.

29. FINANCIAL COSTS

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	31 December 2014
Charges on bank loans and current account overdrafts	62	4
Financial charges on other loans	29,016	37,077
Financial costs for finance leases	71	112
Financial costs on Group financial accounts	15	70
Interest on trade payables	159	45
Other financial costs	4,743	5,005
FINANCIAL COSTS	**34,066**	**42,313**

In 2015 *Financial costs* recorded a decrease of € 8,247 thousand compared to the previous year. The main change relates to the recognition of lower charges relating to the Senior Secured Notes for € 7,343 thousand, related to the repurchase transactions carried out in the previous financial year and in the current financial year.

Other financial costs also include costs relating to fees payable to the financial intermediaries which participated in the transaction for € 1,069 thousand (€ 113 thousand in 2014), as well as charges relating to accounting for loans according to the amortised cost method required by IAS39 for € 3,171 thousand (€ 1,902 thousand of which related to the write-off of the same on the portion of Notes of € 80 million repurchased during 2015) against total charges of € 3,542 thousand in 2014 (€ 1,162 thousand of which related to the write-off on the repurchases of € 45 million in 2014 and € 879 thousand related to the Revolving Credit Facility which was paid off during 2014).

Finally, at 31 December 2015 the Group recognised charges correlated to contingent liabilities for the acquisition of investments (Earn-out and Put option) for € 43 thousand (€ 880 thousand at 31 December 2014).

30. CURRENT, PREPAID AND DEFERRED TAXES

The breakdown of the item is shown below for the years ended 31 December 2015 and 31 December 2014:

	For the year ended	
	31 December 2015	**31 December 2014**
Current IRES tax	9,830	10,105
Current IRAP tax	4,810	9,550
(Income) costs from tax consolidation	(4,080)	(1,439)
Adjustments to current taxes of previous years	222	(3,573)
Current taxes	**10,781**	**14,643**
Prepaid/deferred IRES tax	6,856	(3,593)
Prepaid/deferred IRAP tax	(70)	283
Prepaid/deferred taxes relating to previous years	463	82
Prepaid/deferred taxes	**7,250**	**(3,229)**
CURRENT, PREPAID AND DEFERRED TAXES	**18,031**	**11,414**

In 2015 the Group recorded taxes totalling € 18,031 thousand, marking an increase of € 6,617 thousand compared to the taxes recognized at 31 December 2014.
More specifically, the main changes are as follows:

- a substantial stability in the current IRES tax balance;
- a decrease of € 4,740 thousand in IRAP tax balance;
- an increase of € 2,.641 thousand in the balance of income from tax consolidation;
- negative adjustments to current taxes relating to previous years for € 222 thousand (€ 3,573 thousand in positive adjustments at 31 December 2014);
- recognition of a net charge amounting to €7,250 thousand, relating to the total balance of prepaid and deferred taxes against the recognition of a net income of € 3,229 thousand in the previous year. The future recovery of deferred tax assets has been assessed on the basis of the same forecasts as those used by the Management for the impairment test on goodwill (see note 6).

The reconciliation between current income taxes accounted for and theoretical tax resulting from the application of the IRES tax rate in force for the years ended 31 December 2015 and 31 December 2014 to pre-tax profit is as follows:

	31 December 2015		31 December 2014	
		%		%
Pre-tax profit	**(28,164)**		**23,962**	
of which discontinued operations	(3,713)		11,970	
Ordinary rate applicable		27.50%		27.50%
Effect of increases (decreases):				
- Temporary differences	9,760	ND	33,050	37.93%
- Permanent differences	54,090	ND	(16,394)	18.82%
IRES taxable income	**35,686**		**40,617**	
EFFECTIVE TAX / RATE	**9,814**	**34.85%**	**11,170**	**46.61%**
of which discontinued operations	***(17)***		***1,065***	

The value shown as current effective IRES tax (€ 9,814 thousand) includes the contribution from discontinued operations.

The reconciliation between the effective and theoretical IRAP tax rate is shown below:

	31 December 2015		31 December 2014	
		%		%
PRE-TAX PROFIT	**(28,164)**		**23,962**	
of which discontinued operations	*(3,713)*		*11,970*	
Ordinary rate applicable		1.17%		1.17%
		2.30%		2.30%
		2.68%		2.68%
		2.78%		2.78%
		2.93%		2.93%
		2.98%		2.98%
		3.44%		3.44%
		3.90%		3.90%
		4.60%		4.60%
		4.73%		4.73%
		4.82%		4.82%
		4.97%		4.97%
Effect of increases (decreases):				
- Labour cost	335,433		351,172	
- Balance from financial management	19,349		6,971	
- Other differences between taxable base and pre-tax result	(210,157)		(161,629)	
IRAP TAXABLE INCOME	**116,461**		**220,475**	
- of which at 1.17%	3		1,345	

	31 December 2015	%	31 December 2014	%
- of which at 2.3%	1,996		0	
- of which at 2.68%	493			
- of which at 2.93%	415			
- of which at 2.98%			2,347	
- of which at 3.44%			11,754	
- of which at 3.90%	70,984		129,316	
- of which at 4.60%			8,172	
- of which at 4.73%	1,757		4,004	
- of which at 4.82%	34,650		53,220	
- of which at 4.97%	4,359		10,319	
EFFECTIVE TAX / RATE	**4,810**	**17.08%**	**10,015**	**35.40%**
OF WHICH DISCONTINUED OPERATIONS	***0***		***466***	

In 2015, as in 2014, the Group companies did not pay income taxes in areas other than Italy.

Deferred and prepaid taxes

At 31 December 2015, the Group recorded deferred tax assets of € 19,044 thousand, net of deferred tax liabilities of € 11,167 thousand, as shown below:

	Financial Statement Tax Effect		Economic Tax Effect	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Prepaid taxes:				
Multi-year costs	197	333	136	51
Maintenance exceeding deductible limit	89	138	40	(2)
Presumed losses on receivables	4,481	6,889	2,120	(178)
Provisions for risks and charges	5,442	8,002	2,034	1,192
Write-downs on asset items	1,049	1,865	749	(349)
Discounting-back of receivables	401	19	(16)	3
Fees due to Directors, Statutory Auditors and Independent Auditors	211	210	(20)	219
Amortization	788	1,013	184	(286)
Interest expense	4,110	6,075	1,965	(5,618)
Employee benefits and length of service bonuses	43	62	52	(62)
Substitute tax				1,385
Employee incentives	247	516	247	473
Cash cost deduction	7	13	6	19
Other adjustments	1,978	2,304	646	(271)
Total prepaid taxes	**19,044**	**27,439**	**8,143**	**(3,423)**
Deferred taxes:				
Tax amortization	(15)	(48)		(13)
IFRS work in progress valuation		(2)		(3)
Lease for tax purposes	(39)	(46)	(8)	(3)

	Financial Statement Tax Effect		Economic Tax Effect	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Employee benefit discounting	(51)	9		(541)
Goodwill amortisation	(8,616)	(8,926)	(310)	801
Purchase Price Allocation (PPA)	(1,873)	(2,183)	(310)	(75)
Capital gains - deferred taxation	(10)	(9)	1	
Undistributed profit	15	(329)	(359)	56
Other temporary differences	(181)	(220)	(28)	(108)
Other consolidation adjustments	(398)		309	
Total deferred taxes	**(11,167)**	**(11,755)**	**(705)**	**114**
NET PREPAID/(DEFERRED) TAXES	**7,877**	**15,684**	**7,438**	**(3,310)**

31. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing consolidated net profit in the year pertaining to the Parent Company's ordinary shareholders by the weighted average number of outstanding ordinary shares during the year. Diluted earnings per share are, in the case of the MFM Group, equal to basic earnings per share, since no convertible bonds or share options were issued by the Parent Company.

Income and information on the shares used for the purpose of calculating consolidated basic earnings per share are shown below:

	For the year ended	
	31 December 2015	31 December 2014
Net profit attributable to shareholders (in thousands of Euro)	(45,412)	12,354
Number of ordinary shares (excluding own shares) for the purpose of basic earnings per share	109,149,600	109,149,600
BASIC AND DILUTED EARNINGS PER SHARE (IN EURO)	**(0.416)**	**0.113**

	For the year ended	
	31 December 2015	31 December 2014
Net earnings deriving from continuing operations (in thousands of Euro)	(42,482)	578
Net profit /(loss) deriving from continuing operations pertaining to minority interests (in thousands of Euro)	(43)	(273)
Net profit deriving from continuing operations pertaining to the Group (in thousands of Euro)	(42,525)	305
Number of ordinary shares for the purpose of basic earnings per share	109,149,600	109,149,600
BASIC AND DILUTED EARNINGS PER SHARE OF CONTINUING OPERATIONS (IN EURO)	**(0.390)**	**0.003**

No other transactions were performed regarding ordinary shares or potential ordinary shares between the balance sheet date and the date the financial statements were drafted.

Dividends

The Parent Company did not distribute dividends in 2013, 2014 and 2015 financial years.

32. COMMITMENTS AND CONTINGENT LIABILITIES

Financial lease

The Group signed financial lease agreements primarily for plant and equipment used in the production processes of the Laundering & Sterilization 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:

	31 December 2015		31 December 2014	
	Rental fees	Present value of rental fees	Rental fees	Present value of rental fees
Within one year	632	564	,877	775
From one year to five years	929	888	1,492	1,408
After five years	33	32	109	105
TOTAL LEASE FEES	**1,593**	**1,484**	**2,478**	**2,288**
Financial costs	(109)		(189)	
PRESENT VALUE OF LEASE FEES	**1,484**	**1,484**	**2,288**	**2,288**

At 31 December 2015 the Group granted sureties to third parties for:

- guarantees in favour of associates amounting to € 21,027 thousand (31 December 2014: € 18,075 thousand);
- other sureties granted to third parties: i) to ensure the correct fulfilment of contract obligations in place with customers amounting to € 237,556 thousand (31 December 2014: € 231,702 thousand) ii) to replace security deposits required to activate utilities or to execute lease agreements, as well as for VAT refunds from Inland Revenue Agency, for a total amount of € 2,098 thousand (31 December 2014: € 1,792 thousand).
- guarantees in favour of Factoring Agencies amounting to € 2,104 thousand (31 December 2014: € 2,104 thousand), to ensure correct fulfilment of factoring contracts.

Guarantees given within the Senior Secured Notes

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 € 75,459 thousand (€ 77,793 thousand at 31 December 2014);
- 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 € 6,415 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, respectively, at 31 December 2014.

The guarantees listed above may be enforced by the counterparties only in the case that one of the events of default envisaged in the abovementioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Group. At 31 December 2015 no events of default had occurred.

Contingent liabilities

Claim for damages for the burning in the former “Area Olivetti” in Scarmagno (TO)

MFM S.p.a. is a party to an action before the Court of Ivrea regarding a fire which broke out in the former Olivetti area at Scarmagno, in the Province of Turin, on 19 March 2013. The charges are causing a fire by negligence and violations of safety regulations against three MFM S.p.A. employees, the owner of one of MFM’s sub-contractors and the owner of the firm which stocked material whose combustion is alleged to have led to the fire spreading over a vast area. At the hearing on 14 October 2015, MFM S.p.A. was summoned as liable in civil law by the plaintiffs jointly and severally with the other persons allegedly responsible and ordered to pay all the financial and non-financial damages under Article 538 of the Italian Code of Criminal Procedure, also on a provisional basis or, subordinately, to settle such damages in another venue. At the hearing on 23 December 2015 MFM S.p.A. appeared as the party responsible for damages.

The insurance companies involved paid the injured parties over € 38 million in damages and then formalised their application to recover the sum from both the individual persons charged and their employers, including MFM S.p.A.. The claim for damages amount to about € 50 million in all, including the claims from the owners of the properties affected and the above insurance company claims.

After careful consideration of the facts available at this preliminary stage of the dispute, the Management deemed that the risk is possible but not probable.

Enforcement of the CONSIP performance bond

As a result of the AGCM fine ruling on 20 January 2016 (reference should be made to note 15 Provisions for risks and charges), CONSIP initiated a procedure to terminate the Agreements entered into with 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.

In a subsequent notice of 26 February 2016, the Authority accepted the request to stay the procedure pending the outcome of the appeal before the Lazio Regional Administrative Court (TAR). The unfavourable outcome (if any) of the proceedings on the merits before the TAR might entail, as an indirect consequence of the possible termination referred to above, the enforcement of the performance bond issued at the time of the tender, amounting to about Euro 24.5 million. The Management believes that this risk is possible but not probable as the risk of enforcement of the performance bond might arise only in the event that the appeal filed against the Antitrust Authority's order is rejected and, as a result, CONSIP decides to make use of its right to withdraw from the Agreements and to also start the procedure for enforcing the bond. In this scenario too, there could be a number of reasonable grounds for MFM S.p.A. to oppose this decision before court.

33. TRANSACTIONS WITH RELATED PARTIES

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:

› MFM signed a contract with associate Roma Multiservizi S.p.A. on the basis of which it is committed to providing an Information System service. The contract, expiring on 31 December 2014, was extended for additional 12 months and makes provision for an annual consideration of € 850 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 € 1,722 thousand, to be paid in 12 monthly instalments.
- The affiliate company Manutencoop Immobiliare S.p.A. leased to Gruppo Sicura S.r.l. the property located in Vicenza (VI), at via Zamenhof no. 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 grant 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 terminating 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’s Companies with related parties is provided in Annex III attached to the Consolidated Financial Statements at 31 December 2015.

The MFM Group is subject to the management and coordination activities of Manutencoop Società Cooperativa and, pursuant to art. 2497-*bis*, paragraph 4 of the Italian Civil Code, the key figures of the latest set of approved financial statements are provided below:

	31 December 2014	31 December 2013
BALANCE SHEET		
ASSETS		
A) Subscribed capital, unpaid	104	155
B) Fixed assets	337,710	342,646
C) Current assets	53,040	42,031
D) Accrued income and prepaid expenses	2,033	2,257
TOTAL ASSETS	**392,887**	**387,088**
LIABILITIES AND SHAREHOLDERS' EQUITY		
A)) Shareholders' equity:		
Share capital	8,660	11,741
Reserves	252,875	252,548
Profit/(Loss) for the year	(5,879)	338
B) Provisions for risks and charges	4,774	3,959
C) Employee Severance Indemnity	2,035	2,384
D) Payables	129,685	115,315
E) Accrued expenses and deferred income	736	804
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**392,887**	**387,088**
MEMORANDUM ACCOUNTS	**162,179**	**175,405**
INCOME STATEMENT		
A) Value of production	42,415	42,859
B) Cost of production	(41,993)	(42,037)
C) Financial income and costs	(4,718)	(3,060)
D) Value adjustments to financial assets	(2,755)	1,631
E) Non-recurring income and costs	65	185
Income taxes for the year	1,108	759
Profit/(Loss) for the year	**(5,879)**	**338**

Remuneration of members of the Management Board, executives with strategic responsibilities and members of the Supervisory Board

Fees paid to members of governing and control bodies are shown below, as well as those paid to executives with strategic responsibilities in the Parent Company, including for roles held in other Group companies:

	31 December 2015	31 December 2014
Board of Directors/Management Board		
Short-term benefits	995	1,097
Post-employment benefits	0	0
Total Board of Directors/Management Board	**995**	**1,097**
Executives with strategic responsibilities		
Short-term benefits	3,456	2,642
Post-employment benefits	116	166
Total other executives with strategic responsibilities	**3,572**	**2,808**
Board of Statutory Auditors / Supervisory Board		
Short-term benefits	328	477
Total Board of Statutory Auditors / Supervisory Board	**328**	**477**

Since 2008, MFM S.p.A.'s Corporate Governance has been structured under a "two-tier" governance and control system, through the appointment of the Management Board and Supervisory Board.

The table below reports the fees accounted for in the 2015 consolidated income statement for audit and non-audit services rendered by Reconta Ernst & Young S.p.A. and by other entities in its network:

	31 December 2015	31 December 2014
Audit services	591	733
Certification services	133	27
Other services	0	40
TOTAL fees due to the Independent Auditors	**724**	**800**

Other services involved formalities required by local administrative entities and services rendered for tax issues.

34. MANAGEMENT OF FINANCIAL RISKS

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

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

- short-term loans and revolving non-recourse and recourse factoring transactions targeted at funding working capital. During 2015 assignments with recourse were effected with Unicredit Factoring, while in early 2016 a 3-year programme was signed with with Banca Farmafactoring for assignments with recourse;
- the very short-term credit facilities used for contingent cash requirements;
- medium/long-term loans with a multi-year repayment plan to cover investments in fixed assets and acquisitions of companies and business units.

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

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

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

The table below shows the hierarchy for each class of financial asset measured at fair value at 31 December 2015 and 31 December 2014:

	Hierarchy				Hierarchy			
	31 December 2015	Level 1	Level 2	Level 3	31 December 2014	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss								
Financial receivables, securities and other non-current financial assets	162	162			163	163		
- of which securities	162	162			163	163		
Available-for-sale financial assets								
Financial receivables 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**			**163**	**163**		

The other financial assets posted in the Statement of financial position are not measured at fair value.

The Group has no financial liabilities measured at fair value at 31 December 2015 and 31 December 2014.

In 2015 there were no transfers between fair value measurement levels.

There were no changes in allocation of financial assets that led to a different classification of asset.

The Group does not hold instruments to warrant amounts receivable to mitigate credit risk. The carrying amount of financial assets, therefore, represents its potential credit risk.

Classes of financial assets and liabilities

The following table shows the classification of financial assets and liabilities recorded in the consolidated Financial Statements of the MFM Group, as required by IFRS 7, and the associated economic effects for the year ended 31 December 2015:

	31 December 2015	Available-for-sale financial assets	Loans and receivables
Non-current financial assets			
Other investments	3,502	3,502	
Non-current financial assets	15,657		15,657
Other non-current assets	2,180		2,180
Total non-current financial assets	**21,339**	**3,502**	**17,837**
Current financial assets			
Trade receivables and advances to suppliers	519,194		519,194
Current tax receivables	23,430		23,430
Other current assets	31,138		31,138
Current financial assets	5,257		5,257

	31 December 2015	Available-for-sale financial assets	Loans and receivables
Cash and cash equivalents	114,391		
Total current financial assets	**693,410**	**0**	**579,019**
TOTAL FINANCIAL ASSETS	**714,749**	**3,502**	**596,856**
Financial income (costs)	**525**	**(459)**	**984**

	31 December 2015	Financial Liabilities at Fair Value through profit or loss	Financial Liabilities at amortised cost
Non-current financial liabilities			
Non-current loans	311,686		311,686
Financial liabilities for non-current derivatives	0		0
Other non-current liabilities	28		28
Total non-current financial liabilities	**311,714**	**0**	**311,714**
Current financial liabilities			
Trade payables and advances from customers	380,215		380,215
Current tax payables	0		0
Other current liabilities	94,572		94,572
Bank borrowings and other financial liabilities	48,563		48,563
Total current financial liabilities	**523,350**	**0**	**523,350**
TOTAL FINANCIAL LIABILITIES	**835,064**	**0**	**835,064**
Financial income (costs)	**(34,066)**	**0**	**(34,066)**

The same information for the year ended 31 December 2014 is shown below:

	31 December 2014	Available-for-sale financial assets	Loans and receivables
Non-current financial assets			
Other investments	3,341	3,341	
Non-current financial assets	18,449		18,449
Other non-current assets	1,787		1,787
Total non-current financial assets	**23,577**	**3,341**	**20,236**
Current financial assets			
Trade receivables and advances to suppliers	580,629		580,629
Current tax receivables	28,922		28,922
Other current assets	30,632		30,632
Current financial assets	3,501		3,501
Cash and cash equivalents	113,382		
Total current financial assets	**757,066**	**0**	**643,684**
TOTAL FINANCIAL ASSETS	**780,643**	**3,341**	**663,920**
Financial income (costs)	**6,106**	**427**	**5,679**

	31 December 2014	Financial Liabilities at Fair Value through profit or loss	Financial Liabilities at amortised cost
Non-current financial liabilities			
Non-current loans	379,001		379,001
Financial liabilities for non-current derivatives	0		0
Other non-current liabilities	28		28
Total non-current financial liabilities	**379,029**	**0**	**379,029**
Current financial liabilities			
Trade payables and advances from customers	380,821		380,821
Current tax payables	4		4
Other current liabilities	123,625		123,625
Bank borrowings and other financial liabilities	28,512		28,512
Total current financial liabilities	**532,962**	**0**	**532,962**
TOTAL FINANCIAL LIABILITIES	**911,991**	**0**	**911,991**
Financial income (Costs)	**(42,313)**	**35**	**(42,348)**

Liquidity risk

The Group's objective is to maintain a balance between funding and flexibility through the use of current account overdrafts, short-term bank loans (hot money and advances), finance leases and medium/long-term loans.

The Group is characterised by a labour-intensive model which does not involve significant requirements of capital for investments. However, the Group's customers are mainly composed of public authorities, known for long payment times in respect of the services provided. This aspect means the Group has to also finance working capital through bank indebtedness.

Following the considerable fine issued by the Competition Authority, equal to € 48,510 thousand, while the Company hopes that it will obtain a stay of the ruling and is confident that the Court will accept its case at the time of the appeal on the merits, it has reviewed its financial planning in order to create the conditions for meeting this extraordinary outflow of cash, formally due before the end of April 2016. To this end, on 23 February 2016, MFM S.p.A. and Servizi Ospedalieri S.p.A. entered into a factoring maturity contract, without recourse (*pro-soluto*), with Banca Farmafactoring S.p.A. in relation to the assignment of receivables from entities in the National Health System, for an annual amount of up to € 100 million. It is a committed credit line with a term of three years.

Price risk

Risks of this nature which the Group is exposed to could involve changes in the price:

- of oil products relating to heat management activities,
- of cotton, the raw material in the linen used for laundering activities.

However, concerning oil products, these changes are, for the most part, accommodated by the conditions of contracts in place with customers, given that price revision is provided for both by contract, and by art.

115 of Decree Law no. 163 of 12 April 2006. Therefore, it is deemed that the effect on the Group's profit for the year arising from changes in prices, even significant, would essentially have been insignificant, in terms of amount.

Credit risk

The Group's portfolio mix, which, in the past, was made up mainly of contracts with the Public Administration, a situation that did not present insolvency problems, but which required constant contact with customers in order to minimise delays caused by the Authority's red-tape and jointly resolve problems relating to their financial management.

At present the portfolio mix also includes some large Italian industrial and banking groups, mainly organised as a network all over the country.

There are no significant credit concentration risks to report, which are carefully monitored by the Group. Furthermore, given the continuing economic downturn, the Group has equipped itself with specific procedures and structures aimed at a more efficient management of its working capital, as well as of debt collection.

Fair value

The carrying amount of the Group's financial instruments recorded in the Consolidated Financial Statements does not deviate from the fair value, including the value of those classified as assets held for sale. Market interest rates were applied to financial assets and liabilities as at the balance sheet date.

The comparison between the carrying amount and fair value of the main financial assets and liabilities is shown below:

	Carrying Amount		Fair value	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Financial assets				
Cash and cash equivalents	114,391	113,382	114,391	113,382
Receivables and other current financial assets	5,257	3,501	5,257	3,501
Other minority interests	3,502	3,341	3,502	3,341
Non-current financial receivables	15,657	18,449	15,657	18,449
Financial liabilities				
Loans:				
- Variable rate loans	42,332	21,590	42,332	21,590
- Fixed rate loans	303,435	370,280	303,435	370,280
Other current financial liabilities	14,482	15,643	14,482	15,643
Financial liabilities for non-current derivatives	0	0	0	0

Interest rate risk

With the bond issue launched in 2013, the Management restored the Group's financial structure, definitely strengthening a mix between short- and medium/long-term debt in favour of the latter. The Senior Secured Notes was launched at a discount of 98.713%, with a fixed-rate coupon of 8.5% to be settled on a six-monthly basis and due in 2020. The proceeds from the Notes have been used to repay a significant portion of the loans that were previously in place, in addition to the derivative contracts. As a result of this operation, the Group now applies a fixed rate to the financial cost of its debt.

The other financial instruments of the Group exposed to interest rate risks are those listed in note 17 (to which reference is made) such as *Loans* (other than the Senior Secured Notes), as well as financial statement items recorded under *Cash and cash equivalents*, and *Receivables and other current financial assets* (note 11) and *Non-current financial assets* (note 8).

Interest rate sensitivity analysis

The structure of the consolidated debt, as we have seen, is affected, to a very marginal extent, by the changes in market rates, as the Group has set the cost for its recourse to credit market at the rate of return it ensures on the bond coupons.

The table below shows the sensitivity of pre-tax profit to reasonably possible variations in interest rates, all the other variables being kept constant.

	Increase / Decrease	Effect of the profit (loss), gross of taxes
Financial year ended 31 December 2015	+ 150 bps	(1,424)
	- 30 bps	285

In the previous year the Consolidated profit had recorded the cost of bond coupons, which also included proceeds from the Notes repurchased during the fourth quarter only. Likewise, the proceeds from the Notes repurchased during 2015 contribute to the Consolidated results from June 2015 only.

The table below shows the sensitivity of 2014 and 2015 pre-tax profits had the abovementioned transactions occurred at the beginning of the respective financial years:

	Consolidated financial statements at 30 December 2015		Consolidated financial statementswith bond issue at 1 January 2015	
	Net financial costs	Profit before taxes	Net financial costs	Profit before taxes
Financial year ended 31 December 2015	33,082	(24,450)	30,211	(27,321)

Exchange rate risk

The Group operates predominantly in the national market, where it is not exposed to exchange rate risks.

Capital management

The key objective of the Group's capital management is to guarantee that a solid credit rating is maintained as well as adequate capital ratios to support operations and to maximise value for shareholders. The Group manages the capital structure and amends it on the basis of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the dividends paid to shareholders, repay principal or issue new shares.

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

	31 December 2015	31 December 2014
Employee termination indemnity	18,424	21,207
Interest-bearing loans	345,767	405,229
Trade payables and advances from customers	380,215	380,821
Other current payables	94,572	123,624
Other current financial liabilities	14,482	2,284
Cash and cash equivalents	(114,391)	(113,382)
Other current financial assets	(5,257)	(3,501)
Total Net Debt	**733,811**	**816,283**
Group shareholders' equity	289,585	334,224
Undistributed net profit (loss)	45,412	(12,354)
Total capital	**334,997**	**321,870**
EQUITY AND NET DEBT	**1,068,808**	**1,138,153**
Indebtedness ratio	68.7%	71.70%

A change was recorded in the debt ratio compared to 31 December 2014, which was mainly due to a reduction of € 82.5 million in net debt compared to a capital increase of € 13.1 million.

35. SUBSEQUENT EVENTS

On 23 February 2016, MFM S.p.A. and Servizi Ospedalieri S.p.A. entered into a factoring maturity contract, without recourse (*pro-soluto*), with Banca Farmafactoring S.p.A. in relation to the assignment of receivables from entities in the National Health System, for an annual amount of up to € 100 million. It is a committed credit line with a term of three years.

On 19 February 2016 client Telecom Italia formally exercised its right of withdrawal from its contract with MFM S.p.A. for Telecom Italia Group, hygiene and other Facility Management services owing to the committal for trial of MFM S.p.A.'s Managing Director Claudio Levorato in a current criminal case. During 2015 the contract generated about € 25 million p.a. of consolidated turnover and has a residual order backlog of about € 29 million, employing more than 450 FTEs. The trade receivables related to this contract are not included in the assets issued as security in accordance with provisions of the Senior Secured Notes financing agreement because their assignment was prohibited under the contract with Telecom Italia. MFM S.p.A. immediately started an internal review of almost all its contracts with clients in the Private sector; none of these contracts contain clauses allowing their termination after a similar occurrence. Furthermore, the Code of Public Contracts which governs contracts concluded with Public Authorities and Public Healthcare Institutions do not state that a mere committal for trial can be a cause of their termination; on the contrary, what is required is a final conviction for a serious criminal offence that detracts from the professional integrity of the person concerned.

Finally, 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 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 of the Management Board and other two members resigned from their positions on the Management Board 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 Bylaw, the Company's Supervisory Board then called the Extraordinary Shareholders' Meeting on 6 April 2016 in order to appoint the new members of the new Management Board.

Zola Predosa, 18 March 2016

The Chairman and CEO
Claudio Levorato

ANNEX I

GROUP COMPANIES

PARENT COMPANY

Ragione Sociale	Registered Office	City
Manutencoop Facility Management S.p.A.	Via Poli n. 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. (già Manutencoop Private Sector 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
MACO S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Manutencoop International FM S.r.l.	Via Poli 4	Zola Predosa (BO)	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	Milan	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 l'Aquila Soc. Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	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
Società Manutenzione Illuminazione S.p.A. (SMAIL S.p.A.)	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Telepost S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary

JOINT VENTURES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% held	Type
AMG S.r.l.	SS Laghi di Avigliana 48/a	frazione Roata Raffo Busca (CN)	50%	Joint Venture
Cardarelli Soc.cons.r.l.	S.S. Appia 7 bis Km. 11,900 Zona A.s.i. Aversa Nord	Carinaro (CE)	60%	Joint Venture
CO. & MA. Soc. Cons. a r.l.	Via del Parco 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

ASSOCIATES AND OTHER COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% held	Type
Alisei S.r.l. in liquidation	Via Cesari 68/1	Modena	100%	In liquidation
Bologna Gestione Patrimonio Soc.Cons. r.l.	Via della Cooperazione 9	Bologna	27.58%	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
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 Leader Soc.Cons. r.l. in liquidation	Via Poli 4	Zola Predosa (BO)	50%	In liquidation
Consorzio Polo Sterilizzazione Integrata a r.l.	Via Facciolati 84	Padova	60%	Associate
Consorzio Sermagest Soc.Cons. a r.l. in liquidation	Via Filippo Corridoni 23	Rome	60%	In liquidation
F.lli Bernard S.r.l.	Stradella Aquedotto 21	Bari	20%	Associate
Geslotto6 Soc.Cons. r.l. in liquidation	Via Poli 4	Zola Predosa (BO)	55%	In liquidation
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	Torino	24.75%	Associate
Livia Soc.Cons. a r.l. in liquidation	Via Roma 57/B	Zola Predosa (BO)	34.10%	Associate
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

Name	Registered Office	City	% held	Type
San Martino 2000 Soc.Cons. a r.l.	Via al Molo Vecchio	Calata Gadda (GE)	40%	Associate
Savia Soc.Cons. a r.l.	Via B. Vanzetti 1	Forlì	49.11%	Associate
Società Consortile Adanti Manutencoop a r.l. in 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 Marche Soc. Cons. a r.l. in liquidation	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	Torino	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 Dec 31, 2014	Changes of the year					Net Book Value Dec 31, 2015	Book Value	Investment Provision
			Additions/ Disposals	Dividends	Share of net profit/ Write-downs	Provision	Reserves			
Alisei s.rl. in liquidation	100%	(60)				(5)		(65)		(65)
A.M.G. S.r.l.	50%	2,200			57			2,257	2,257	
Bologna Gestione Patrimonio	27.58%	6						6	6	
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	
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 Leader Soc.Cons. a r.l. in liquidation	50%	5	(5)					0	0	
Consorzio Polo sterilizzazione Integrata	60%	23						23	23	
Consorzio Sermagest in liquidation	60%	0						0	0	
Costruzione Manutenzione Immobili	40%	84	(77)	(15)	10			0	0	
DUC Gestioni Soc.Cons. a r.l.	49%	10						10	10	
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	50%	50	620		(279)			391	391	
F.lli Bernard S.r.l.	20%	808			431			1,239	1,239	
Geslotto 6 soc. cons. a r.l.	55%	50	(50)					0	0	
GICO Systems S.r.l.	20%	59			20			79	79	
Global Provincia di Rimini Soc.Cons. a r.l.	42.40%	4						4	4	

	%	Net Book Value Dec 31, 2014	Changes of the year					Net Book Value Dec 31, 2015	Book Value	Investment Provision
			Additions/ Disposals	Dividends	Share of net profit/ Write-downs	Provision	Reserves			
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. Cons. A r.l. in liquidation	68%	7						7	7	
GRID Modena S.r.l.	23%	24						24	24	
Headmost Division Service FM S.p.A.	25%	0						0	0	
IPP S.r.l.	25%	453			(19)			434	434	
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%	(160)			218		329	387	387	
P.B.S. Soc.Cons. a r.l. in liquidation	25%	25	(25)					0	0	
Palazzo della Fonte S.c.p.a.	33.30%	8,000						8,000	8,000	
Progetto ISOM S.p.A.	36.98%	1,929			(552)		(234)	1,143	1,143	
Progetto Nuovo Sant'Anna S.r.l.	24%	1,653	(1,552)		(72)		(28)	0	0	
ROMA Multiservizi S.p.A.	45.47%	7,330			(844)		52	6,540	6,540	
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%	1,259			465			1,724	1,724	
Se.Ste.Ro S.r.l.	25%	144			(5)			139	139	
Serena S.r.l.	50%	9						9	9	
Servizi Luce Soc. Cons. a r.l.	50%	5	(5)					0	0	
Servizi Marche soc.Cons. a r.l. in liquidation	60%	6	(6)					0	0	
Servizi Napoli 5 Soc. Cons. a r.l.	45%	5						5	5	
Servizi Sanitari	40%	8						8	8	

	%	Net Book Value Dec 31, 2014	Changes of the year					Net Book Value Dec 31, 2015	Book Value	Investment Provision
			Additions/ Disposals	Dividends	Share of net profit/ Write-downs	Provision	Reserves			
Treviso (SE.SA.TRE)										
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%	4,151			658			4,808	4,808	
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	
UFS – United Facility Solutions SA	33.33%	0						0	0	
NET BOOK VALUE		**29,330**	**(1,100)**	**(15)**	**90**	**(5)**	**119**	**28,419**	**28,484**	**(65)**

ANNEX III

RELATED PARTY TRANSACTIONS

PARENT COMPANY

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Manutencoop Società Cooperativa	31-Dec-14	352	38,925	0	70	113	21,492	10,897	170
	31-dec-15	184	32,893	0	15	74	18,384	6,421	145

ASSOCIATES AND JOINT-VENTURES

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Alisei s.r.l. in liquidation	31-Dec-14					3			1
	31-Dec-15					3			1
AMG S.r.l.	31-Dec-14	16	261	4		19	504	106	
	31-Dec-15	0	254	2		19	502	162	
Bologna Gestione Patrimonio Soc.Cons. a r.l.	31-Dec-14	75	128			198		124	
	31-Dec-15	36	65			175		50	
Bologna Multiservizi Soc.Cons. a r.l.	31-Dec-14	103	488			174		1,687	
	31-Dec-15		250			195		1,619	
Bologna Più Soc.Cons.a r.l. in liquidation	31-Dec-14					(2)	39	13	
	31-Dec-15					(2)	39	13	
Cardarelli Soc. Cons. a r.l.	31-Dec-14		1,395					402	
	31-Dec-15		2,132					1,042	
Como Energia Soc.Cons.a r.l.	31-Dec-14		892					599	
	31-Dec-15		878					900	

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Consorzio Imolese Pulizie soc.Cons. in liquidation	31-Dec-14					138	36	48	
	31-Dec-15					49	36	48	
Consorzio Leader Soc. Cons. a r.l. in liquidation	31-Dec-14					14	0	6	
	31-Dec-15								
Consorzio Sermagest Soc.Cons.a r.l in liquidation	31-Dec-14								
	31-Dec-15								
CO.& MA. Soc. Cons. a r.l	31-Dec-14	360	1,094			439	20	1,094	
	31-Dec-15	360	1,263			360	20	2,287	
DUC Gestione Sede Unica Soc. Cons. a r.l.	31-Dec-14	5,144	2,489			5,449		851	
	31-Dec-15	6,104	2,824			5,799		997	
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	31-Dec-14	61	181			116	182	387	62
	31-Dec-15	78			10	188	2	54	267
Fr.lli Bernard s.r.l.	31-Dec-14	12	296			25	50	111	
	31-Dec-15	29	1			58	50		
Gestlotto 6 Soc. cons. a r.l in liquidation	31-Dec-14		4			6	20	47	
	31-Dec-15								
Gico Systems S.r.l.	31-Dec-14	9	701			6		329	
	31-Dec-15	6	980			9		624	
Global Provincia di RN Soc.Cons.a r.l. in liquidation	31-Dec-14					251	70	18	
	31-Dec-15					25	70	18	
Global Riviera Soc.Cons.a r.l.	31-Dec-14		60			55		(117)	
	31-Dec-15		12			55		(105)	
Global Vicenza Soc.Cons. a r.l.	31-Dec-14	214	1,396			163		604	
	31-Dec-15	228	1,420			34	570	933	
Grid Modena S.r.l.	31-Dec-14					18			
	31-Dec-15		12			2			

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Gymnasium Soc. cons. a r.l in liquidation	31-Dec-14					1	7	33	5
	31-Dec-15					1	7	33	5
HEADMOST in liquidation	31-Dec-14					454			
	31-Dec-15								
IPP S.r.l.	31-Dec-14	394	358	1		194	60	129	
	31-Dec-15	423	250			313	60	152	
Legnago 2001 Soc. Cons. r.l.	31-Dec-14		2			216		80	
	31-Dec-15		4			216		84	
Livia Soc. cons. a r.l.	31-Dec-14	10	122			129		257	
	31-Dec-15			22					
Logistica Ospedaliera Soc. Cons. a r.l.	31-Dec-14		426					92	
	31-Dec-15		426					140	
Malaspina Energy Soc. Cons. a r.l.	31-Dec-14		52	4		1,047	176	52	
	31-Dec-15		39	4		1,047	180	91	
Newco DUC Bologna S.p.A	31-Dec-14		7					22	
	31-Dec-15							25	
Palazzo della Fonte S.c.p.a.	31-Dec-14	4,581				1,065			
	31-Dec-15	3,994				723			
P.B.S. Soc.Cons. a r.l. in liquidation	31-Dec-14							7	0
	31-Dec-15		(39)				1		
Perimetro Gestione Proprietà Immobiliari Soc. Cons. p. A.	31-Dec-14	111				37	0		
	31-Dec-15								

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Progetto ISOM S.p.A.	31-Dec-14	227	24	13		9,337	206	2	
	31-Dec-15	233	371	24		13,630	1,802	131	
Progetto Nuovo Sant'Anna S.r.l.	31-Dec-14	170	5	118		5,818	4,671	164	16,430
	31-Dec-15								
Roma Multiservizi S.p.A.	31-Dec-14	1,621	2,242			518		1,973	530
	31-Dec-15	1,582	1,971		4	516		1,330	462
San Martino 2000 Soc.Cons. r.l.	31-Dec-14	1,774	3,501			675		363	
	31-Dec-15	1,708	3,509			717		675	
Savia Soc. Cons. a r.l	31-Dec-14	512	2,258			338		1,626	
	31-Dec-15		1,202			18		965	
Serena S.r.l. - in liquidation	31-Dec-14					49	3		
	31-Dec-15						3	1	
Servizi Luce Soc. Cons. a r.l.	31-Dec-14	75	1,665			290		521	
	31-Dec-15	35	1,542			339		(93)	
Servizi Marche Soc. Cons. r.l. in liquidation	31-Dec-14					12		1	
	31-Dec-15								
Servizi Napoli 5 Soc.Cons. a r.l.	31-Dec-14	1,371	1,256			1,743		962	
	31-Dec-15	1,395	1,282			2,076		1,287	
Se.Sa.Mo. S.p.A.	31-Dec-14	5,253	3	584		3,003		6	
	31-Dec-15	5,161		27		2,608	606	6	
SESATRE S.cons. a r.l.	31-Dec-14	10	4,362	32	32	(17)	1,921	1,715	
	31-Dec-15	15	4,526	19		(14)	1,221	1,475	
Se.Ste.Ro S.r.l.	31-Dec-14	14	492			35		627	
	31-Dec-15	15	501			46		921	
S.I.MA.GEST2 Soc. Cons. r.l. in liquidation	31-Dec-14					208	75	4	1
	31-Dec-15					20	75	4	2

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
S.I.MA.GEST3 Soc. Cons. r.l in liquidation	31-Dec-14					2		3	
	31-Dec-15							3	
Società Consortile Adanti Manutencoop in liquidation	31-Dec-14					36		12	
	31-Dec-15								
Steril Piemonte Soc. cons. a.r.l	31-Dec-14		807	5		23	580	251	
	31-Dec-15	(1)	727	3		11	578	334	
Synchron Nuovo San Gerardo S.p.A.	31-Dec-14	15,108	181			10,115		369	
	31-Dec-15	7,979	631	78		7,915	2,123	646	
Tower Soc.Cons. a r.l. in liquidation	31-Dec-14		6			17	17	(11)	
	31-Dec-15						11		

SUBSIDIARIES OF MANUTENCOOP COOPERATIVA

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Cerpac S.r.l. in liquidation	31-Dec-14					1			
	31-Dec-15					1			
Manutencoop Immobiliare S.p.A.	31-Dec-14	26	2,494			7		190	
	31-Dec-15	10	2,483			6		114	
Nugareto Società Agricola Vinicola S.r.l.	31-Dec-14	24	32			13		35	
	31-Dec-15	9	52			8		39	
Segesta servizi per l'Ambiente S.r.l.	31-Dec-14	17				9			
	31-Dec-15	17				9			

ASSOCIATES OF MANUTENCOOP COOPERATIVA OR OTHER RELATED PARTIES

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Consorzio Karabak Società Cooperativa	31-Dec-14	58				11			
	31-Dec-15	62	2			11		2	
Consorzio Karabak 2 Società Cooperativa	31-Dec-14	3				1			
	31-Dec-15	3	1					1	
Consorzio Karabak 3 Società Cooperativa	31-Dec-14	1							
	31-Dec-15								
Consorzio Karabak 6 Società Cooperativa	31-Dec-14								
	31-Dec-15		1				1		
Sacoa S.r.l.	31-Dec-14	82	17			52		8	
	31-Dec-15	75	20			50		8	

		Revenues	Costs	Financial income	Financial expences	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
TOTAL	**31-Dec-14**	**37,788**	**68,622**	**761**	**102**	**42,624**	**30,768**	**26,699**	**17,199**
	31-Dec-15	**29,740**	**62,484**	**179**	**29**	**37,310**	**26,340**	**23,437**	**882**

ANNEX IV

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

	For the year ended 31 December			
		2015		2014
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**113.382**		**184,538**
CASH FLOW FROM CURRENT OPERATIONS:		**55.676**		**34,217**
Profit before taxes for the year	(24.450)		11.992	
Profit (loss) from discontinued operation	(2.887)		12.042	
Capital gain on disposal of discontinued operation	2.225		(13.351)	
Other impairment on discontinued operation	0		2.752	
Amortization, depreciation, write-downs and (write-backs) of assets	32.513		40.645	
Accrual (reversal) of provisions for risks and charges	51.561		7.296	
Employee termination indemnity provision	838		1.459	
Share of net profit of associates, net of dividends collected	940		363	
Financial charges (income) for the year	32.891		36.597	
Net interest received (paid) in the year	(32.639)		(34.019)	
Income tax paid in the year	(5.072)		(29.005)	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of profit or loss	(243)		(2.561)	
USES OF PROVISIONS FOR RISKS AND CHARGES AND PAYMENTS OF THE EMPLOYEE TERMINATION INDEMNITY:		**(14,012)**		**(18,278)**
Payments of Employee termination indemnity	(2.769)		(7.982)	
Utilization of provisions	(11.244)		(10.296)	
CHANGE IN ADJUSTED NWOC:		**55,588**		**36,232**
Decrease (increase) of inventories	(92)		345	
Decrease (increase) of trade receivables	54.552		97.624	
Increase (decrease) of trade payables and advances from customers	1.060		(70.806)	
Adjustments:				
Change in the amount of trade receivables assigned without recourse to Factoring agencies and not yet collected by the latter	69		14.968	
Amount of trade receivables repurchased by Banca IMI, assigned under programmes of factoring without recourse in previous financial years.	0		(5.900)	
INDUSTRIAL AND FINANCIAL CAPEX:		**(17,047)**		**42,929**
(Purchase of intangible assets, net of sales)	(6.502)		(9.267)	

	For the year ended 31 December			
	2015		2014	
(Purchase of property, plant and equipment)	*(17,389)*		*(17,520)*	
Proceeds from sales of property, plant and equipment	*793*		*1,811*	
(Acquisition of investments)	*848*		*692*	
Decrease (increase) of financial assets	*(932)*		*5,837*	
Net cash used in business combinations	*(408)*		*0*	
Net cash from assets held for sale	*4,932*		*58,842*	
Reclassifications:				
Amount of trade receivables repurchased by Banca IMI, assigned under programmes of factoring without recourse in previous financial years.	*0*		*5,900*	
Payables for acquisition of equity investments and business combinations	*(433)*			
Change in current financial assets, to be included in Net Financial Liabilities	*1,685*		*(9,307)*	
CHANGE IN ADJUSTED NET FINANCIAL LIABILITIES:		**(49,089)**		**(139,068)**
Net proceeds from/(reimburse of) borrowings	*(48,009)*		*(130,027)*	
Adjustments:				
Change in the amount of receivables assigned without recourse to Factoring agencies and not yet collected by the latter	*(69)*		*(14,968)*	
Reclassifications:				
Non-cash net financial charges accounted for under the Statement of Profit or Loss	*243*		*2,561*	
Payables for acquisition of equity investments and business combinations	*433*			
Change in current financial assets, to be included in Net Financial Liabilities	*(1,685)*		*9,307*	
OTHER CHANGES:		**(29,747)**		**(27,188)**
Decrease (increase) of other current assets	*(985)*		*(3,216)*	
Increase (decrease) of other current liabilities	*(28,742)*		*(23,865)*	
Dividends paid	*(20)*		*(107)*	
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**114,391**		**113,382**

Manutencoop Facility Management S.p.A.
Registered office in 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)”