



**Telecom Italia Contract
Status Update**

*Call with Bondholders
October 21, 2013*

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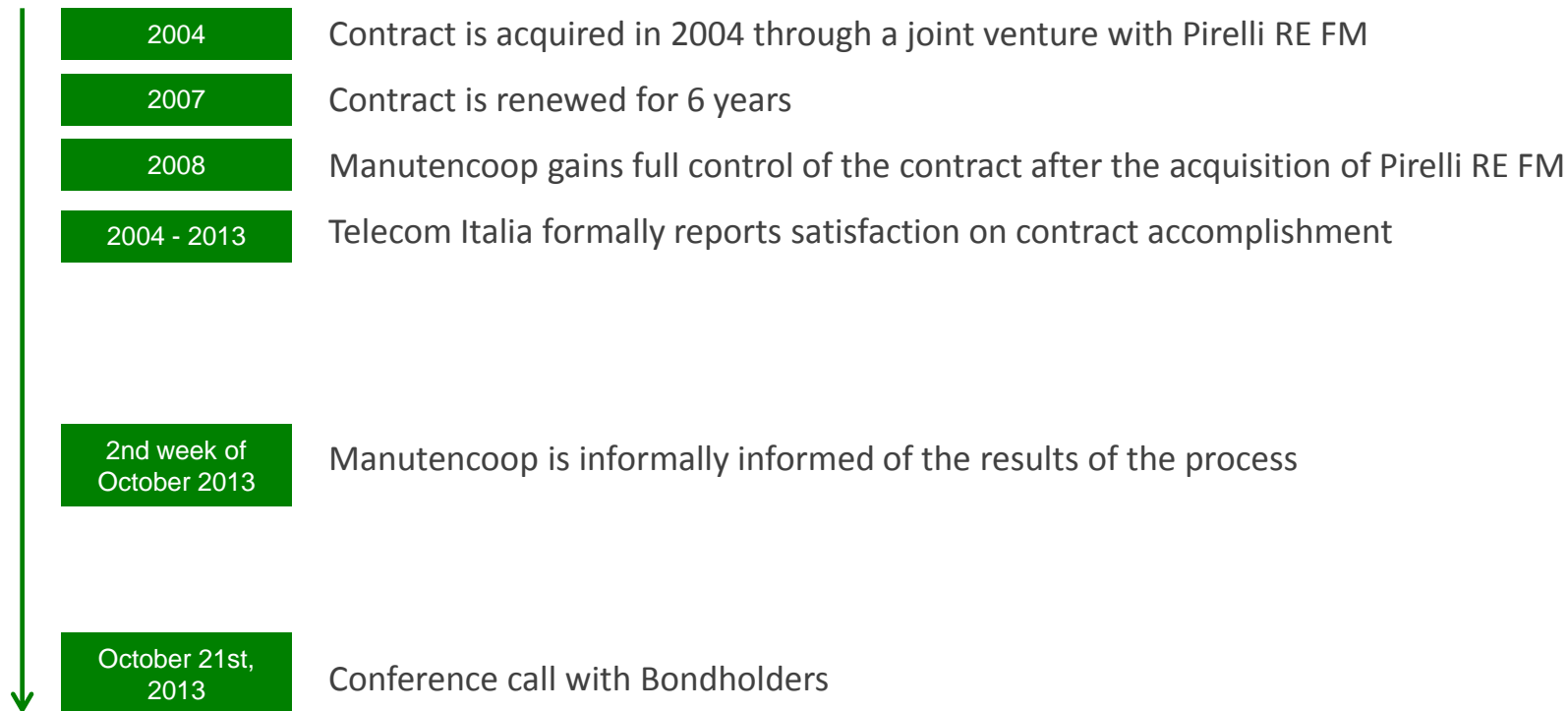
Telecom Italia Contract – Status Update

Telecom Italia Contract – Summary

- Telecom Italia contract **expires on October 31st, 2013**
- The new contract, although not fully disclosed, has been **reduced in size by ≈20% to ≈90 mln** per year
- The overall contract has been **split among Manutencoop and approximately 40 other suppliers**
- Manutencoop Contract size is expected to settle in the region of **€25mln** per year
- The new contract will start on November 1st, 2013 with a **3-year maturity**

Telecom Italia Contract – Status Update

Telecom Italia Contract – Timeline



Telecom Italia Contract – Status Update

Recent Trends in European FM Market



Recent Trends in Other Telecom Operators

- Outsourcing Trend
- Bundling Trend
- Bigger Contract Sizes to one single FM solution provider

Recent Trends in International Tenders

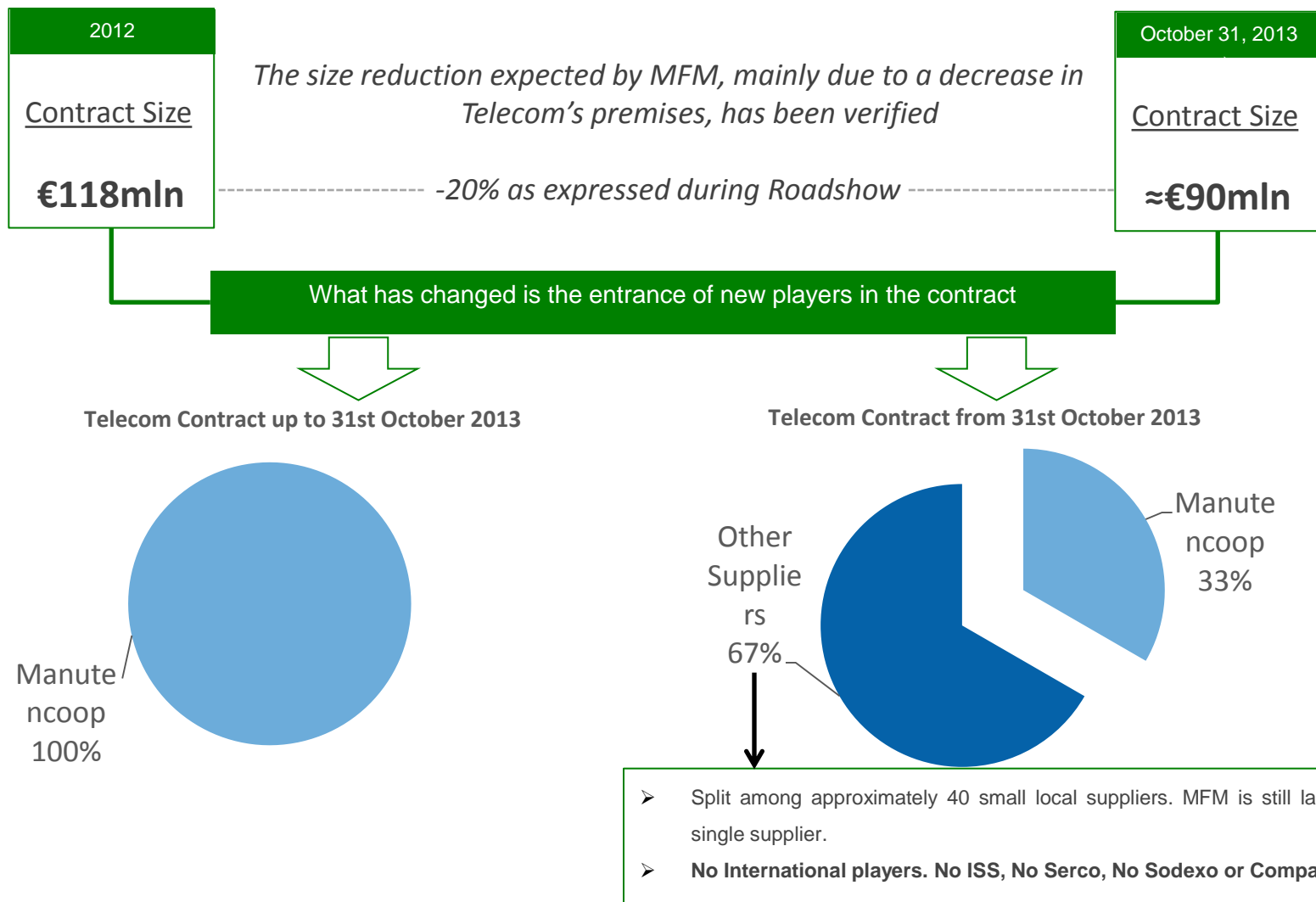
- Pan-European bids managed by one single multinational operator
 - ✓ UFS (co-founded by MFM) has been created for this reason

Telecom Italia Trend

- Split the contract into small contracts by services
- Approximately 40 different suppliers across Italian regions



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New Contract - Highlights

Contract Size	≈ €25mln		
Contract Breakdown		<u>Amount</u>	<u>Average Length</u>
	Facility Management Services <i>(Cleaning + Maintenance + Data Centers + Other)</i>	€ 21mln	3 years
	Unscheduled Activities	€ 4mln	
Geographical Presence	Piemonte, Lombardia, Lazio, Sardegna, Campania, Emilia-Romagna, Marche e Umbria		
Personnel <i>(preliminary)</i>	<p>Manutencoop is seeking to find a solution together with workers and trade unions in order to minimize both social and economic impacts.</p> <p>Out of the c.a. total 700 employees dedicated to this contract, c.a. 130 will be involved in lay off plans or in social welfare programs, while the remaining not attributable to the remaining revenues will be managed through Art. 4 CCNL (national bargaining contract).</p>		

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Sales Activities - Highlights

Awarded and renewed contracts for the period July-September 2013:

- Total multi-year revenues: €102mln
- Average yearly revenues: €35mln, €10mln of which are new contracts

Awarded plafonds for CONSIP tenders *(not included in the above figures)*:

<u>Client</u>	<u>Yearly Revenues</u>	<u>Backlog</u>	<u>Type</u>
Consip SIE 3	€6,5mln	€40mln	New contract; Energy Management
Consip Schools	€73mln	€294mln	Mainly new contract; Cleaning

A sales recap table will be available every quarter starting 3Q2013



*Thank You
For Your
Attention!*