

Zola Predosa, April 16, 2015

The following discussion updates certain of the risk factors and legal proceedings described in the Offering Memorandum dated July 26, 2013 and subsequent disclosures made to bondholders. We confirm that the substance of the other risk factors described in the Offering Memorandum remains applicable to the group.

Risk factors

Risks related to our business

If major customers terminate their service contracts with us prior to the end of the relevant contractual term or select another provider following expiration of such contracts, and/or if we are unable to establish new customer relationships, our business, financial condition and results of operations could be adversely affected.

We perform the majority of our work for customers under contracts with a fixed term and, in some cases, with termination clauses permitting the customer to terminate the contract at the customer's discretion upon an agreed notice period. With effect from October 1, 2014 Manutencoop Private Sector Solutions S.p.A. ("MPSS") transferred to MFM S.p.A. the business unit which operated for customer Telecom Italia (composed of the agreements signed with the latter, its assets and liabilities and the human resources engaged in the operations). Revenue generated by the Group based on the contract with Telecom Italia group during the financial year ended December 31, 2014 amounted to €27.6 million and 3% of our total revenue for the period.

Moreover, Telepost S.p.A. ("Telepost"), a wholly owned subsidiary of the Issuer acquired in 2011, provides internal mailing services for the Telecom Italia group pursuant to a contract expired in February 2014, then extended up to February 2015, and finally renewed for 5 years starting March 1, 2015. The revenue received by Telepost based on this contract during the financial year ended December 31, 2014 amounted to €9.9 million or 3.14% of our total revenue from private customers, and 0.99% of our total revenue for the period. The contract has been renewed for 5 years starting from March 1, 2015 for a value of at least €4.8 million per year. The new contract foresees a benchmarking session, in December 2016, that might affect prices.

We may face risks with respect to any divestments we undertake

As of the issue date we intended to eventually divest our Other Segment, which comprised Group companies engaged in Project management and energy and Building construction, mainly due to the crisis affecting the photovoltaic, construction and real estate sectors and its main customers. Since then we actually divested from *project and energy management business* in January 2014, and decided, during 4th Quarter of 2014, to divest from *public lightening business* (performed by the subsidiary Smail S.p.A.) too.

Among the risks associated with such divestments, which could materially adversely affect our business, results of operations and financial conditions are the following:

- divestments could result in losses and/or lower margins;
- divestments could result in write-down of goodwill and other intangible assets;
- divestments may result in the loss of qualified personnel; and
- we may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties.

Our ability to manage our labor costs is primarily dependent upon provisions of the collective bargaining agreement applicable to cleaning and facility management that allow the transfer of employees to and from the Group upon the awarding or loss of a contract for cleaning and/or facility management, as applicable.

As of December 31, 2014, approximately 13.561 individuals, approximately 85% of our total employees (as of December 31, 2013 they were approximately 15.282 – 78% of our total employees, while as of March 31, 2013 they were 11.800 – 80% of our total employees), are employed pursuant to CCNL Multiservizi. Article 4 of CCNL facilitates, under certain circumstances, the transfer of employees from one outsourced provider of cleaning and facility management to another upon the expiration or termination of a contract to provide such services to a PSE, healthcare customer or private sector customer, which has the effect of reducing liabilities for exiting providers and reducing startup costs for incoming providers. Any future labor law reforms, renegotiation of the CCNL with trade unions and other parties and/or new case law could hinder or significantly reduce our ability to manage our labor costs by increasing liabilities in cases where we are the exiting provider (i.e. employee severance indemnities) or by increasing startup costs where we are the incoming provider (i.e. cost of recruiting and training new personnel) which could also have a material adverse effect on our business, financial condition and results of operations.

Risks related to our indebtedness

We are subject to restrictive covenants under the Revolving Credit Facility and the Indenture which could impair our ability to run our business.

The 3-year Revolving Credit Facility (RCF) agreement for a nominal amount of € 30.0 million, signed in the framework of the bond issue process, has been cancelled with effect from 30 July 2014.

Risks related to the Notes, Notes Guarantees and Collateral

The Notes will be structurally subordinated to the liabilities of the Issuer's non-Guarantor subsidiaries.

The Guarantors will guarantee the Notes. For the twelve months ended December 31, 2014, the Issuer's non-Guarantor subsidiaries represented approximately 8.4% of our total revenue and 9.4% of our EBITDA, respectively. As of December 31, 2014, the Issuer's non-Guarantor subsidiaries represented 11.8% of our total assets. As of December 31, 2014 our non-Guarantor subsidiaries had approximately €0.7 million of indebtedness outstanding and had significant trade payables and other liabilities outstanding.

Developments in legal proceedings

Sistema Integrato Ospedali Regionali (Tuscany) Litigation.

As for this litigation (ref. no. R.G. 4131/2013), pending before the Civil Court of Florence, by ruling issued on June 20, 2014, the Court declared SIOR's requests inadmissible.

Criminal investigation (Brindisi).

In relation to the criminal investigation commenced by the public prosecutor of Brindisi (ref. no. 10115/09 RGNR), the manager under investigation, as described in the Offering Memorandum, among others, has been indicted by the office of the public prosecutor ("giudizio immediato") alleging criminal conspiracy to obstruct multiple public tenders and disclose non-public information (associazione a delinquere finalizzata a commettere una serie di turbative d'asta e a rivelare un segreto d'ufficio"); since the act through which the indictment has been ordered did not mention the allegation of corruption of a public official - which was one of the crimes for which the public prosecutor was originally investigating - we believe that the public prosecutor has dropped that specific charge. Recently, in relation to the same facts, we were informed that the office of the public prosecutor of Brindisi has requested to indict ("richiesta di rinvio a giudizio"), among others, our Chairman and CEO, one of our former managers ("ex dirigente") and a former key executive ("soggetto apicale") of a controlled entity; a hearing to decide whether to indict these individual is scheduled for July 16, 2015. The aforementioned crimes allegedly committed by the managers of Manutencoop and of our controlled entity would not trigger administrative liability of the Issuer under LD 231.



URTG Litigation.

On June 27, 2014 the TJA Gesta-Manutencoop entered into a settlement agreement with URTG to dismiss both the lawsuit (ref. no. RG 38599/12) brought by URTG claiming damages for approximately €8.4 million and the counterclaim (ref. no. RG 63181/13) brought by the TJA Gesta-Manutencoop against URTG for the recovery of a credit equal to approximately €6.5 million (VAT included); pursuant to such settlement agreement URTG has paid €3 million (VAT excluded) to the TJA Gesta-Manutencoop and the parties have also agreed to waive any future claims. On June 26, 2014 Manutencoop and Synergo (former Sofipa S.g.r)/Prandi Francesca/Mariella Boschi/Morini Franco (i.e. the seller of Teckal S.p.A) entered into a settlement agreement in relation to the claims brought by Manutencoop against the sellers of Teckal S.p.A. as a consequence of the lawsuit brought by URTG; pursuant to such settlement agreement the sellers of Teckal S.p.A have paid to Manutencoop an amount equal to approximately €1.7 million. Taking into account the reserve set aside as of March 31, 2013, the litigation has been settled with no further negative financial effects.

Kind regards,

