MANUTENCOOP

FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS 2009

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CONTENTS

GENERAL INFORMATION
MANUTENCOOP FACILITY MANAGEMENT S.p.A

REGISTERED OFFICES

Via U. Poli, 4
Zola Predosa (Bo)

MANAGEMENT BOARD

APPOINTED BY THE SUPERVISORY BOARD ON 23.12.2008

CHAIRMAN AND MANAGING DIRECTOR
Claudio Levorato

MANAGING DIRECTOR
Mauro Casagrande

MANAGEMENT BOARD DIRECTORS
Benito Benati
Leonardo Bruzzichesi
Marco Bulgarelli
Marco Canale
Giuliano Di Bernardo
Massimo Ferlini
Mauro Masi
Marco Monis
Elena Mortarotti

SUPERVISORY BOARD

APPOINTED AT THE SHAREHOLDERS' MEETING HELD ON 23.12.2008

CHAIRMAN
Fabio Carpanelli

DEPUTY CHAIRMAN
Antonio Rizzi

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

INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.

MANUTENCOOP

REPORT ON OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2009

INTRODUCTION

The Manutencoop Facility Management Group continued to expand during 2009: the current global crisis has had no significant effect on planned growth or the quality of the results achieved.
Following a year of major corporate reorganisation as a necessary consequence of the numerous acquisitions made over the past two years, Manutencoop Facility Management remains the leading group in the reference market having consolidated its position in Italy and further broadened the range of services that are available.

1. MACROECONOMIC CONDITIONS

Economic recovery commenced in the major advanced economies during the third quarter of 2009, while strengthening considerably in the emerging countries. Progress continued during the last part of the year, supported by the expansionary policies adopted by the principal economies.
Macroeconomic indicators show that, although fragile, the recovery of the Euro area continued during the final quarter of 2009, although without building on the results seen in the summer quarter: GDP for the Euro area as a whole rose by 0.1% with respect to the previous quarter, but fell by 2.1% year-on-year.

In Italy[1], GDP returned to growth in the summer months (up 0.6% with respect to the previous quarter) following five straight quarters of contraction, but slipped back in the last three months of 2009: contracting 0.3% with respect to the previous quarter and 3.0% compared with the same period in 2008. Overall, Italian GDP fell by 5.0% during 2009.
According to Istat, the latest decline in GDP reflects a reduction in industrial value added and broad stagnation in the value added by services, as partly offset by an increase in the value added by agriculture.

With regard to the facility management sector in particular[2], 2009 closed with a potential market worth Euro 36 billion based on published calls for bids. From the beginning of the year, the National Facility Management Observatory identified the start of 27,220 new contracts, including 18,930 where the contract value is known.

Over this period, building and infrastructure maintenance and management was the macrocategory representing the largest potential market, with 3,094 calls for bids (including 2,914 where the amount is known) worth Euro 9.5 billion. Ancillary services is also a significant market worth Euro 6.1 billion, with 2,691 calls for bids (including 2,428 where the amount is known).

1. Source: Istat, Quarterly income statements – IVth quarter 2009, 10 March 2010.
2. Source: National Facility Management Observatory, Monthly Report December 2009, Analysis by Cresme.

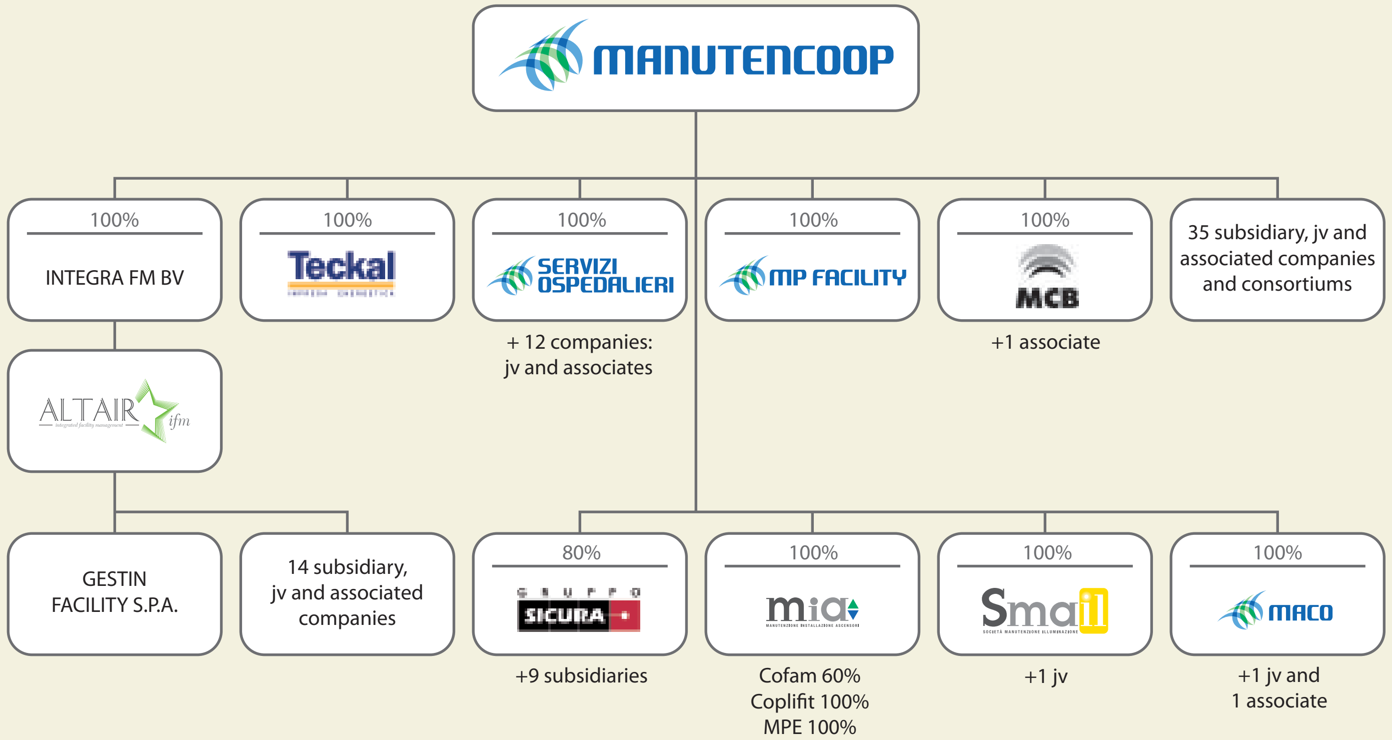
2. SIGNIFICANT EVENTS IN 2009

During 2009 the Group made a number of acquisitions to consolidate further its absolute leadership of the Integrated Facility Management market in Italy, and implemented a number of special measures as part of work to rationalise the corporate structure of the MFM Group.

Project to reorganise and rationalise the corporate structure

Following the significant acquisitions made in December 2008 (especially the Altair group controlled by Integra FM BV, but also the Sicura group), in early 2009 management launched a project to integrate the new acquisitions that resulted in a far-reaching and radical revision of the Group's organisational structure. The process of reorganisation als oidentified a need to rationalise the Group's corporate structure for consistency with the new organisational structure that was emerging. This resulted in the launch of a series of special transactions within the Group, a number of which have taken legal effect from 1 January 2010.

As of 31 December 2009, the Group's corporate structure is as follows:



The principal special transactions within the Group during 2009 are described below:

Absorption of Omasa S.p.A. by Servizi Ospedalieri S.p.A.

The merger deed for the absorption of Omasa S.p.A. by Servizi Ospedalieri S.p.A. was signed on 22 June 2009, following authorisation on 15 April 2009 at the shareholders' meetings of the companies involved, as filed with the Ferrara Registry on 20 April 2009.
This transaction took legal, accounting and tax effect from 30 June 2009.
The merger of these two companies, both wholly owned by MFM S.p.A., was necessary in order to integrate within one company the management of facilities for the sterilisation of surgical instruments, thus completing the process that began with the Group's acquisition of Omasa S.p.A.

Intercompany transfers of the "Cross" lines of business

On 21 and 22 December 2009, the Boards of Gestin S.p.A. and Altair IFM S.p.A., both subsidiaries of the MFM Group, approved the transfer on 31 December 2009 of their "Cross" lines of business to MCB S.p.A., which was absorbed on 1 January 2010 by MP Facility S.p.A., another subsidiary of MFM S.p.A..
The transfers involved the contracts for the provision of specific services to "Cross" customers, comprising banks and private entities, as well as the employment contracts of 22 persons employed by these lines of business.
The purpose of transferring the lines of business and absorbing the recipient company, as mentioned above, was to group within one company the management of major customers with multiple locations throughout Italy ("Cross" or network customers), offering them all the necessary skills and services on a one-stop basis.

Contribution of the "Building" line of business

On 23 December 2009 with effect from 31 December 2009, MFM contributed its Building line of business to Manutencoop Costruzioni S.p.A., a wholly-owned subsidiary that was formed on 12 November 2009.
The contribution include the transfer of employees and the Parent Company's contracts relating to the Building sector.
The purpose of the transaction was to concentrate within one company the design, construction and maintenance of building works for public and private customers, in order to optimise the use of resources and contain costs by rationalising the organisational structure.

Absorption of MCB S.p.A. by MP Facility S.p.A.

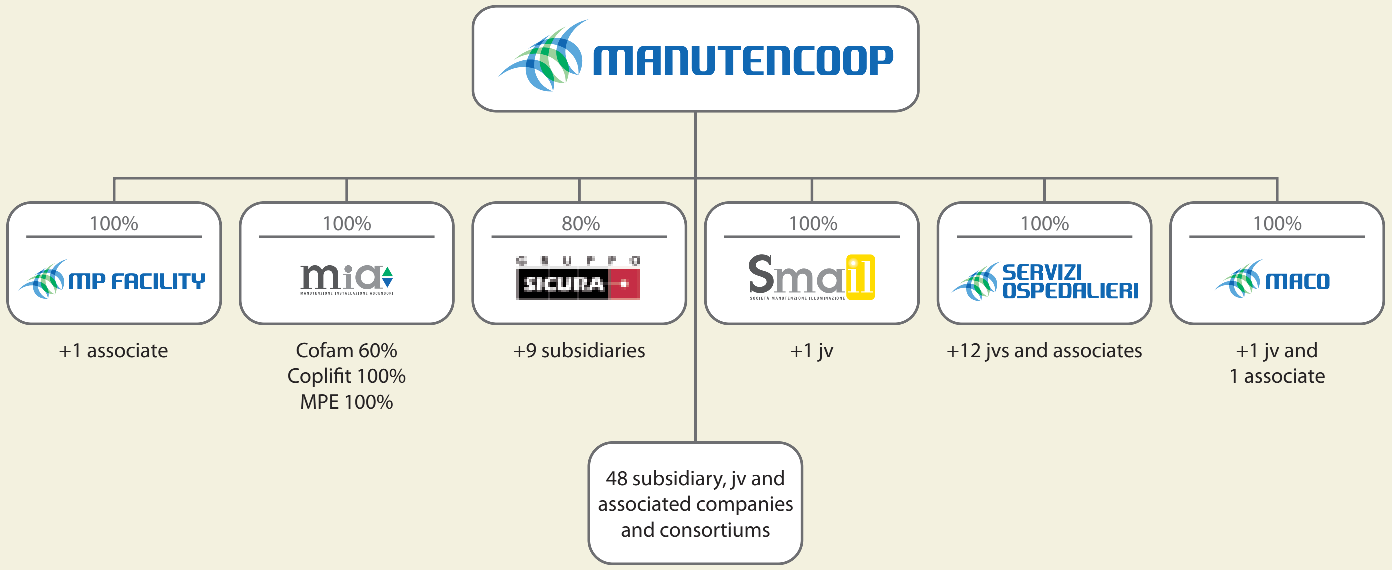
The merger deed for the absorption of MCB S.p.A. by MP Facility S.p.A. was signed on 10 December 2009 and filed with the Companies Register on 17 December 2009.
This transaction took legal, accounting and tax effect from 1 January 2010.
The merger of these two companies, both wholly owned by MFM S.p.A., was part of the reorganisation of the MFM Group. In particular, it concentrates the management of "Cross" customers within one company, as discussed below, thus rationalising and simplifying the corporate structure in order to streamline administrative activities.
The new company releases the synergies deriving from two experiences: one linked with Telecom Italia S.p.A. and the other associated with a certain number of medium-large, private customers with networks, such as banks and chain retailers, covering various commercial sectors and providers of business services.
MP Facility S.p.A. will manage more than 17,000 properties for private customers.

Absorption of Integra FM B.V., Altair IFM S.p.A., Gestin S.p.A. and Teckal S.p.A. by MFM S.p.A.

The merger deed for the absorption of Integra FM B.V. by MFM S.p.A. was signed on 4 December 2009, while the merger deeds for the absorption of Altair IFM S.p.A., Gestin S.p.A. and Teckal S.p.A. by MFM S.p.A. were signed on 10 December 2009.
The merger deeds for the Italian companies were filed with the Companies Register on 14 December 2009, while the merger deed for Integra FM B.V., a Netherlands company, was filed with the Chamber of Commerce on 28 December 2009.
These transactions took legal, accounting and tax effect from 1 January 2010.
This important merger represents, in fact, the key transaction in the reorganisation of the MFM Group's facility management activities to optimise the organisational structure and reduce operating costs.
The creation of just one operational holding company, combining the productive resources of the traditional facility management services with those of the Group's business support services, will

result in more effective and efficient operations, improved services and streamlined processes, while also facilitating the commercial approach to the market.

It is useful to examine the organisational structure of the MFM Group from 1 January 2010, after the effective date for the last two transactions described above:



Specialist facility management services: creation of a network for the supply of installation and maintenance services for lifting equipment

During 2009, the Group acquired 3 companies active in the installation and maintenance of lifting equipment.
These acquisitions represent the first steps along a road to establish, via MIA (the sub-holding company formed for this purpose in 2008), a network of operating branches that provide the above-mentioned services throughout Italy.
The above acquisitions were made as part of the strategy of diversification designed to complement the traditional facility management services (hygiene, gardening and technical maintenance) provided by MFM S.p.A. and other Group companies, with the addition of a number of "specialist" facility management services. This strategy was initiated in December 2008 with the purchase of the Sicura group, active in the provision of services, products and systems for fire prevention and safety.
The new direct provision of "specialist services" not only expands the range of facility management services that the Group is able to offer on an integrated basis to major customers, without recourse to third parties, but also broadens the types of customer that the Group is able to serve. Traditional customers (public bodies, healthcare services, major private, industrial groups and banks) are now joined by the so-called retail market, mainly comprising condominiums, small businesses and private users.

Acquisition of 60% of the capital of Cofam S.r.l.

On 15 January 2009, MIA S.p.A., a subsidiary of MFM S.p.A., acquired 60% of COFAM S.r.l. for Euro 4,058 thousand. This small company (2009 sales of about Euro 3 million) installs and maintains lifting equipment (lifts) in the Modena area.
The agreement signed by the parties envisages the exchange of put and call options that, if exercised, would enable the Group to acquire the remaining 40% interest in the company.

Acquisition of 100% of the capital of Coplift S.r.l.

On 30 November 2009, the MFM Group acquired via MIA S.p.A. the entire equity interest in Copift S.r.l. for Euro 526 thousand. This company sells, installs and maintains passenger and goods lifts, escalators and lifting equipment in general. The acquisition was part of work to establish a nationwide network in order to develop the business over the short-medium term, continuing pursuit of the growth project launched with the formation of MIA S.p.A. and the subsequent acquisition of Cofam S.r.l.. The acquired company is active in Milan and the surrounding municipalities.

Acquisition of 100% of the capital of M.P.E. S.r.l.

On 4 December 2009, MIA S.p.A., a subsidiary of the MFM Group, acquired the entire equity interest in M.P.E. S.r.l. for Euro 1,363 thousand. The acquired company is active, in Milan and the surrounding municipalities, in the assembly, installation and maintenance of lifting equipment.

Further information about these acquisitions made by the Group is provided in note 4 of the explanatory notes to the consolidated financial statements, to which reference is made.

Other events: outsourcing of information systems

On 23 December 2009, Manutencoop Facility Management S.p.A. signed an agreement with Telecom Italia, as the lead company in a temporary business association that includes Engineering S.p.A., for the outsourcing of its IT systems and, at the same time, the disposal of the related line of business comprising 12 persons.
The disposal of this line of business involved the sale of hardware totalling Euro 1.0 million and the recognition of a receivable for essentially the same amount due from the outsourcer.
This agreement envisages the supply and management of data networks, operational management and hosting of the Group's technological platform, with the management of more than 2,400 workstations.
The Group remains responsible for the strategic management and control of its IT systems, as well as for the development of projects and technologies relating to its business systems.
The outsourcing of IT services enables Manutencoop Facility Management to concentrate strategic resources on the core business, improve planning for the costs to be incurred, and absorb the discontinuities in scale deriving from growth. The selected partner's demonstrable experience and technical abilities will ensure that systems and infrastructure keep pace with technological change, while helping to identify the solutions and technologies that best support the Group's growth plans, both in Italy and abroad.

3. COMMERCIAL DEVELOPMENT

With regard to commercial activity, the customer portfolio expanded considerably during 2009 as a result of major successes in the potential market and the general renewal of expired contracts.
The long-term business acquired in 2009 amounted to Euro 690 million, of which Euro 295 million related to the renewal of expired contracts while the balance, Euro 395 million, came from new customers with an average contract duration of about 4 years.
Consistent with the results for 2008 and the commercial objectives set for 2009, over the past year the Manutencoop Facility Management Group has, via the acquisition of important new business, consolidated its presence in southern Italy, where virtually all Group services are available.
Despite lively competitive, the Manutencoop Group has pursued its growth objectives by focusing, as ever, on its consolidated ability to interpret and anticipate the needs of potential customers, offering high and innovative standards of quality, and pricing parameters that meet the expectations of customers.

In particular, during 2009, the Manutencoop Group invested to strengthen and rationalise its commercial organisation, both by expanding the resources on the ground and by promoting the logic of Group services in dealings with customers.

Considering the value of contracts acquired by ASA, Facility Management generated about Euro 531 million (including about Euro 27 million from network customers), Laundering & Sterilisation (Servizi Ospedalieri) about Euro 147 million, and Other activities about Euro 12 million.

Most of the business acquired came from the public sector, representing about 67% of the total, due in part to the Consip Uffici (offices) and Consip Sanità (healthcare) conventions; the remaining 33% came from the private sector.

Further information is provided below by business area about the principal new contracts, in terms of long-term value, obtained during the year.

The main public sector contracts won during 2009 included:

ASA *Facility Management*

- Acquisition of the hygiene service for *Infrastrutture Lombarde*, worth about Euro 8 million per annum over five years;
- Renewal of the cleaning service for the facilities of *Azienda Ospedaliera Universitaria di Modena*, worth Euro 6 million per annum on average over nine years;
- Acquisition under the Consip Sanità convention of the technical services for *USSL 16 Ospedale di Padova*, worth Euro 5.3 million per annum over five years;
- Renewal of the technical and energy services for the *Provincia di Venezia*, worth Euro 4.6 million per annum on average over five years;
- Acquisition of the technical and energy services for *Azienda Ospedaliera Cardarelli di Napoli*, worth Euro 2.4 million per annum on average over seven years;
- Acquisition of the technical and energy services for *Università La Sapienza di Roma*, worth Euro 1 million per annum over nine years.

ASA *Laundering & Sterilisation*

- Renewal of the laundering service for *Azienda Ospedalieria di Verona* (Istituti Ospitalieri di Verona), worth Euro 3.4 million per annum over five years;
- Renewal of the laundering and sterilisation service for *Azienda Ospedaliera Ospedali Riuniti di Ancona Umberto I*, worth Euro 2.9 million per annum over five years;
- Acquisition of the sterilisation of surgical instruments service for *Policlinico Umberto 1° di Roma*, worth Euro 1.6 million per annum over nine years;
- Acquisition of the laundering service for *Azienda Ospedaliera Universitaria Policlinico Tor Vergata*, worth Euro 1.2 million per annum over nine years.

The main private sector contracts won during 2009 included:

ASA *Facility Management*

- Renewal of the technical services for *Wind Telecomunicazioni*, worth Euro 2.1 million per annum over two years;

with regard to network customers:

- Acquisition of the technical services for *Alcatel*, worth about Euro 3 million per annum, including extras, over three years;

- Acquisition of the technical services for *UGF BANCA*, worth Euro 1.8 million per annum over three years;
- Renewal of the technical services for *Unicredit Real Estate*, worth Euro 1.5 million per annum over three years.

In addition, various new customers have been won with lower contract values, but with large growth potential, including: *Banca Sella, Banca Pop. di Vicenza, Manifatture Sigaro Toscano*, and *Farmacie Pratesi Pratofarma*, as well as certain units of *LeRoy Merlin, H&M* and *Promod*.

Commercial activity in early 2010

The Facility Management ASA has won several major public sector contracts in early 2010, following the presentation of tenders in 2009, such as those with Provincia di Trento (Euro 46.8 million over 6 years) and Azienda Sanitaria Locale di Taranto (Euro 26.4 million over 6 years).

Activity in the private sector has included: Università IULM (about Euro 1 million, renewable for 3 years), Colgate (about Euro 0.8 million over 2 years), Agenzia per il Lavoro Metis S.p.A. (Euro 0.5 million over 12 months) and other smaller contracts, such as those for 110 stores belonging to Miroglio Fashion, the CAAM (Credit Agricole Asset Management) fund and POSTEL.

4. ANALYSIS OF THE GROUP'S PERFORMANCE AND FINANCIAL POSITION IN 2009

4.1 Consolidated results

The table below presents key operating data for the years ended 31 December 2009 and 2008, prepared under the IFRS endorsed by the European Union.

The economic data for 2008 does not include any costs, revenues, income or charges relating to the companies acquired at the end of 2008 and in January 2009 (especially those in the Altair group controlled by Integra FM BV and the Sicura group, as well as Cofam S.r.l. and Smail S.p.A., hereafter referred to as the *recently-acquired companies*). For this reason, simple comparison of the economic information for the year ended 31 December 2009 with that for the prior year is not meaningful.

Acquisition of Integra IFM BV (parent of the Altair group) has involved, following final PPA, the recognition as an intangible asset of contractual relations with customers worth Euro 29.3 million, to be amortised on a decreasing basis over the residual lives of the contracts concerned. The amortisation charge for 2009 in relation to this intangible asset was Euro 10.4 million (in 2010 it will amount to Euro 5.9 million, in 2011 to Euro 4.2 million, in 2012 to Euro 2.7 million, in 2013 to Euro 2.0 million, becoming insignificant thereafter).

It is also appropriate to note that 2009 was a year in which non-recurring costs were incurred, mainly in relation to the reorganisation process described in section 2; in particular:

- Costs for services included among the costs of production associated with the reorganisation project (design and implementation of the new organisational structure, merger-related charges, the integration of IT systems etc.) totalling Euro 2.8 million;
- Costs of redundancies and leaving incentives included among the costs of production, associated with the restructuring plan currently in progress, totalling Euro 6.0 million;
- Provisions for completion of the above restructuring plan totalling Euro 7.0 million, classified among the provisions for risks and charges.

Lastly, in addition to the above, the income statement for 2009 includes redundancy costs and leaving incentives (Euro 0.7 million), recognised as payroll costs, that exceeded the provisions made as of 31 December 2008 in relation to the restructuring plan devised by MP Facility in 2008 (fully implemented as of 31 December 2009).

	Year ended 31 December			
	2009	2008	Diff. Euro/000	Diff. %
Revenues	1,150,977	690,596	460,381	+66.7%
Cost of production	(1,037,802)	(610,226)	(427,576)	+70.1%
EBITDA (1)	**113,175**	**80,370**	**32,805**	**+40.8%**
EBITDA %	**9.8%**	**11.6%**	**7.1%**	**-1.8%**
Depreciation, amortisation, write-downs and write-backs	(43,308)	(23,836)	(19,472)	+81.7%
Provisions for risks and charges, amounts released	(11,680)	(3,274)	(8,406)	+256.8%
Operating profit	**58,187**	**53,260**	**4,927**	**+9.3%**
Operating profit %	**5.1%**	**7.7%**	**1.1%**	**-2.7%**
Revaluations (write-downs) of associates measured using the equity method	416	2,942	(2,526)	-85.9%
Net financial charges	(15,368)	(17,547)	2,179	-12.4%
Results before taxation	**43,235**	**38,655**	**4,580**	**+11.8%**
Results before taxation %	**3.8%**	**5.6%**	**1.0%**	**-1.8%**
Income taxes	(27,892)	(17,756)	(10,136)	+57.1%
NET RESULTS	**15,343**	**20,899**	**(5,556)**	**-26.6%**
NET RESULTS %	**1.3%**	**3.0%**	**-1.2%**	**-1.7%**
Minority interests	(221)	(304)	83	-27,3%
GROUP NET RESULTS	**15,122**	**20,595**	**(5,473)**	**-26.6%**
GROUP NET RESULTS %	**1.3%**	**3.0%**	**-1.2%**	**-1.7%**

Revenues

The revenues of the MFM Group amounted to Euro 1,151.0 million in the year ended 31 December 2009, up by Euro 460.4 million (+66.7%) with respect to the prior year.

Of this amount, Euro 437.4 million represents the additional revenues contributed to the Group in 2009 by the *recently-acquired companies* (the Altair group controlled by Integra FM BV, the Sicura group, Cofam S.r.l. and Smail S.p.A.) mentioned earlier.

The balance of the increase, Euro 22.9 million, representing a rise of 3.3%, reflects the internal growth achieved by the MFM Group during 2009, despite the persistently difficult market conditions.

(1) EBITDA comprises the operating profit before provisions for risks and charges, amounts released, depreciation and amortisation, write-downs and write-backs of assets. EBITDA, as defined above, is a parameter used by Company management to monitor and assess performance. It is not identified as an accounting parameter by the IFRS and, accordingly, should not used as a basis for evaluating the results of the Group. Since the composition of EBITDA is not governed by the reference accounting standards, the criterion applied by the Group might not be consistent with that utilised by other enterprises and, therefore, might not be comparable with theirs.

EBITDA and Operating Profit

The Group's gross operating profit (EBITDA) for 2009 was Euro 113.2 million (9.8% of revenues), up by Euro 32.8 million (+40.8%) from Euro 80.4 million (11.6% of revenues) in 2008.

The *recently-acquired companies* mentioned earlier earned an EBITDA totalling Euro 31.5 million, excluding which EBITDA for 2009 would have been Euro 81.7 million, or 11.5% of the related revenues, much the same as in 2008.

The 2009 operating profit, Euro 58.2 million (5.1% of revenues), was essentially unchanged in absolute terms with respect to 2008 (Euro 53.3 million, equal to 7.7% of revenues).

The *recently-acquired companies* contributed an operating profit of Euro 20.3 million, without which the operating profit for 2009 would have been Euro 37.9 million (or 5.1% of the related revenues).

This said, the operating profit for 2009 is stated net of amortisation of Euro 10.4 million charged in relation to the contracts with customers acquired on the purchase of the Altair group. These contracts have been recognised as *Intangible assets* and are being amortised from 2009 over the residual lives of the long-term contracts concerned. The results are also stated net of provisions for restructuring

totalling Euro 7.0 million, consequent to the reorganisation and integration project implemented by the Group from the second quarter of 2009, which will be completed during 2010. Furthermore, the operating profit also absorbs other reorganisation costs of Euro 2.8 million (see the introduction to this section 4). Excluding the above effects, on a consistent basis of comparison, the Group's operating profit has improved in absolute terms and remained stable as a percentage of revenues.

Results before taxation

The operating profit was adjusted by adding the net revaluation of companies measured using the equity method, Euro 0.4 million (2008: Euro 2.9 million), and deducting Euro 15.4 million of net financial charges (2008: Euro 17.5 million). As a consequence, the 2009 results before taxation totalled Euro 43.2 million, up by Euro 4.6 million (+11.8%) with respect to the prior year.

Analysing in detail the results of companies measured using the equity method and the net financial charges, the former have fallen significantly (down Euro 2.5 million) due, in the main, to the lower profitability of Roma Multiservizi S.p.A., a 45.47%-held associate, while the latter reflect net savings of Euro 2.2 million with respect to the prior year. Considering that Euro 5.3 million of the net financial charges totalling Euro 15.4 million relate to the *recently-acquired companies*, it is clear that comparison with 2008 on a consistent basis would show an overall saving of Euro 7.5 million due, almost entirely, to the fall in financial market interest rates.

Net profit for the year

The 2009 profit before taxation was adjusted by deducting taxation of Euro 27.9 million, reflecting a consolidated effective tax rate of 64.5%, leaving consolidated net profit for the year of Euro 15.3 million. This was Euro 5.6 million lower than in 2008, when the income tax charge of Euro 17.8 million represented an effective tax rate of 45.9%.

The increase in taxation was partly due to the contribution made by the *recently-acquired companies* which reported current and deferred tax charges for 2009 totalling Euro 10.5 million, excluding which the tax charge would have been Euro 17.4 million with an effective tax rate with respect to profit before taxation of 60.7%.

The remaining significant difference between the tax rates for 2009 an 2008 was due to a number of "non-recurring" items that benefited the *Income taxes* caption in 2008 including, in particular:

› the use by Servizi Ospedalieri in 2008 of a tax loss brought forward from prior years amounting to Euro 2.4 million, that had not been recognised previously since the necessary conditions for such recognition were not met;
› the franking of the difference between the values for tangible and intangible fixed assets recognised for statutory and fiscal purposes pursuant to the 2008 Finance Law. These differences arose due to the off-book adjustments made in the years up to 31 December 2007, giving rise to a net tax saving of Euro 0.6 million in 2008.

4.2 Analysis by business segment

The next two tables analyse the Group's revenues and operating results for 2009 and 2008 by business segment.
The economic data for 2008 does not include the revenues and results of the companies acquired at the end of 2008 and in January 2009 (especially those in the Altair group controlled by Integra FM BV and the Sicura group, as well as Cofam S.r.l. and Smail S.p.A., again referred to as the *recently-acquired companies*). For this reason, simple comparison of the segment information for the year ended 31 December 2009 with that for the prior year is not meaningful.
The business segments were identified with reference to the provisions of IFRS 8 and correspond to the following principal areas of activity: "*Facility Management*", "*Laundering-Sterilisation*" and *Complementary Activities* ("*Other*").

SEGMENT REVENUES

(in thousands of Euro)	2009	Total revenues %	2008	Total revenues %
Facility Management	955,939	83.1%	550,980	79.8%
Laundering & Sterilization	116,888	10.2%	111,331	16.1%
Other	81,183	7.1%	29,518	4.3%
Eliminations	-3,033	-0.3%	-1,233	-0.2%
TOTAL	**1,150,977**	**100%**	**690,596**	**100%**

SEGMENT OPERATING RESULTS

(in thousands of Euro)	31.12.2009	Segment revenues %	31.12.2008	Segment revenues %
Facility Management	49,846	5.2%	49,234	8.9%
Laundering & Sterilization	10,952	9.4%	2,655	2.4%
Other	-2,609	-3.2%	1,372	4.6%
TOTAL	**58,188**	**5.1%**	**53,260**	**7.7%**

Inclusion in the 2009 consolidation of the revenues generated by the *recently-acquired companies* (especially those of the Altair group), which as mentioned were not consolidated in 2008, has partially altered the relative weightings of the various sectors. Facility management remains the Group's core business, with a rise of more than 3 points in its weighting. There was also a rise of almost 3 points in the weighting of "Other activities", which comprise building work and, from 2009, project and energy management too.
The increase in weighting derives from these last-mentioned activities, which were acquired together with the Altair group.
As a consequence, the revenues of the *laundering & sterilisation* segment have fallen by almost 6 percentage points with respect to the total.

The revenues of the *facility management* segment have risen by Euro 405.3 million, of which Euro 384.8 million was attributable to the *recently-acquired companies*, while the remaining Euro 20.1 million (+3.7%) represents organic growth in the segment's revenues.
The *laundering-sterilisation* segment, comprising Servizi Ospedalieri (which absorbed Omasa during 2009) and AMG, generated 2009 revenues of Euro 117 million, up by Euro 5.6 million with respect to 2008 despite the reduction in weighting mentioned above. This 5.1% increase was entirely due to the organic growth of the segment.
Until the end of 2008 inclusive, *Other activities* comprised building works and represented a residual activity for the Group, despite providing support for other segments and sometimes generating synergies with them, especially with regard to facility management activities.
These activities have expanded following the acquisition of the Altair group and, from 1 January 2009, now include *project & energy management*. These new activities have been allocated to the residual "*Other*" segment for two reasons: on the one hand, their low impact in terms of volume and, on the other, the fact that they are managed in a manner that is somewhat different to the approach taken in relation to both *facility management* and *laundering & sterilisation*. In 2009, this segment generated total revenues of Euro 81.2 million, of which Euro 52.6 million related to *project & energy management* activities, while *building work* generated revenues of Euro 28.6 million, down by Euro 0.9 million with respect to 2008.

With regard to segment profitability, the laundering & sterilisation segment has performed well with an operating profit in 2009 of Euro 11.0 million (9.4% of segment revenues). This represents a significant rise in both absolute terms (+Euro 8.3 million) and as a percentage of revenues (+7.0%), mainly due to the measures to rationalise the production cycle adopted by management, which improved productivity and significantly enhanced profitability. The situation also benefited in 2009 from an "unblocking" of the market, which resulted in certain contract acquisitions and renewals at prices "updated" to reflect the current cost of living and, accordingly, with higher margins than those obtained during the period of stagnation that has affected the *laundering* market in recent years.
The operating profit of the *facility management* segment was Euro 49.8 million being, in absolute terms, slightly more than that reported in 2008 (Euro 49.2 million). A number of factors must however be taken into account:

- the segment's 2009 operating profit includes Euro 25.5 million contributed by the *recently-acquired companies*;
- the segment operating profit is stated net of amortisation of Euro 8.0 million charged in relation to the contracts with customers acquired on the purchase of the Altair group;
- the segment operating profit is also stated net of provisions for restructuring totalling Euro 7.0 million, consequent to the reorganisation and integration project implemented by the Group from the second quarter of 2009, which will be completed during 2010;
- costs totalling Euro 2.8 million were also expensed in 2009 in relation to the various Group projects implement during the year, including the corporate reorganisation, integration of the IT systems of the many merged companies, and the outsourcing of IT activities;
- lastly, there were significant reductions in revenue during the year following the renegotiation of contracts with major private customers, in view of the serious crisis that reduced their ability to spend; the Group has already taken the organisational and operational actions necessary to cut costs and reabsorb the discounts granted, without however managing to avoid the adverse impact on 2009 profitability.

Excluding all these effects, the 2009 operating profit of the *facility management* segment would have been essentially in line with that for the prior year.
Other activities reported an operating loss of Euro 2.6 million. However, as in the case of the *facility management* segment, this loss is stated after amortising by Euro 2.4 million the contracts with customers acquired on the purchase of the Altair group, and expensing redundancy costs and leaving incentives of Euro 0.5 million incurred as a result of implementing the restructuring plan discussed earlier. Excluding these costs, the segment operating profit would have been Euro 0.3 million from *building* activities which, compared with the prior year, were less profitable due to the broad stagnation of the building market and the resulting intensification of competitive pressures.

4.3 Analysis of the financial position as of 31 December 2009 and 31 December 2008

The principal changes in the consolidated balance sheet between 31 December 2009 and 31 December 2008 are discussed below.

(in thousands of Euro)	31 Dec. 2009	31 Dec. 2008 Restated	Change
APPLICATIONS			
Trade receivables	649,517	634,086	15,431
Inventories	7,139	8,686	(1,547)
Trade payables	(431,103)	(490,049)	58,946
Other working capital items, net	(129,280)	(99,407)	(29,873)
Net working capital	**96,273**	**53,316**	**42,957**
Property, plant and equipment	62,687	62,674	13
Intangible assets	415,731	398,714	17,017
Investments carried at equity	12,305	19,265	(6,960)
Other non-current assets	31,022	18,754	12,268
Fixed assets	**521,745**	**499,407**	**22,338**
Long-term liabilities	(55,601)	(59,409)	3,808
Net capital invested	**562,417**	**493,314**	**69,103**
SOURCES			
Minority interests	667	1,056	(389)
Group shareholders' equity	261,211	251,166	10,045
Shareholders' equity	**261,878**	**252,222**	**9,656**
Net borrowing	300,539	241,092	59,447
TOTAL SOURCES OF FINANCE	**562,417**	**493,314**	**69,103**

Net working capital

Net working capital, comprising trade receivables and inventories net of trade payables, amounts to Euro 225.5 million as of 31 December 2009, compared with Euro 153.2 million as of 31 December 2008. The increase of Euro 72.8 million was mainly due to a deterioration in the collection period, especially from private customers, caused by the difficult macroeconomic situation.

Analysis of the other working capital items reveals a rise in net payables from Euro 99.4 million as of 31 December 2008 to Euro 122.3 million as of 31 December 2009. This increase of Euro 29.9 million was largely due to the dynamics of net payables in relation to current and deferred taxes and amounts due to employees.

Net borrowing

Net borrowing is analysed below as of 31 December 2009 and 31 December 2008.

(in thousands of Euro)	31 Dec. 2009	31 Dec. 2008	Change
A. Cash	649	669	(20)
B. Bank current accounts, deposits and consortium accounts	79,153	97,258	(18,105)
D. Liquidity (A) + (B) + (C)	**79,802**	**97,927**	**(18,125)**
E. Current financial receivables	1,960	1,220	740
F. Current bank borrowing	(93,904)	(81,453)	(12,451)
G. Current portion of non-current borrowing	(50,377)	(9,917)	(40,460)
H. Other current financial payables	(27,745)	(19,161)	(8,584)
I. Current borrowing (F)+(G)+(H)	**(172,026)**	**(110,531)**	**(61,495)**
J. Current borrowing, net (I) – (E) – (D)	**(90,264)**	**(11,384)**	**(78,880)**
K. Non-current bank borrowing	(199,105)	(229,708)	30,603
L. Other non-current financial payables	(10,105)	0	(10,105)
M. Financial liabilities from derivatives	(1,065)	0	(1,065)
N. Non-current borrowing, net (K)	**(210,275)**	**(229,708)**	**19,433**
O. Net borrowing (J) + (N)	**(300,539)**	**(241,092)**	**(59,447)**

Net borrowing increased by Euro 59.4 million in 2009, from Euro 241.1 million as of 31 December 2008 to Euro 300.5 million as of 31 December 2009.

This increase mainly reflects:

- the recognition of contingent financial liabilities for price adjustments in relation to certain acquired companies, which will be payable in 2014 if certain conditions are met (covering 80% of the Sicura group), and the exercise prices of put options for the minority interests in the investments acquired (20% of the Sicura group and 40% of Cofam), totalling Euro 24.0 million;
- the absorption of cash due to the above-mentioned increase in net working capital by Euro 43.0 million;
- investment in property, plant and equipment and intangible assets totalling Euro 28.1 million;
- the cash flow generated by current operations of Euro 75.3 million;
- utilisation of provisions for risks and employee severance indemnities totalling Euro 11.2 million;
- distribution of dividends amounting to Euro 4.1 million.

Capital investment

Investment in property, plant and equipment and intangible assets during 2009 amounted to Euro 28.1 million, of which Euro 2.6 million was allocated to intangible assets and Euro 25.5 million to property, plant and equipment; this last amount mainly relates to the Laundering and Sterilisation segment.

By comparison, investment in 2008 amounted to Euro 23.5 million, comprising intangible assets of Euro 3.6 million and property, plant and equipment of Euro 19.9 million.

Overall, capital investment in 2009 was Euro 4.6 million greater than in the prior year. However investment in 2008 did not include that relating to the companies in the Altair group controlled by Integra FM BV and the Sicura group, or to Cofam S.r.l. or Smail S.p.A., which were all acquired at the end of 2008.

4.4 Indici finanziari

The principal financial indices determined from the consolidated financial statements as of 31 December 2009 and 2008 are discussed below.

PROFITABILITY INDICES

	2009	2008 restated
ROE	6.1%	8.9%
ROI	4.5%	4.2%
ROS	5.1%	7.7%

ROE (return on equity) represents a summary measure of the return earned on the capital invested by shareholders. This amounts to 6.1% in 2009, compared with 8.9% in 2008. The change in this index mainly reflects the decline in net profit, for the reasons mentioned earlier, from Euro 20.6 million in 2008 to Euro 15.1 million in 2009.
ROI (return on investment) represents a summary measure of the operational return on the capital invested in the business. This amounts to 4.5% in 2009, compared with 4.2% in 2008. The increase was due to the rise in operating profit from Euro 53.3 million in 2008 to Euro 58.2 million in 2009, while capital invested only rose from Euro 1,265.6 million in 2008 to Euro 1,284.4 million in 2009. As explained in section 4.1 above, the operating profit for 2008 did not include any contribution from the companies acquired at the end of that year (which contributed, as mentioned, an additional Euro 22.5 million in 2009), while the amount for 2009 includes non-production costs not incurred in the prior year of Euro 20.2 million. Adjusting the 2009 operating profit for the above effects, 2009 ROI would be in line with that for the prior year at 4.3%.
ROS (return on sales) represents a summary measure of the Group's ability to convert revenues into operating results. The return achieved in 2009 of 5.1% compares with 7.7% in 2008. This parameter is discussed in the section of this report dealing with the results for the year.

LIQUIDITY

	2009	2008
General liquidity index	100.8%	105.6%

This index, also known as the current ratio, is calculated by dividing current assets by current liabilities. The Group's liquidity at the end of 2009 is good, although lower than at the end of 2008.

OTHER BALANCE SHEET INDICES

	2009	2008
Rigidity index	40.6%	39.5%
Total liquidity index	58.8%	59.3%
Borrowing index	0.78	0.79
M/L-term borrowing index	20.7%	22.8%

The rigidity index, reflecting the percentage of long-term applications of funds with respect to total applications, has increased at a consolidated level to 40.6% in 2009 from 39.5% in 2008.

The total liquidity index represents the elasticity of the business in terms of the ratio of immediate and deferred liquidity (current assets excluding inventory) to the total applications of funds. This amounts to 58.8% at the end of 2009, compared with 59.3% in the prior year.

The borrowing index represents the ratio of shareholders' equity to net borrowing plus shareholders' equity, as defined in the section on financial risks included in the explanatory notes to the consolidated financial statements. This index, 0.78, compares with 0.79 in the prior year.

The M/L-term borrowing index represents the ratio of consolidated liabilities to total sources of funds. The decrease from 22.8% in 2008 to 20.7% was mainly due to the fact that more than Euro 30 million in medium/long-term borrowing will fall due in 2010.

Productivity indices

Productivity is summarised by the average sales per employee, stated in thousands of Euro.

PRODUCTIVITY INDICES

(in thousands of Euro)	2009	2008
Sales per employee	94.6	67.7

The calculation of the 2008 index excludes the employees of the groups acquired at the end of the prior year (Altair group and Sicura group) from the denominator since they did not contributed to consolidated sales during that year.
This comparison highlights a 39.7% increase in productivity per employee, before considering the effects on inflation on revenues; analysis of this increase should take account of the different incidence of the factors of production on the overall production of the companies acquired at the end of 2008, especially those in the Altair group.
It is important to understand that the services provided by the companies which joined the Group most recently use less direct labour than those traditionally provided by the MFM Group.

Commercial indices (Group prior to the acquisition of the Altair group and the Sicura group)

ANALYSIS OF SALES

	2009	2008
Public	54%	69%
Private	46%	31%
TOTAL	**100%**	**100%**

The change in the profile of sales with respect to the prior year was mainly due to the acquisition of the Altair group, with a consequent increase in private customers in the facility management sector.

BACKLOG AS OF 31 DECEMBER

(in millions of Euro)	2009	2008*
TOTAL	**2,421**	**2,464**

* The amount indicated for 2008 include the backlog of the Altair group

The backlog represents the amount of revenues to be invoiced over the residual lives of the contracts already obtained as of year end.

The backlog as of 31.12.2009 is in line with the opening balance, confirming the essential stability of the Group in terms of future revenues already under contract.

5. RECONCILIATION OF THE PARENT COMPANY'S SHAREHOLDERS' EQUITY AND RESULTS FOR THE YEAR WITH THE CORRESPONDING CONSOLIDATED AMOUNTS

MANUTENCOOP FACILITY MANAGEMENT S.P.A.

(in thousands of Euro)	31 December 2009		31 December 2008	
	Results	SE	Results	SE
Results and shareholders' equity reported in the Parent Company's financial statements	**10,105**	**290,011**	**14,995**	**283,345**
› Elimination of consolidated equity investments		(342,931)		(320,748)
› Recognition of SE in place of eliminated amounts		68,382		49,591
› Allocation to consolidation difference		210,224		223,289
› Allocation to property, plant and equipment	(850)	92		942
› Allocation to intangible assets (customer contracts)	(10,430)	18,295		
› Recognition of financial charges on put option	(328)			
› Merger difference on absorption of Minati			185	
› Intercompany dividends paid	(9,527)		(6,809)	
› Profits of consolidated companiese	19,656	19,656	9,257	9,257
› Measurement at equity of non-consolidated companies	(394)	3,661	2,942	5,762
› Tax effect of consolidation adjustments	3,276	(5,807)	(112)	(272)
› Reversal of write-downs	3,160		116	
› Other consolidation adjustments	449	(372)	21	
Total consolidation adjustments o	**5,012**	**(28,800)**	**5,600**	**(32,179)**
Results and shareholders' equity attributable to the Parent Company	**15,117**	**261,211**	**20,595**	**251,166**
Results and shareholders' equity attributable to minority shareholders	221	667	304	1,056
Results and shareholders' equity as reported in the consolidated financial statements	**15,338**	**261,878**	**20,899**	**252,222**

6. RISK FACTORS

In the current environment, marked by the deepening world crisis that began in the second half of 2007, risk factors - although an integral part of all entrepreneurial activities - become much more significant, even though the MFM Group operates in a counter-cyclical sector.

The following paragraphs identify the principal risks associated with the market in which the Group operates (market risks) and the activities performed by Group companies (operational risks), as well as the financial risks involved.

Competition risks

The market in which the Group operates is becoming increasingly competitive due to the aggregation of operators that are already well organised in the reference markets; the intensification of competition in the sector where the Group is active could, in future, affect the complexity of operations.

Risks associated with major payment delays by customers

The Group's customers mainly comprise public bodies and relations are marked by long delays in collecting payment for the services provided.
This factor means that the Group must finance its working capital in part by recourse to bank borrowing and/or the factoring of receivables.
The generalise economic crisis has, during 2009, resulted in payment delays by certain major private customers which, in the event of a significant increase in interest rates, could affect the scale and cost of the financing required by operations.

Financial risks

The financial risks (rate risk, liquidity risk, credit risk, interest-rate risk, exchange-rate risk, price risk) faced by the Group and their management are described in note 35 to the consolidated financial statements.

7. HUMAN RESOURCES AND ORGANISATION

The Manutencoop Facility Management Group has 12,166 employees at the end of 2009 (2.8% more than in 2008). This figure also includes the persons seconded to Group companies from Manutencoop Società Cooperativa.
The average number of employees on secondment in 2009 was 636 (2008: 632).
In the following table, the average number of employees shown for 2008 considers the Altair group and the Sicura group as if they had been acquired at the start of 2008, so that the average number of employees in 2009 can be compared with the prior year.

AVERAGE NUMBER OF EMPLOYEES

	2009	2008
Executives	78	75
Clerical staff	1,745	1,870
Manual workers	10,343	9,889
TOTAL EMPLOYEES	**12,166**	**11,834**

The integration project described in section 2 of this report has resulted in profound changes to the Group's organisation structure, and in the corporate reorganisation also described in that section.
The restructuring work under way, especially after the mergers, has resulted in the rationalisation of management and the elimination of organisational duplications, with the preparation of a plan that has identified about 200 excess employees.

Work to implement this plan commenced during 2009 via the start of assisted redundancy procedures, negotiations with the trade unions and the completion of individual negotiations about with 100 employees by the end of the year.
The financial statements as of 31 December 2009 include a provision for restructuring of about Euro 7.2 million to cover the cost of completing the plan, presumably during 2010.

Prevention and protection

No accidents at work during 2009 gave rise to serious or extremely serious injuries for which the Group has been held definitively responsible. Similarly, no claims for professional illnesses have been advanced by employees or former employees.
The Group has not been held definitively responsible for any work-related deaths of employees.
Pursuant to Decree 81/08 regarding health and safety at work, the various management systems have been updated/strengthened with particular reference to assessment of the specific risks faced by the workers at each Group company.

Training

Sessions held throughout the country during 2009 involved various professional roles in training on safety at work, technical and IT skills, and management development.
Manutencoop Facility Management S.p.A. provided 376 courses involving a total of 18,272 hours of training (including 156 courses that delivered a total of 9,277 hours dedicated to safety topics). The total number of participants was 3,782, of whom 2,377 attended the courses on safety.
Special attention was dedicated to the topic of safety at work during 2009, with training programmes for personnel responsible for safety matters, operational supervisors and management, as well as to the contractual and managerial aspects of employment relationships.

8. ENVIRONMENT AND QUALITY

Manutencoop Facility Management maintained the certification of its environmental management system to UNI EN ISO 14001:2004 standard during 2009.
Certification of the quality system to UNI EN ISO 9001:2000 standard was also renewed.
Certification of the Social Responsibility Management System was also renewed in accordance with the 2008 version of SA 8000.

MFM also obtained certification for the following Group companies:

SMAIL S.p.A.

- Environmental Management System under the requirements of the UNI EN ISO 14001:2004 standard.
- Conversion of the Quality System certificate from ACEA LUCE S.p.A. to SMAIL S.p.A.

Manutencoop Costruzioni S.p.A.

- Environmental Management System under the requirements of the UNI EN ISO 14001:2004 standard.
- Quality Management System UNI EN ISO 9001:2008.

Following the absorption by MFM of Altair S.p.A., Gestin Facility S.p.A. and Teckal S.p.A., the company converted the Quality Management and Environmental System certificates from CSQ (IMPQ) and DNV respectively to Rina S.p.A.

Lastly, no damage was caused to the environment in 2009 for which the company has been held definitively responsible, and no definitive fines or penalties have been levied against the company for environmental damage or crimes.

Relations with customers

Disputes and issues are usually tackled and overcome by constant, direct dialogue between the functions concerned and customers, thus avoiding the degeneration of disputes leading to arbitration or recourse to the courts.

9. RELATIONS WITH RELATED PARTIES

With regard to the disclosures required by art. 2428 of the Italian Civil Code regarding the transactions of Group companies with related parties, it is confirmed that all such transactions, including those between the Parent Company and its subsidiaries, and between subsidiaries, are made in the ordinary course of business and are settled on arm's-length terms. Full details of their effects on the statement of financial position and income statement as of and for the year ended 31 December 2009 are provided in the explanatory notes.

10. CORPORATE GOVERNANCE

The corporate governance of Manutencoop Facility Management S.p.A. is organised in accordance with the so-called "dualistic" system of administration and control regulated by arts. 2409-octies et seq. of the Italian Civil Code, which is used extensively by large companies in other EU countries. This model envisages clear separation between ownership and management, since the Supervisory Board - consisting entirely of independent persons - is positioned as a link between the shareholders and the Management Board. This approach seems to respond more effectively than the so-called "traditional" model to the need for greater transparency and the requirement to reduce potential conflicts of interest.

11. SHARE CAPITAL

The MFM Group has 109,149,600 issued and fully-paid ordinary shares, par value Euro 1 each, as of 31 December 2009.
There are no other categories of share.
The Parent Company does not hold any treasury shares.
The ownership structure as of 31 December 2009, unchanged with respect to the prior year, is presented below.

SHAREHOLDER	% SHARE CAPITAL
Manutencoop Società Cooperativa	71.89%
Private Equity Partners Fund IV	5.07%
MPS Venture II fund	4.76%
Idea CoIF fund	4.00%
Idea Industria fund	3.17%
Cooperare e Sviluppo	3.17%
Unipol Merchant S.p.A.	2.38%
Other private equity funds	5.55%
	100%

12. RESEARCH AND DEVELOPMENT (ART. 2428 OF ITALIAN CIVIL CODE)

The MFM Group did not capitalise any research and development costs in 2009.

13. OTHER INFORMATION REQUIRED BY ART. 2428 OF THE ITALIAN CIVIL CODE

The Company does not hold any treasury shares or shares or quotas in parent companies, whether directly or via trust companies or other intermediaries.
Furthermore, during 2009, the Company did not purchase and sell any treasury shares or shares or quotas in parent companies, whether directly or via trust companies or other intermediaries.

14. INFORMATION REQUIRED BY ART. 2497 OF THE ITALIAN CIVIL CODE

Manutencoop Facility Management S.p.A. is managed and coordinated by Manutencoop Società Cooperativa. Details about relations with the party responsible for the management and coordination of MFM's activities and with the other companies in the same position, are provided in the explanatory notes to the consolidated financial statements and to the separate financial statements of Manutencoop Facility Management S.p.A..

15. PRIVACY – INFORMATION REQUIRED BY DECREE 196/2003

MFM S.p.A. has prepared the security planning document required by art. 19 of technical attachment B to Decree 196/2003.
Consistent with the objectives to improve efficiency and the way existing professional experience and skills are used, MFM S.p.A. has entrusted responsibility for IT security to the "IT Manager". The organisation reporting to the IT Manager includes a Data Protection Manager, for aspects specifically related to privacy, and a "Systems and Network Infrastructure Administrator" responsible for the management of IT systems. These two persons, operating under a mandate from the IT Manager, ensure that Privacy Management and Information Security are properly supervised.
In addition, consistent with the more general corporate responsibilities that have been identified, the Personnel and Systems function has been allocated specific responsibilities for the security of personal data.

16. ORGANISATIONAL MODEL - DECREE 231/2001

Major changes were made to the Group's organisational structure in 2009 and significant legislation was also introduced with an effect on the application of Decree 231/01 (additional crimes have been identified: the receipt, recycling and use of cash/assets/profits from illicit sources - under art. 25-octies; IT crimes and improper processing of data - under art. 24-bis of Decree 231/01; the violation of authorship rights - under art. 25-nonies; organised crime - under art. 24-ter, with particular reference to criminal associations - under art. 416 of the penal code); accordingly, Manutencoop Facility Management S.p.A. has updated the organisational, management and control model required by Decree 231/01 (the "Model").
Work to revise the "Model" included the modification of procedures and the introduction of new activities, in part following the matters raised / suggestions made as a result of audit work, as well as a review of the related jurisprudence and analysis of the new regulatory framework.

The process of updating the "Model" involved obtaining approval from the Supervisory Body, a committee whose activities are governed by a Regulation submitted to the Management Board.
The Supervisory Body held formal meetings on 5 occasions during 2009.
In terms of audit activity, the Supervisory Body approved the proposed internal audit plan for 2009 during its first meeting of the year, as envisaged by the "Model".
The outcome of this audit work was summarised in the related "internal minutes of the Supervisory Body on audit activities", which were promptly sent to the Chairman of the Parent Company's Management Board.
During 2009, the Management Board of MFM S.p.A. approved the updates to and revised version of the "Model" pursuant to Decree 231/01.
The MFM Group has implemented specific training on the "Model" adopted, with online courses and classroom sessions during 2009. These activities will continue during 2010.
As part of the general process of ensuring full compliance with Decree 231/01, during 2010 the Group will implement and/or update the organisational models of Group companies, having regard for the evolution of the regulatory environment and the organisational changes made at each company.

17. SECONDARY OFFICES

The Group does not have any secondary offices.

18. TAX GROUP

Following the acquisition of the ALTAIR group, the companies in the MFM Group belonged to one of two tax groups during 2009.
The following companies in the pre-existing MFM Group are members of the tax group organised by Manutencoop Società Cooperativa:

- Manutencoop Facility Management S.p.A.;
- Servizi Ospedalieri S.p.A.;
- Alisei S.r.l. in liquidation;
- SI.MA.GEST 3 Soc. Cons. a r.l.;
- SI.MA.GEST 2 Soc. Cons. a r.l.;
- MCB S.p.A.;
- SOCIETÀ MANUTENZIONE ILLUMINAZIONE S.p.A.;
- MANUTENZIONE INSTALLAZIONE ASCENSORI S.p.A.;
- OMASA S.p.A. (absorbed by Servizi Ospedalieri S.p.A. with effect from 30.06.2009).

These companies participate in that tax group together with the following subsidiaries of Manutencoop Società Cooperativa that are not part of the MFM Group:

- Manutencoop Immobiliare S.p.A.;
- Sies S.r.l.;
- Manutencoop Servizi Ambientali S.p.A.;
- Segesta Servizi per l'ambiente S.r.l.;
- Cerpac S.r.l. in liquidation.

The other tax group within the MFM Group comprises ALTAIR S.p.A. as the consolidating company and GESTIN FACILITY S.p.A. and ENERGY S.p.A. as the consolidated companies.

Pursuant to art. 124, TUIR, following the absorption by MFM S.p.A. of ALTAIR S.p.A. and GESTIN FACILITY S.p.A., this second tax group ceased to exist with effect from 31.12.2009.

19. SUBSEQUENT EVENTS

The absorption of Altair IFM S.p.A., Gestin S.p.A. and Teckal S.p.A. by MFM S.p.A. and the absorption of MCB S.p.A. by MP Facility S.p.A. took legal, accounting and tax effect from 1 January 2010.

On 26 January 2010, MFM S.p.A. sold its 50% interest in Bresso Energia S.r.l. for Euro 99 thousand.

On 3 March 2010, MFM S.p.A. purchased from Hoch.rein GmbH the remaining 45% equity interest in Envolta S.r.l., thus becoming its sole quotaholder. This interest in the company, which installs and sells solar power equipment, was acquired for Euro 45 thousand, being the nominal value of the quotas transferred.

20. OUTLOOK FOR OPERATIONS

Although the macroeconomic background is not particularly favourable, the MFM Group expects its volume of business to rise slightly in 2010, with a gross operating margin in line with that for the year just ended.

Maintenance of the margin is, in fact, the most challenging objective. Current macroeconomic conditions have resulted in a generalised tendency to contain expenditure (both in the public and private sectors), leading to aggressive competition and ever lower prices.
Accordingly, even more than in the past, the MFM Group will have to leverage its distinctive traits during 2010 by offering customers high quality (working on the ability to design and develop advanced operational models that ensure the maintenance of high standards of service quality) while, at the same time, improving the efficiency of productive and operational processes so that price reductions can be absorbed.

Against this background, completion of the integration process and the work to rationalise the Group's organisational structure and systems (following the various mergers already discussed) will be key, representing without doubt the greatest challenge for 2010.
The resources of the Group are all pulling in this direction, with the determination and drive to release as soon as possible the synergies deriving from the combination of businesses with such important and complementary backgrounds.

In 2010, as in the past, the maintenance of economic and financial equilibrium is an essential objective, fundamental to the proper pursuit of the Group's profitability and growth objectives. As often stated, these include:
› increased presence in the provision of specialist services linked with the more traditional facility management activities, partly via the acquisition of small and medium-sized operators in local areas;
› expansion of the Group's sphere of influence outside of Italy, by strengthening the foreign presence of existing Group companies and via new acquisitions.

21. ALLOCATION OF NET PROFIT FOR THE YEAR

In concluding the report on operations in 2009, the directors invite you to approve the financial statements as of 31 December 2009 and to allocate the net profit for the year of Euro 10,092,438.23 as follows:
› Euro 504,621.91 to the legal reserve;
› Euro 9.587.816,32 to the extraordinary reserve.

Zola Predosa, 23 March 2010

The Chairman of the Management Board
Claudio Levorato
M.F.M.

FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2009

STATEMENT OF FINANCIAL POSITION

(in Euro)	NOTE	31 December 2009	31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,249,676	5,921,623
Leased property, plant and equipment	4	693,859	954,818
Goodwill	6.7	25,773,340	25,773,340
Other intangible assets	6	7,857,051	8,853,873
Investments in subsidiaries, joint ventures, associates	8	339,532,664	330,366,562
Other equity investments	9	1,542,313	1,093,780
Non-current financial receivables and other securities	10	2,082,189	964,695
Other non-current receivables and assets	11	662,559	753,453
Deferred tax assets	34	5,412,553	1,474,836
Total non-current assets		**388,806,203**	**376,156,980**
Current assets			
Inventories	12	988,935	1,262,413
Trade receivables and advances to suppliers	13	262,996,719	256,456,873
Current tax receivables		0	3,869,163
Other current receivables	14	4,792,495	3,469,621
Receivables and other current financial assets	15	93,734,937	66,630,910
Cash and cash equivalents	16	18,275,368	20,461,781
Total current assets		**380,788,454**	**352,150,761**
Non-current assets held for sale	-	**0**	**0**
Total non-current assets held for sale		**0**	**0**
TOTAL ASSETS		**769,594,657**	**728,307,741**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	17	109,149,600	109,149,600
Share premium reserve	17	144,736,293	143,685,365
Reserves	17	22,210,863	11,706,230
Retained earnings (losses)	17	3,808,981	3,808,981
Net profit (loss) for the year	17	10,092,441	14,994,651
Total shareholders' equity		**289,998,178**	**283,344,827**
Non-current liabilities			
Employee severance indemnities - benefits	18	13,020,925	13,455,363
Provisions for risks and charges - long term	19	2,501,753	1,474,837
Loans - long term	20	113,333,938	104,354,663
Deferred tax liabilities	33	1,407,044	1,401,444
Non-current liabilities from hedging derivatives	21	1,064,745	0
Total non-current liabilities		**131,328,405**	**120,686,307**
Current liabilities			
Provisions for risks and charges - short term	19	7,405,807	307,585
Trade payables and advances from customers	22	149,539,309	159,188,267
Current tax receivables	33	5,418,459	0
Other current payables	22	59,892,148	58,596,791
Loans and other current financial payables	20	126,012,352	106,183,964
Total current liabilities		**348,268,076**	**324,276,606**
Liabilities attributable to assets held for sale	-	**0**	**0**
Total liabilities attributable to assets held for sale		**0**	**0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**769,594,659**	**728,307,741**

SEPARATE INCOME STATEMENT

(in Euro)	NOTE	31 December 2009	31 December 2008
REVENUES			
Revenues from sales and services	19	458,155,322	428,717,732
Other operating revenues	25	557,485	595,282
TOTAL REVENUES		**458,712,807**	**429,313,014**
OPERATING COSTS			
Raw materials and consumables	26	(61,891,542)	(60,643,748)
Services, leases and rentals	27	(167,905,650)	(167,748,191)
Payroll costs	28	(186,803,011)	(159,986,801)
Other operating costs	29	(3,191,351)	(3,981,129)
Internal work capitalised	-	0	0
(Depreciation, amortisation, write-downs) - write-backs	30	(10,167,830)	(4,209,342)
(Provisions for risks and charges) - amounts released	19	(8,650,878)	(984,077)
TOTAL OPERATING COSTS		**(438,610,261)**	**(397,553,288)**
OPERATING RESULTS		**20,102,546**	**31,759,726**
FINANCIAL INCOME AND CHARGES			
Dividends, income and charges from disposal of equity investments	31	9,551,146	6,959,088
Financial income	32	3,139,881	3,140,146
Financial charges	33	(10,851,032)	(15,130,691)
Profit (loss) before taxation		**21,942,541**	**26,728,269**
Current and deferred taxation	34	(11,850,102)	(11,733,617)
Results from continuing activities		**10,092,438**	**14,994,652**
Results from discontinued activities	-	0	0
Net profit (loss) for the year		**10,092,438**	**14,994,652**

STATEMENT OF COMPREHENSIVE INCOME

(in Euro)	31 December 2009	31 December 2008
Net profit (loss) for the year	**10,092,438**	**14,994,652**
EQUITY EFFECT OF MEASURING COMPANIES USING EQUITY METHOD		
Actuarial gains (losses) on defined benefit plans (SORIE)	(400,291)	2,156,000
Income tax effect	110,080	(592.900)
Net effect of actuarial gains (losses) (SORIE)	**(290,211)**	**1,563,100**
Profits (losses) from cash flow hedges	(1,064.745)	0
Income taxes	292,805	0
Net effect of profits (losses) from cash flow hedges	**(771,940)**	**0**
TOTAL COMPREHENSIVE PROFIT (LOSS) AFTER TAXATION	**9,030,287**	**16,557,752**

CASH FLOW STATEMENT

(in thousands of Euro)	31 December 2009	31 December 2008
Net profit for the year	10,092	14,995
Depreciation of property, plant and equipment	2,246	2,145
Amortisation of intangible assets	2,731	2,016
Write-down of financial fixed assets	3,201	65
Provision for employee severance indemnities	752	712
Provision for risks and charges	8,651	984
Provision for doubtful accounts	1,990	77
Provision for inventories	82	0
CASH FLOW FROM CURRENT OPERATIONS	**29,745**	**20,994**
Change in inventories	192	294
Change in trade receivables	(8,021)	(30,347)
Change in other current assets	2,555	(83)
Change in trade payables	(9,804)	27,588
Change in current income tax payables/receivables	5,418	(96)
Change in deferred tax assets/liabilities	(3,932)	(618)
Change in other current payables	1,131	7,967
Utilisation of employee severance indemnities	(1,364)	(5,116)
Utilisation of provision for risks and charges	(1,050)	(1,606)
CHANGE IN OPERATING ASSETS AND LIABILITIES	**(14,875)**	**(2,017)**
CASH FLOW GENERATED BY OPERATING ACTIVITIES	**14,870**	**18,977**
Capitalisation of intangible assets	(1,734)	(6,072)
Purchase of property, plant and equipment	(265)	(2,812)
Purchase of equity investments	(12,048)	(184,477)
Change in financial receivables and other securities	90	(158)
Change in other equity investments	(448)	(618)
Change in other non-current receivables and assets	(1,056)	18,147
Net book value of property, plant and equipment sold	56	46
Financial effect of absorbing Consorzio Pulizie Veneto s.Cons. a.r.l.	(36)	(45)
Financial effect of transferring Building Division	(975)	155
Financial effect of transferred IT line of business	41	808
CASH FLOW ABSORBED BY INVESTING ACTIVITIES	**(16,375)**	**(175,026)**
Arrangement of new long-term loans	8,979	103,780
Repayment of long-term loans	0	(325)
Arrangement of short-term loans	100,602	55,077
Repayment of short-term loans	(80,780)	(125,086)
Increase in other current financial assets	(27,104)	(60,943)
Increase in non-current financial liabilities from hedging derivatives	1,065	0
Increase in other current financial liabilities	6	4,471
Increase in share capital and reserves	590	175,755
Payment of dividends	(4,039)	(3,664)
CASH FLOW FROM FINANCING ACTIVITIES	**(681)**	**149,065**
CHANGE IN CASH AND CASH EQUIVALENTS	**(2,186)**	**(6,984)**
Net financial position, start of year	20,462	27,446
Change in net financial position	(2,186)	(6,984)
CASH AND CASH EQUIVALENTS, END OF YEAR	**18,276**	**20,462**
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank deposits	18,276	20,462
Short-term bank loans		
TOTAL CASH AND CASH EQUIVALENTS	**18,276**	**20,462**

Supplementary information

(in thousands of Euro)	31 December 2009	31 December 2008
Interest paid	10,976	14,992
Interest collected	3,140	3,140
Dividends collected	9,527	5,709

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Euro) **Shareholders' Equity**	Share capital	Share premium reserve	Reserves	Retained earnings/ (losses)	Net profit for the year	Total
Balance as of 31 December 2007	**77,964**	**0**	**3,733**	**(0)**	**14,249**	**95,946**
Effects of change in accounting policy (TFR)			(3,809)	1,326	2,483	(0)
Balance as of 31 December 2007 restated	**77,964**	**0**	**(76)**	**1,326**	**16,732**	**95,946**
Capital increases	31,186	143,685				174,871
Allocation of prior-year results			10,585	2,483	(16,732)	(3,664)
Combination of entities under common control			(366)			(366)
Total comprehensive profit/(loss)			1,563		14,995	16,558
Balance as of 31 December 2008	**109,150**	**143,685**	**11,706**	**3,809**	**14,995**	**283,345**
Capital increase expenses		1,051				1,051
Allocation of prior-year results			10,956		(14,995)	(4,039)
Combination of entities under common control			611			611
Total comprehensive profit/(loss)			(1,062)		10,092	9,030
Balance as of 31 December 2009	**109,150**	**144,736**	**22,212**	**3,809**	**10,092**	**289,998**

ACCOUNTING POLICIES AND EXPLANATORY NOTES

1. INFORMATION ABOUT THE COMPANY

Manutencoop Facility Management S.p.A. (the Company) is an Italian limited liability company with registered offices at Via U. Poli 4, Zola Predosa (Bologna).
The Company is a 71.89% subsidiary of Manutencoop Società Cooperativa, based in Zola Predosa (Bologna), which manages and coordinates its activities. The remaining 21.11% interest is held by investors.
Manutencoop Facility Management S.p.A. prepares its individual financial statements (separate financial statements, as defined in IAS 27) in accordance with art. 2423 of the Italian Civil Code, as modified by Decree 127/1991.
Publication of the separate financial statements of Manutencoop Facility Management S.p.A. for the year ended 31 December 2009 was authorised by resolution of the Management Board on 23 March 2010.
The Company also prepares consolidated financial statements, attached, since these are expressly required by the articles of association.

1.1 Activities performed

The object of the Company is to enter into contracts, in any form, for the design and construction of works, the planning and management of services, and the supply of goods to public institutions in Italy and other EU member States, as well as to persons and private organisations, predominantly consisting of the integrated supply of facility management services and the management of environmental services.
Activities, carried out directly and/or via affiliated companies and/or institutions, principally focus on the following sectors and services:

A) planning and integrated management of facility management and related services, including:
> planning and management of integrated services (scheduling, management, administration and maintenance) for properties, parts of properties and facilities in general;
> management of integrated services for public and private facilities, comprising: condominium administration, rent collection, administration and contract management, organisation and coordination of persons and supplies for the provision of ancillary services in relation to the above facilities and the activities carried out therein;
> IT and related services, design, production, distribution and technical support for IT products and systems software relating to facility management activities;
> surveys of facilities and installations;
> design, production and management of asset and technical databases for properties, movable assets and related components;
> planning and administration of management and maintenance services for roads, squares, road markings, public lighting and traffic lights;
> services pertaining to architecture and engineering, including integrated services;
> services pertaining to town planning and landscaping, related services pertaining to scientific and technical consultancy, technical experimentation and analysis services;

- > design and construction of building works in general, renovation of civil and industrial buildings, restoration of monuments, restructuring and maintenance;
- > organisation of activities and technical services relating to property management and maintenance;
- > design, construction and management of technological installations (heating, water supply, sanitary and drainage systems, refrigeration plant, air conditioning, electrical, telephone, fire prevention and alarm systems);
- > design, construction and management of remote heating and co-generation installations and networks, using fossil and renewable energy sources;
- > sale of fuel;
- > maintenance, operation and repair of the above installations;
- > heat management services;
- > energy and security-related consultancy services;
- > installation, maintenance and repair of radio-television and electronic installations of all kinds, aerials and lightning conductors;
- > installation, maintenance and repair of goods and passenger lifts, escalators and similar equipment;
- > installation, transformation, extension and maintenance of fire-prevention equipment; organisation of activities and technical services relating to the maintenance of technological installations and electrical, mechanical, heating, conditioning and water systems;
- > inspection of the above installations for compliance with current regulations and certification by authorised parties;
- > maintenance of electro-medical equipment and gas installations for medical purposes;
- > design, development, sale, lease, installation, commercialisation, rental and maintenance of software and hardware, and equipment for communications, telecommunications and security;
- > planning, management and provision of cleaning, sanitation, disinfection and rodent-elimination services for public and private, civil and industrial buildings, such as offices, industries, warehouses, commercial and service-related properties in general, hospitals, health and community centres, kindergartens, schools and universities, hotels, halls of residence, barracks etc., as well as historic, artistic and archaeological assets, both public and private;
- > minor maintenance of public and private buildings; cleaning and sanitation of road and rail transport;
- > movement, put-back and recovery services for road and rail vehicles and related activities;
- > collection and transportation of waste within buildings;
- > hotel reception services; bed-making and caring services for hotels, halls of residence, barracks, clinics and communities in general;
- > railway work and the cleaning of locomotives;
- > wholesale distribution of articles for cleaning; scullery services, cleaning of pots, pans, equipment and kitchens;
- > laying and clearing tables;
- > transportation, sorting and distribution of meals prepared by third parties;
- > management of sports installations;
- > movement, transportation and transfer of in- and out-patients of hospitals, clinics and rest homes; internal and external movement and porterage, transportation of miscellaneous materials for hospitals and communities in general;
- > assistance and services for persons in hospitals, clinics, retirement homes, care centres and communities in general;
- > reception and switchboard services, and the management of correspondence;
- > general services and summer services for kindergartens and schools, such as cleaning, reception, security services and supervision of school buses and public transport; cleaning of laboratory glassware and test tubes; sanitary and social services;
- > management of animal centres; management of libraries, car parks and public baths.

B) industrial-scale laundering and dry-cleaning of sheets, bedding, other linens and towels, garments, work clothes and washable items for own use or for third parties, as well as the rental of these assets;

- > all forms of sterilisation and sterile packaging of surgical instruments, heat-treatable materials, textiles and sets for operating theatres, first-aid units and pharmaceutical medication, as well as the commercialisation and sale of these products;
- > the Company may also commercialise and sell disposable materials, hospital footwear and personal protection devices;
- > management of cloakrooms, file stores and stocks of pharmaceutical and other products, for businesses operating in the health sector, including the use of IT systems for these purposes;
- > production and management of canteen meals within public and private health sector facilities;
- > maintenance and improvement of technological installations and equipment and furnishings for public and private health sector facilities;
- > rental of equipment and furnishings for use by public and private hospitals;

C) planning, management and provision of urban hygiene, integrated environmental services and related activities, such as:

- > planning, management and provision of urban waste collection services: collection and transportation of urban and similar waste, manual and/or mechanised sweeping, watering, washing and disinfection or sanitation of roads and waste containers, clearance of snow, cleaning and purging of drains, man-holes and gridirons in public and private areas;
- > collection and transportation of special and hazardous waste;
- > collection and transportation of special and hazardous medical waste;
- > rental of waste management equipment in general;
- > site clearance and restoration;
- > study and planning of waste management activities;
- > trading and broking activities in relation to waste;
- > design, construction and management of fixed and movable plant for the disposal, storage, recycling, recovery and sorting of urban, special and hazardous waste, with related building works;
- > planning, management and provision of turnkey services for the regular and special maintenance of green areas, both public and private; tidying and maintenance of woodland waterways, clearance and improvement of land, naturalistic and forestry engineering, including the re-wooding of uncultivated areas and change of use of low-productivity woodlands, improvement of grazing land, fire prevention in woodlands;
- > design and development of green areas, both public and private, including related works: walls, water supply, supply and installation of playground equipment, furniture etc.;
- > construction and maintenance of car parks, nurseries, reservoirs; production and commercialisation of ornamental plants;
- > pesticide treatments;
- > design, management and provision of cemetery services, including: caretaking, reception services and receipt of corpses, transportation of corpses, grave-digging, burial and exhumation services, gathering of remains and re-burial, preparation of cemeteries, maintenance of property, installations and cemetery areas, supply of religious lighting under contract with users or otherwise, cleaning and the gathering, transportation and disposal of cemetery waste;
- > cleaning of green areas, including the gathering, transportation and disposal of waste found there.

2. ACCOUNTING POLICIES AND FORM AND CONTENT OF FINANCIAL STATEMENTS

With regard to the format of the financial statements, the income statement of Manutencoop Facility Management S.p.A. presents revenues separately from costs, which are classified by type of expenditure in view of the specific nature of the activities carried out.
The cash flow statement is prepared using the indirect method.
The separate financial statements as of 31 December 2009 comprise the statement of financial position, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity and the explanatory notes. The amounts reported in the various statements and in the explanatory notes are presented together with comparative amounts as of 31 December 2008.
The statement of financial position is classified in a manner that distinguishes between non-current assets and liabilities and current assets and liabilities, while the income statement is classified by type of expenditure. The cash flow statement is prepared using the indirect method, identifying in compliance with IAS 7 the cash flows from operating, investing and financing activities.
The financial statements are presented in Euro, which is the Company's functional currency.
The income statement and the statement of financial position are presented in Euro, while the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity and the amounts reported in the explanatory notes are presented in thousands of euro.
Except where otherwise stated, the amounts reported in the financial statements and explanatory notes are expressed in thousands of Euro.

2.1 Declaration of compliance with IFRS

The 2009 financial statements, representing the separate financial statements of Manutencoop Facility Management S.p.A., have been prepared in accordance with the international accounting standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as with the enabling instructions for art. 9 of Decree 38/2005. References to the IFRS also include all the revised international accounting standards ("IAS"), all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), which was previously known as the Standing Interpretations Committee ("SIC").
With regard to the accounting policies adopted for the preparation of the financial statements, the Company is subject to the provisions of art. 2.f) of Decree 38 dated 28 February 2005, which governs the elections envisaged by art. 5 of EC Regulation 1606/2002 on the subject of International Accounting Standards. Accordingly, pursuant to art. 3.2 and art. 4.5 of the above Decree, the Company has applied the IFRS endorsed by the European Union for the preparation of its separate and consolidated financial statements with effect from the financial year ended 31 December 2005.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those applied in the prior year, except as described below.

New or revised IFRS and interpretations applicable from 1 January 2009

The following accounting standards, amendments and interpretations have been applied for the first time by the Company as from 1 January 2009.

IAS 1 Revised – Presentation of Financial Statements

The revised version of IAS 1 Presentation of Financial Statements no longer allows the presentation of income and charges ("changes generated by transactions with non-owners") in the statement of changes in shareholders' equity, requiring them instead to be disclosed separately from the changes generated by transactions with owners. The new version of the standard requires all changes generated by transactions with non-owners to be presented in a single separate statement showing the results for the period (statement of comprehensive income) or in two separate statements (income statement and statement of comprehensive income). These changes must also be shown separately in the statement of changes in shareholders' equity.
The Company has adopted the revised version of the standard from 1 January 2009 on a retrospective basis, electing to report all changes generated by transactions with non-owners in two statements showing the results for the period, entitled respectively the "Income statement" and the "Statement of comprehensive income". In addition, as part of the IASB's 2008 improvement process, an amendment to IAS 1 Revised has been published stating that the classification in the statement of financial position of assets and liabilities deriving from derivative financial instruments designated as hedges must distinguish between current and non-current items.

Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards and to IAS 27 – Consolidated and Separate Financial Statements

The amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards allows those companies adopting IFRS for the first time from 1 January 2009 that decide to measure their investments in subsidiaries, associates and joint ventures at cost, to apply one of the following methods of valuation in their separate financial statements:
> cost determined in accordance with IAS 27;
> restated cost, which may represent either the fair value of the investments at the IFRS transition date or their carrying amount at that date under local GAAP.
Further, the amendment to IAS 27 Consolidated and Separate Financial Statements establishes that all dividends received from subsidiaries, associates and joint ventures must be recognised in the separate income statement when the right to receive them is established, without considering whether they derive from pre- or post-acquisition profits. In this regard, IAS 36 Impairment has also been revised so that, when looking for evidence of impairment following the distribution of dividends by an affiliate, the following aspects must be considered:
> if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the affiliate's net assets (including any related goodwill) in the consolidated financial statements;
> if the dividend exceeds the total comprehensive income of the affiliate for the period to which the dividend relates.
Consequent to the amendment made to IAS 36, the new indicators of impairment identified have been considered when recognising any losses in the value of equity investments.

Amendment to IFRS 2 – Share-based Payments: Vesting Conditions and Cancellations

The amendment to IFRS 2 – Share-based Payments: Vesting Conditions and Cancellations establishes, with regard to the measurement of instruments representing share-based payments, that only the service and performance criteria specified by the plans concerned may be considered as vesting conditions. Any other plan clauses must be treated as non-vesting conditions and included in the determination of fair value at the grant date. The amendment also clarifies with regard to the cancellation of a plan that the same accounting treatment applies, regardless of whether the cancellation was initiated by the company or by the counterpart. This amendment has had no effect on the financial statements of the Company.

Amendment to IFRS 7 – Financial Instruments: Disclosures

This amendment, applicable from 1 January 2009, was issued to increase the disclosures required about the use of measurement at fair value and strengthen those required about the liquidity risks associated with financial instruments.. In particular, the amendment requires disclosure of the hierarchical levels of fair value used to determine the fair value of financial instruments. Adoption of this standard has not affected the measurement and recognition of amounts reported in the financial statements of the Company.

New or revised IFRS and interpretations applicable from 1 January 2009, but not relevant to the Company

The following accounting standards, amendments and interpretations, effective from 1 January 2009, govern circumstances and cases not relevant to the Company at the reporting date, but which might have an accounting effect in relation to future transactions or agreements:

> IAS 23 Revised – Borrowing Costs: the revised standard eliminates the option to expense immediately any borrowing costs directly associated with investments in assets that normally take a substantial period of time to get ready for use or for sale (qualifying assets). This version of the standard was also amended as part of the IASB 2008 improvements process, which revised the definition of borrowing costs to be considered for capitalisation purposes.

> Improvements to IAS/IFRS (2008): the IASB 2008 improvements process resulted in a number of changes to the accounting policies adopted by the Company with effect from 1 January 2009.
Certain changes related to terminology, while others were of greater substance but have only had a limited effect on the financial statements of the Company.

> Amendments to IAS 32 – Financial Instruments: Presentation, and to IAS 1 – Presentation of Financial Statements: Puttable financial instruments and obligations arising on liquidation. This standard requires puttable financial instruments and financial instruments that oblige an entity to deliver an interest in its activities to a third party to be classified as equity instruments.

> Improvement to IAS 39 – Financial Instruments: Recognition and Measurement: this amendment clarifies how to calculate the new effective rate of return on a financial instrument on the termination of a fair value hedge; it also clarifies that the ban on reclassification to the "financial instruments at fair value through profit or loss" category does not apply to derivatives that no longer qualify as hedges or which, conversely, become hedges.

> IFRIC 13 – Customer Loyalty Programmes.

> IFRIC 15 – Agreements for the Construction of Real Estate.

Lastly, on 12 March 2009, the IASB issued amendments to IFRIC 9 – Reassessment of Embedded Derivatives and IAS 39 – Financial Instruments: Recognition and Measurement allowing, in certain circumstances, the reclassification of financial instruments away from the "fair value through profit or loss" category. These amendments clarify that, when reclassifying a financial instrument away from the above category, all embedded derivatives must be measured and, if necessary, recognised separately in the financial statements. The amendments are applicable from 31 December 2009 on a retrospective basis, but their adoption has not had any accounting effect on the financial statements of the Company.

Accounting standards, amendments and interpretation not yet applicable and not adopted early

On 31 July 2008 the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement, that must be applied on a retrospective basis from 1 January 2010. This amendment clarifies how to define the hedged underlying in special cases. Adoption of this amendment is not expected to have any effect on the Company's financial statements.

IFRIC issued IFRIC 17 - Distributions of Non-cash Assets to Owners on 27 November 2008 in order to align the accounting treatment of distributions of non-cash assets to owners. In particular, this interpretation clarifies that dividends payable must be recognised when they have been appropriately authorised and that such liability must be measured at the fair value of the net assets that will be used to make the payment. Lastly, the entity must recognise in the income statement the difference between the dividend paid and the net carrying amount of the assets used to make the payment. This interpretation must be applied on a prospective basis from 1 January 2010.

On 29 January 2009 IFRIC issued IFRIC 18 – Transfers of Assets from Customers, clarifying the accounting treatment to be adopted if an entity enters into an agreement under which it receives an item of property, plant and equipment from a customer that must then be used either to connect the latter to a network or provide it with ongoing access to a supply of goods or services (e.g. a supply of electricity, gas or water). In some cases, the entity receives cash from the customer in order to construct or purchase the item of property, plant and equipment for use in the performance of the agreement. This interpretation must be applied on a prospective basis from 1 January 2010.

On 16 April 2009, the IASB issued a series of improvements to the IFRS; those indicated by the IASB as involving changes in the presentation, recognition or measurement of financial statement items are mentioned below, ignoring those merely involving changes in terminology or changes in wording with minimal accounting effect, and those with an effect on standards or interpretations that do not apply to the Company or which only affect the consolidated financial statements. At the reporting date, the competent bodies within the European Union have not yet completed the necessary endorsement process:

> IAS 1 – Presentation of Financial Statements: this amendment, applicable from 1 January 2010, modifies the definition of current liabilities contained in IAS 1. The previous definition required liabilities to be classified as current if they could be settled at any time via the issue of equity instruments. This involved recognising as current liabilities the convertible bonds that could be converted at any time into shares of the issuer. Following this change, the presence of a currently-exercisable option for conversion into equity instruments is not relevant for determining the classification of a liability as current/non-current.

> IAS 7 – Statement of Cash Flows: this amendment, which must be applied from 1 January 2010, requires that only cash flows deriving from expenditure resulting in the recognition of an asset in the statement of financial position can be classified in the cash flow statement as deriving from investing activities. Cash flows deriving from expenditure not resulting in the recognition of an asset (such as promotional expenses, advertising and the training of employees) must, by contrast, be classified as deriving from operating activities.

> IAS 17 – Leases: following the changes, the general conditions envisaged in IAS 17 for the classification of contracts as finance or operating leases will also apply to leased land, regardless of whether or not ownership is obtained at the end of the contract period. Prior to the changes, the accounting standard required the classification of leased land as an operating lease, given that land has an indefinite useful life, if ownership of such land was not transferred at the end of the contract period.
The amendment must be applied from 1 January 2010. Upon adoption, all land already held under unexpired leases must be measured separately with, if appropriate, the retrospective recognition of a new lease recorded as if the related contract was a finance lease.

> **IAS 38 – Intangible Assets:** the revision to IFRS 3 in 2008 established that there is sufficient information to measure the fair value of an intangible asset acquired as part of a business combination if such asset is separable or originates from contractual or legal rights. IAS 38 has been amended as a consequence to reflect this change to IFRS 3. The amendment also clarified the techniques to be used normally when measuring the fair value of intangible assets for which there is no active reference market. In particular, these techniques include, as alternatives, estimation of the discounted net cash flows deriving from the assets, estimation of the costs avoided by the entity due to ownership of the assets rather than having to use them under licence from a third party, and estimation of the costs necessary to re-create or replace them (application of the cost method). This amendment must be applied on a prospective basis from 1 January 2010.

> **IAS 39 – Financial Instruments: Recognition and Measurement:** this amendment restricts the inapplicability exception contained in para. 2(g) of IAS 39 to forward contracts between a purchaser and a selling owner for the purpose of selling an entity transferred under a business combination at a future acquisition date, on condition that completion of the business combination does not depend on further action by one of the two parties, but solely on the passage of an appropriate period of time. The amendment clarifies, by contrast, that IAS 39 does apply to option contracts (whether or not currently exercisable) that allow one of the two parties to control whether or not future events take place and whose exercise would result in control over the entity. The amendment also clarifies that implicit penalties for the early repayment of loans, being the price that compensates the lender for the loss of further interest, are deemed to be closely correlated with the loan contract that envisages them and, accordingly, must not be recognised separately. Lastly, the amendment clarifies that profits and losses on a hedged financial instrument must be reclassified from equity to the income statement in the period in which the hedged expected cash flow has an effect on the income statement. This amendment must be applied on a prospective basis from 1 January 2010.

> **IFRIC 9 – Reassessment of embedded derivatives:** this amendment, which must be applied on a prospective basis from 1 January 2010, excludes from the application of IFRIC 9 the derivatives embedded in contracts acquired as part of business combinations at the time of forming entities under common control or joint ventures.

In June 2009, the IASB issued an amendment to IFRS 2 – Share-based Payment - Group Cash-settled Share-based Payment Transactions. This amendment clarifies the scope of application of IFRS 2 and its relations with other accounting standards. In particular, it clarifies that entities that receive goods or services as part of a share-based payment plan must record such goods and services regardless of which Group company settles the transaction, and without regard for whether settlement is made in cash or using shares; in addition, it establishes that the word "Group" has the meaning given in IAS 27 – Consolidated and Separate Financial Statements i.e. it includes the parent company and its subsidiaries. The amendment further specifies that an entity must measure from its own standpoint the goods or services received as part of a transaction settled in cash or using shares, which might not coincide with that of the Group or with the related amount recognised in the consolidated financial statements. The amendment incorporates the guidelines previously included in IFRIC 8 - Scope of IFRS 2 and in IFRIC 11 - IFRS 2 - Group and Treasury Share Transactions. As a consequence, the IASB has withdrawn IFRIC 8 and IFRIC 11. This amendment is applicable from 1 January 2010; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

On 8 October 2009, the IASB issued an amendment to IAS 32 – Financial Instruments: Presentation: Classification of Rights Issues, governing the recognition of rights issues (rights, options or warrants) not denominated in the issuer's functional currency. Previously, such rights were recognised as liabilities from derivatives; the amendment, on the other hand, requires (on certain conditions) such rights to be recognised in equity regardless of the currency in which the exercise price is denominated.
This amendment is applicable on a retrospective basis from 1 January 2011. Adoption of this amendment is not expected to have any effect on the Company's financial statements.

On 4 November 2009, the IASB issued a revised version of IAS 24 – Related Party Disclosures which simplifies the type of information required about transactions with related parties controlled by the State and clarifies the definition of related parties. The standard is applicable from 1 January 2011; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

On 12 November 2009, the IASB published the first chapters of IFRS 9 – Financial Instruments on the classification and measurement of financial assets from 1 January 2013. This publication is the first part of a process in phases that will completely replace IAS 39. The new standard adopts a unified approach, determining the appropriate measurement criterion based on the way that financial instruments are managed and on the characteristics of the contractual cash flows deriving from the financial assets, thus replacing the various rules envisaged in IAS 39. In addition, the new standard envisages just one way to determine the impairment of financial assets. At the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for the application of the new standard.

On 26 November 2009, the IASB issued a minor amendment to IFRIC 14 – concerning voluntary prepayments against minimum required contributions, allowing entities that make such prepayments to recognise them as an asset. The amendment is applicable from 1 January 2011; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

On 26 November 2009, IFRIC issued IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments, which provides guidelines for the recognition of such transactions. This interpretation establishes that if an entity renegotiates the conditions for extinguishing a financial liability and the creditor agrees to extinguish it via the issue of shares in the entity, then the shares issued become part of the price paid to extinguish the financial liability and must be measured at fair value; the difference between the carrying amount of the extinguished financial liability and the initial value of the equity instruments issued must be recognised in the income statement for the period.
The amendment is applicable from 1 January 2011; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

Adoption of the consistency principle for recognising the combination of businesses under common control.
On 22 December 2009 with effect from 31 December 2009, Manutencoop Facility Management S.p.A. contributed to Manutencoop Costruzioni S.p.A. the line of business relating to the design, construction and maintenance of building works for public and private customers, in order to optimise the use of resources and contain costs by rationalising the organisational structure.

The independent expert appointed to appraise the value of the net assets contributed determined the value of the economic capital of the line of business of Manutencoop Facility Management S.p.A. known as the “Building Division”. This expert determined the value of the business contributed to be Euro 289 thousand which, compared with the carrying amount of the related net liabilities, Euro 330 thousand, resulted in the recognition of a capital gain of Euro 619 thousand. In relation to this contribution, Manutencoop Costruzioni authorised an increase in share capital by Euro 289 thousand, with the issue of 289 thousand ordinary shares, par value Euro 1 each, that were alloted to the sole shareholder, Manutencoop Facility Management S.p.A.

This transaction represents a business combination between entities under common control, since Manutencoop Costruzioni S.p.A. is a wholly-owned subsidiary of Manutencoop Facility Management S.p.A.
The transaction is not governed by IFRS 3 since it was carried out by parties that are under common control.

In the absence of IFRS standards or interpretations relevant to such transactions, IAS 1.13 requires in general terms that the financial statements present in a true and fair manner the effects of transactions, events and situations in accordance with the definitions and recognition criteria established in the IFRS Framework for assets, liabilities, costs and revenues. In addition, IAS 1.15 requires selection, considering the relative importance established in IAS 8, of the accounting policies that are most appropriate for achievement of the general objective of presenting a true and fair view.

Given the special nature of these transactions and the fact that they are not specifically covered by the IFRS, the most appropriate accounting policy was selected with reference to the general principles established in IAS 8.
As clearly stated in IAS 8.11, the system of IAS/IFRS standards is deemed to be a “closed” system; it follows that the solution to the problem of operations under common control must be found, in the first instance, within the body of IFRS standards. Accordingly, it may not be appropriate to make exceptional reference to a system of national standards or to sector accounting practices.

In particular, IAS 8.10 envisages that, in the absence of a standard or IFRS interpretation specifically applicable to a given transaction, event or situation, management must use its judgement to develop and apply an accounting policy that provides disclosures which are:
(a) relevant to the economic decisions taken by users;
(b) reliable, so that the financial statements:

(I) present fairly the financial position, the results of operations and the cash flows of the entity concerned;
(II) reflect the economic substance of transactions, events and situations, and not merely their legal form;
(III) are neutral, i.e. unaffected by preconceived ideas;
(IV) are prudent;
(V) are complete in all material respects.

In exercising this judgement, management must make reference to and consider the applicability of the following sources, presented in decreasing order of importance:

(a) the instructions and guidelines contained in standards and interpretations dealing with similar or related cases;
(b) the definitions, recognition criteria and measurement concepts for the recording of assets, liabilities, revenues and costs contained in the Framework.

When making the above judgement, management may also consider the latest pronouncements from other standard-setting bodies that use a conceptually similar framework for the development of accounting standards, as well as other accounting literature and established practice in the sector concerned, to the extent these do not conflict with the sources mentioned above.

In seeking an accounting treatment that fits within the conceptual framework and meets the criteria set out in IAS 8.10, the critical factor is that the accounting policy selected for the presentation of operations “under common control” must reflect their economic substance, regardless of their legal form. The existence or otherwise of “economic substance” is therefore the key factor in the selection of the accounting policy to be adopted.

As indicated in Assirevi Document OPI 1 on the “Accounting treatment of business combinations of entities under common control”, economic substance consists in the generation of value added for all the parties concerned (in the form, for example, of higher revenues, cost savings, release of synergies), in the form of significant changes in the cash flows generated before and after the combination of activities.

Application of the consistency principle gives rise to the recognition in the statement of financial position of the amounts that would have been recorded had the combined businesses always been united. The net assets of the acquired and acquiring entities were therefore recognised at the respective carrying amounts recorded prior to the combination.

As also indicated in OPI 1, in order to match the accounting approach adopted by the purchaser/contributor, any difference between the consideration for the transaction and the previous carrying amount of the net assets transferred must not be recognised in the income statement, but rather in shareholders' equity, since the operation is treated in the same way as a transaction with an owner.

Accordingly, recognition of the transaction involving the “Building Division” using the consistency method has resulted in the creation of an equity reserve of Euro 611 thousand, representing the additional value of the contributed net assets and liabilities with respect to their carrying amounts, net of the related tax effect (Euro 8 thousand).

2.3 Discretionary valuations and significant accounting estimates

In order to prepare the financial statements, the directors are required to make discretionary appraisals, estimates and assumptions that affect the values of revenues, costs, assets and liabilities, and the contingent liabilities reported at the balance sheet date. However, the uncertain nature of such assumptions and estimates might give results that, in future, call for significant adjustment to the carrying amounts of these assets and/or liabilities.

Discretionary valuations

The only significant decision made by the directors in applying the accounting policies, based on discretionary assessments (except for those relating to accounting estimates) having a significant effect on the amounts reported in the financial statements, was the adoption of the consistency principle for the recognition of business combinations under common control, as discussed in the previous note.

Uncertainty of estimates

The key assumptions about the future are presented below, together with other major sources of uncertainty affecting the year-end estimates. These may result in significant adjustments being made to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill
Goodwill is subjected to impairment testing on an annual basis, or more frequently; this work involves estimating the value in use of the cash-generating unit to which the goodwill was allocated which, in turn, is based on the estimated present value of the unit's forecast cash flows, determined using an appropriate discounting rate. As of 31 December 2009, the carrying amount of goodwill is Euro 25,773 thousand (31 December 2008: Euro 25,773 thousand). Further details are provided in the specific note.

Other balance sheet captions
Management has also necessarily made estimates to determine:
> deferred tax assets, especially in relation to the likelihood of future reversals of the related temporary differences;
> provisions for doubtful accounts and provisions for risks and charges;
> key assumptions for the actuarial recalculation of employee severance indemnities, namely the future turnover rate and the discount rate;
> contract work in progress, especially with regard to the total completion costs used to determine the percentage stage of completion.

2.4 Summary of principal accounting policies

Translation of foreign currency items
The financial statements are presented in Euro, which is the functional and reporting currency adopted by the Company.
The Company has not carried out any foreign currency transactions.

Property, plant and equipment
Property, plant and equipment are stated at historical cost, excluding routine maintenance expenses, net of accumulated depreciation and impairment write-downs. This amount includes the cost, when incurred, of replacement parts for plant and machinery, on condition that they comply with the related recognition criteria.
Depreciation is provided on a straight-line basis over the estimated useful lives of the assets concerned, commencing from the date when they become available for use until the time when they are sold or retired.
The carrying amount of property, plant and equipment is subjected to impairment testing if events or changes suggest that such amount may not be recoverable.
Property, plant and equipment are eliminated from the financial statements upon sale or retirement, or if no further economic benefits are expected from their use or disposal. Any gains or losses (representing the difference between the net disposal proceeds and the carrying amount) are reflected in the income statement for the year of disposal.
The residual value of assets, their useful lives and the methodology applied are reviewed annually and adjusted, if necessary, at the end of each year.
The useful lives of the various categories of property, plant and equipment are estimated on the following basis:

USEFUL LIVES OF TANGIBLE ASSETS

CATEGORY OF TANGIBLE ASSET	USEFUL LIFE
Plant and machinery for maintenance/creation of green areas	11 years
Plant and machinery for maintenance/construction of property	from 6.5 to 10 years
Telephone installations	4 years
Equipment for cleaning and green areas	6.5 years
Equipment for managing technological installations	3 years
Equipment for maintenance/construction of property	2.5 years
Motor vehicles	from 4 to 5 years
Office furniture and equipment	from 5 to 8 years
Leasehold improvements (included in plant and machinery)	< lower of useful life and contract duration

In addition to plant and equipment in the strict sense, this category also includes machinery, motor vehicles, office machines and furniture.

Financial charges
As in previous years, no assets were identified during the year that justified the capitalisation of financial charges, being assets requiring a significant period before they become available for their intended use (qualifying assets under the terms of IAS 23).

Goodwill
The goodwill arising from business combinations is initially measured at cost, being the difference between acquisition cost and the Company's interest in the net fair value of the related identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost net of any accumulated impairment losses. Goodwill is subjected to impairment testing on an annual basis, or more frequently if events or changes suggest that it may not be fully recoverable.
For impairment testing purposes, goodwill is allocated from the date of acquisition to each of the Company's cash-generating units (or groups of units) that are expected to benefit from the synergies released from the acquisition, regardless of the allocation of other assets or liabilities to the same units (or groups of units). This is only done if such allocation is not arbitrary. Each unit or group of units to which goodwill is allocated:
> represents the lowest level, within the Company, at which goodwill is monitored for internal operational purposes;
> is no broader than the primary or secondary reporting segments identified for the disclosure of segment information pursuant to IAS 14 - Segment reporting.
Impairment is determined with reference to the recoverable value of the cash-generating units (or groups of units) to which goodwill was allocated. If the recoverable value of the cash-generating units (or groups of units) is lower than the carrying value of goodwill, such impairment in value is recognised.
Once written down, the value of goodwill cannot be reinstated.

Other intangible assets
Intangible assets purchased separately are initially capitalised at cost, while those acquired as a result of business combinations are capitalised at their fair value at the acquisition date. Following initial recognition, intangible assets are stated at cost, net of accumulated amortisation and impairment write-downs.
The useful lives of intangible assets are either finite or indefinite.
Intangible assets with a finite life are amortised over their useful lives and subjected to impairment testing whenever there is evidence of a possible loss in value. The period of amortisation and the methodology applied are reviewed at the end of each financial year, or more frequently if necessary. Changes in expected useful life or in the way future economic benefits associated with the intangible asset will be earned by the Company are recognised by modifying the period of amortisation or the methodology applied, as appropriate, and treated as a change in accounting estimate. The amortisation of intangible assets with finite useful lives is charged to the depreciation, amortisation, write-downs and write-backs caption of the income statement.
The Company has not recognised any intangible assets with an indefinite useful life, except for goodwill and a licence to transport goods for third parties.

The policies adopted by the Company in relation to intangible assets are summarised below:

POLICIES APPLIED TO INTANGIBLE ASSETS

	OTHER INTANGIBLE ASSETS
Analysis of content	Software, trademarks and patents, Unexpired contracts
Useful life	Finite
Method used	*Software, Trademarks and patents*
	Amortised on a straight-line basis over the shorter of:
	> legal duration of the right
	> expected period of utilisation
	Unexpired contracts
	Amortised over the life of the contract
Produced internally or acquired	Acquired
Impairment testing for the identification of losses / test of recoverable value	Annually or more frequently when there is evidence of impairment

POLICIES APPLIED TO INTANGIBLE ASSETS

	OTHER INTANGIBLE ASSETS
Analysis of content	Concessions and licences
Useful life	Indefinite
Produced internally or acquired	Acquired.
Impairment testing for the identification of losses / test of recoverable value	Annually or more frequently when there is evidence of impairment.

The gains or losses deriving from the disposal of an intangible asset, measured as the difference between the net sale proceeds and the carrying amount of the asset, are recognised in the income statement at the time of disposal.

Investments in subsidiaries, joint ventures and associates

Subsidiaries are defined as those companies for which Manutencoop Facility Management S.p.A. can independently determine their business strategies in order to obtain the related benefits. In general, control is presumed to exist if, directly and indirectly, more than half the voting rights exercisable at ordinary meetings are held, including any so-called potential votes i.e. voting rights deriving from convertible instruments.

Associates are defined as those companies over which Manutencoop Facility Management S.p.A. exercises significant influence in the determination of their business strategies, despite the absence of control, having regard for any so-called potential votes i.e. voting rights deriving from convertible instruments; significant influence is presumed when Manutencoop Facility Management S.p.A. holds, directly and indirectly, more than 20% of the voting rights exercisable at an ordinary meeting.

Investments in subsidiaries and associates are measured at purchase cost, as written down following any distributions of capital or equity reserves, or the identification of losses in value as a consequence of impairment testing. Cost is reinstated in subsequent years if the reasons for any write-downs made cease to apply.

All these companies, listed in the related note, are measured at cost in the financial statements of Manutencoop Facility Management S.p.A.

The carrying amount of these equity investments is subjected to impairment testing if events or changes suggest that such amount may not be recoverable.

Impairment of assets

At each balance sheet date, the Company determines if there is any evidence that the value of assets may be impaired. In this case, or whenever annual impairment testing is required, the Company makes an estimate of recoverable value. Recoverable value is the fair value of an asset or cash-generating unit, net of selling costs, or, if higher, its value in use. Recoverable value is determined for each individual asset, unless its cash flows are not broadly independent of those generated by other assets or groups of assets. Impairment is recognised if the carrying amount of an asset exceeds its recoverable value and, accordingly, such amount is written down to reflect recoverable value. When determining value in use, the Company discounts estimated future cash flows to present value using a pre-tax discounting rate that reflects market assessments of the time value of money and the specific risks associated with the asset. Losses in value suffered by assets in use are charged to the depreciation, amortisation, write-downs and write-backs caption of the income statement.

At each balance sheet date, the Company also determines if there is any evidence that the reasons for previous impairment adjustments have ceased (wholly or in part) to apply and, in such cases, estimates the revised recoverable value of the assets concerned. The value of previously written-down assets may only be reinstated if, subsequent to the most recent impairment adjustment, there are changes in the estimates used to determine their recoverable value. In such cases, the carrying amount of the assets concerned is increased to reflect their recoverable value without, however, exceeding the carrying amount net of accumulated depreciation that would have been recorded had impairment not been recognised in prior years. All write-backs are credited to the income statement in the caption used to report the earlier write-downs, except when the asset is recorded at a revalued amount, in which case the write-back is treated as a revaluation. Following write-backs, the depreciation charge for the assets concerned is adjusted on a prospective basis in order to allocate their revised carrying amounts, net of any residual value, on a straight-line basis over their residual useful lives.

Financial assets

IAS 39 envisages the following types of financial instruments:

> financial assets at fair value through the income statement. This category comprises financial assets that are held for trading and any assets purchased for resale in the short term;

> loans and receivables, i.e. non-derivative financial assets with fixed or determinable payments that are not listed on an active market;

> held-to-maturity investments, i.e. non-derivative financial assets that involve payments at fixed or determinable intervals which the owner intends and is able to hold to maturity.

> available-for-sale financial assets, i.e. non-derivative financial assets that have been designated as available for sale or which are not classified in any of the three categories described above.

Initially, all financial assets are recognised at their fair value as uplifted, except for assets at fair value through the income statement, by any related charges; the Company classifies its financial assets subsequent to initial recognition and, where appropriate and allowed, reviews such classification at the end of each financial year.

As in the prior year, all the financial assets held by the Company at year end are classified as either loans and receivables or available-for-sale financial assets.

The valuation criteria applied by the Company are as follows:

Loans and receivables

Loans and receivables are measured on an amortised-cost basis using the effective interest method. Gains and losses are reflected in the income statement when the related loans and receivables are eliminated from the accounts, or when impairment other than via the amortisation process is identified.

Available-for-sale financial assets

Following initial recognition at cost, available-for-sale financial assets are measured at fair value and any gains and losses are classified separately in equity until the related assets are derecognised or impairment is identified; the gains or losses accumulated within shareholders' equity until that time are then released to the income statement.

As in the prior year, at year end this asset category solely comprises equity investments of less than 20%, which are carried at cost if their fair value cannot be determined reliably. In particular, consortiums not listed on regulated markets whose objects are to govern relations between temporary business associations formed to manage specific service contracts, are measured at cost which is represented by the capital subscribed.

Inventories

Inventories are measured at the lower of cost or their estimated realisable value (replacement cost).

INVENTORIES

Raw materials (excluding fuel)	Purchase cost determined using the weighted-average cost method
Fuel	Purchase cost determined using the FIFO method

Trade receivables and other receivables

Amounts due from customers, generally contractually collectible within 30-90 days, are stated at their invoiced value, net of the allowance for doubtful accounts. This allowance is recorded based on objective evidence that the Company will be unable to collect the amount due. Uncollectible amounts are written down as soon as they are identified.

The customers of Manutencoop Facility Management S.p.A. comprise, in large part, public bodies and health authorities whose effective payment terms greatly exceed the contractual due dates. For this reason, trade receivables are discounted, using a risk-free rate (since the collection risks are considered when determining the allowance for doubtful accounts), over the period between the estimated collection date (based on the weighted-average delay in collection from the Company's customers, determined using historical data) and the average credit period allowed to customers by similar businesses operating in the same market as the Company.

Contracts for the construction of buildings and plant

A construction contract is a contract signed specifically for the construction of an asset commissioned by a principal, who determines the initial design and technical characteristics.

The contract revenues comprise the consideration initially agreed with the principal, as well as the change orders and the price variations envisaged in the contract that can be determined reliably. When the results of contracts can be determined reliably, they are measured on a percentage-of-completion basis; the stage of completion is determined with reference to the contract costs incurred at the balance sheet date as a percentage of the total costs estimated for each contract (cost-to-cost basis).

If the contract costs are expected to exceed total contract revenues, the expected loss is recognised immediately as a cost.

The gross amount due by contract principals, for all contracts in progress where the costs incurred plus the margins recognised (or less the losses recognised) exceed the progress billings made, is recognised as a receivable and, as such, classified among the “Trade receivables”. The gross amount due to contract principals, for all contracts in progress where the progress billings made exceed the costs incurred plus the margins recognised (or less the losses recognised), is recognised as a payable and, as such, classified among the “Trade payables”.

Cash and cash equivalents

The liquid funds and short-term deposits included in the balance sheet comprise cash on hand, demand deposits and short-term deposits with an original maturity of not more than three months. The cash and cash equivalents reported in the cash flow statement comprise the amounts described above, net of bank overdrafts used for treasury management purposes.

Loans

All loans are initially recorded at the fair value of the amount received, net of related loan-arrangement expenses.

Following initial recognition, loans are measured on an amortised-cost basis using the effective interest method.

In addition to the amortisation process, all related gains and losses are reflected in the income statement when the liability is settled.

Elimination of financial assets and liabilities

Financial assets

Financial assets (or, where applicable, parts of financial assets or parts of a group of similar financial assets) are eliminated from the financial statements when:

> the contractual rights to receive the cash flows generated by them expire;

> the Company has transferred the financial asset (transferring the right to receive the cash flows deriving from the asset or retaining the right to receive them, but accepting the contractual obligation to pay them in their entirety and immediately to another party), together with substantially all the risks and benefits deriving from ownership of such asset.

As in prior years, during the year ended 31 December 2009 the Company did not transfer any financial assets that did not involve transferring or retaining substantially all the risks and benefits deriving from their ownership.

If, as the result of a transfer, a financial asset is derecognised in full but, as a consequence, the Company obtains a new financial asset or accepts a new financial liability, the Company recognises at fair value such new financial asset, financial liability or liability originating from the service.

Financial liabilities

Financial liabilities are derecognised when the underlying obligation is eliminated, cancelled or settled. If an existing financial liability is replaced by another from the same lender on substantially different terms, or the conditions applying to an existing liability are modified significantly, this replacement or modification is recorded by eliminating the original liability and recognising a new liability. Any differences between the carrying amounts concerned are reflected in the income statement.

Impairment of financial assets

At each accounting reference date, the Company determines if the value of a financial asset or a group of financial assets is impaired.

Assets measured on an amortised-cost basis

If there is objective evidence that the value of a loan or receivable measured at amortised cost is impaired, the related loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding any collection losses not yet incurred), discounted using the original effective interest rate applying to the financial asset (being the effective interest rate determined at the time of initial recognition). The carrying amount of the asset is reduced both directly and via the recording of provisions. The loss is charged to the income statement.

The Company firstly looks for objective evidence of impairment in relation to individually significant financial assets, and then considers the position individually and collectively in relation to financial

assets that are not significant. In the absence of objective evidence of impairment in the value of financial assets considered individually, whether significant or otherwise, such assets are then included in a group of financial assets with similar credit risk characteristics which is subjected to impairment testing on a collective basis. Assets measured individually, for which impairment has been or continues to be identified, are not included in the collective tests.
If, in subsequent years, the extent of impairment decreases due, objectively, to an event arising after the earlier loss in value was recognised, the amount previously written down may be reinstated. Subsequent write-backs are credited to the income statement, to the extent that the carrying amount of the asset does not exceed its amortised cost at the write-back date.

Assets measured at cost

If there is objective evidence of the impairment of an unlisted equity investment that is not measured at fair value, since its fair value cannot be measured reliably, or of a derivative associated with that equity instrument that must be settled by delivery of such instrument, the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted using the current market yield for a similar financial asset.

Available-for-sale financial assets

If the value of available-for-sale financial assets is impaired, the difference between their cost (net of repayments of principal and amortisation) and their current fair value, net of any earlier impairment charged to the income statement, is reclassified from shareholders' equity to the income statement. Write-backs in the value of equity instruments classified as available for sale are not reflected in the income statement. Write-backs in the value of debt instruments are credited to the income statement if, objectively, the increase in their fair value is related to an event arising after the earlier loss in value was recognised in the income statement.

Non-current financial payables, Other non-current liabilities, Trade payables, Current financial payables and Other payables.

On initial recognition, these are recorded at their fair value (normally represented by the cost of the transaction), including any related transaction costs.
Subsequently, except for derivatives and liabilities under guarantee contracts, financial liabilities are stated at amortised cost using the effective interest method.

Derivatives

Derivatives are used for hedging purposes, to reduce the risks associated with changes in exchange rates, interest rates and market prices.
Consistent with the provisions of IAS 39, derivatives may only be recognised on a hedge accounting basis when, at the start of the hedge, they are formally designated as hedges and the hedging relationship is documented, when the hedge is expected to be highly effective, when such effectiveness can be measured reliably, and when the hedge actually turns out to be highly effective during the various accounting periods in which it is designated as a hedge.
All derivatives are measured at fair value, as required by IAS 39.
When financial instruments have the characteristics for recognition on a hedge accounting basis, the following accounting treatment is applied:

> Fair value hedge – If a derivative is designated as a hedge of the exposure to changes in the fair value of an asset or liability reported in the statement of financial position, where such changes are attributable to a specific risk that might affect the income statement, the profits or losses deriving from subsequent measurement of the fair value of the hedging instrument are recognised in the income statement. Profits or losses on the hedged item attributable to the hedged risk modify the carrying amount of such item and are recognised in the income statement.

> Cash flow hedge – If a derivative is designated as a hedge of the exposure to changes in the future cash flows deriving from an asset or liability reported in the statement of financial position, or from an expected transaction that is highly likely to take place, where such changes might affect the income statement, the effective portion of the profits or losses on the derivative financial instrument are recognised in shareholders' equity. The accumulated profits or losses are released from equity and recognised in the income statement in the period in which the hedged transaction is recognised. The profits or losses associated with a hedge (or part of a hedge) that has become ineffective are recognised immediately in the income statement. If a hedging instrument or hedging relationship is closed out, but the hedged transaction has not yet taken place, the profits or losses until then accumulated in shareholders' equity are released to the income statement when the economic effects of the hedged transaction are recognised. If the hedged transaction is no longer likely to take place, any unrealised profits and losses accumulated in shareholders' equity are released immediately to the income statement.

If hedge accounting cannot be applied, the profits or losses deriving from the measurement at fair value of the derivative are recognised immediately in the income statement.

Provisions for risks and charges

The Company records provisions for risks and charges to cover current obligations (legal or implicit) deriving from past events, if the settlement of such obligations is likely to require an outflow of resources and a reliable estimate of the amount can be made.
If the Company believes that the costs covered by a provision for risks and charges will be reimbursed, in whole or in part, as in the case of risks covered by insurance policies, the related indemnity is recorded separately as an asset if, and only if, such recovery is virtually certain. In such cases, the provision is classified in the income statement net of the amount recognised for the indemnity.
If the discounting effect is significant, the provisions are stated at their present value using a pre-tax discounting rate that appropriately reflects the specific risks associated with the liability concerned. When provisions are discounted, the subsequent increases due to the passage of time are recorded as financial charges.

Provision for benefits due on the termination of employment

A liability for benefits due on the termination of employment is recorded when, and only when, the Company is demonstrably committed to: (a) terminating the employment of an employee or a group of employees before the normal retirement date; or (b) paying benefits for the termination of employment following the offer of voluntary redundancy incentives. The Company is demonstrably committed to terminating employment when, and only when, it has a detailed formal plan for such termination and there is no realistic likelihood that this plan will be withdrawn.

Employee benefits

Italian legislation (art. 2120 of the Italian Civil Code) envisages that, upon termination of employment, each employee shall receive a severance indemnity (TFR). The calculation of this indemnity is based on certain items comprising the employees' annual remuneration for each year of work (suitably revalued) and on their length of service. Pursuant to Italian legislation, this indemnity is reported in the financial statements using calculations based on the amount that would be due to each employee at the reporting date, assuming that their employment terminated at that time.
The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) has examined the subject of Italian TFR and concluded, pursuant to IAS 19, that it represents a "defined benefit" plan in the context of post-employment benefits. As such, the provision must be calculated using the Projected Unit Credit Method (PUCM), whereby the liability for benefits earned must reflect the expected termination date and must be discounted to present value.
Following the 2007 reform of the relevant Italian regulations governing the TFR accrued subsequent to 1 January 2007 by companies with more than 50 employees, the provision now represents a “defined contributions” plan and payments are charged directly to the income statement as a cost

when incurred. The TFR accrued up until 31.12.2006 continues to represent a defined benefits plan, to which no further contributions are made. Accordingly, the provision is now determined by independent actuaries with sole reference to the average expected residual working lives of employees, without considering the remuneration earned by them over a predetermined period of service.

The calculations for the TFR “accrued” prior to 1 January 2007 have therefore changed, due to exclusion of the actuarial assumptions about wage and salary increases that were required previously. In particular, the provision for “accrued TFR” was determined on an actuarial basis as of 1 January 2007 without applying the pro-rata (years of service worked/total expected length of service), since the employee benefits accumulated up to 31 December 2006 can be considered to have been almost entirely earned (except for the annual revaluation) pursuant to para. 67 (b) of IAS 19. It follows, for the purposes of this calculation, that there are no current service costs relating to future services from employees, since these are represented by the contributions paid to supplementary pension funds or to the INPS Treasury Fund.

In addition, commencing from the 2008 financial statements, the Company has recorded the actuarial gains (or losses) deriving from application of the projected unit credit method in a specific equity reserve pursuant to paras. 93B and 93D of IAS 19..
The actuarial gains and losses on defined benefit plans accumulated until the end of 2007 have been reclassified to an equity reserve. These amounts reflected the effects of changes in the actuarial assumptions used and, up to 31 December 2007, were recognised in full in the income statement.
Accordingly, the so-called *“corridor method”* has not been applied. This method allocates actuarial gains and losses to the income statement over the residual average working lives of employees, but only to the extent that their net value, not recognised at the end of the prior year, exceeds 10% of the liability.
The actuarial valuation of the liability is performed by an independent actuary.
The Company does not have any other defined benefit pension plans.

Leasing

The definition of a contract as a lease (or containing a leasing transaction) depends on the substance of the agreement, requiring an assessment of whether or not it involves the use of one or more specific assets and also transfers the right to use them.
A review is only carried out after the start of the contract if one of the following conditions arises:
(a) the contractual conditions are modified, other than by the renewal or extension of the contract;
(b) a renewal option is exercised or an extension is granted, unless the renewal or extension terms were included in the original conditions of the leasing transaction;
(c) there is a change in the condition whereby performance depends on a specific asset; or
(d) there is a substantial change in the asset.
In the event of a review, recognition of the lease will start or cease from the date of change in the circumstances giving rise to the review (cases a), c) or d)) or from the date of renewal or extension (case b)).
For contracts signed prior to 1 January 2005, the start date is considered to be 1 January 2005 in compliance with the transitional arrangements set out in IFRIC 4.
Finance leases, which essentially transfer to the Company all the risks and benefits of ownership, are capitalised from the start of the lease at the fair value of the leased asset or, if lower, at the present value of the related instalment payments. The instalment payments are analysed between interest and principal in a manner that applies a constant interest rate to the residual principal outstanding. Financial charges are recognised directly in the income statement.

Capitalised assets held under finance leases are depreciated over their estimated useful lives or, if shorter, over the duration of the lease contract, if it is not reasonably certain that the Company will obtain full ownership of them at the end of the contract.
The cost of operational leases is charged to the income statement on a straight-line basis over the lives of the contracts concerned.

Revenue recognition

Revenues are recognised to the extent that the related economic benefits are likely to be obtained by the Company and the amount can be determined reliably. The following specific recognition criteria must be satisfied before the related revenues are recognised in the income statement:

Services

The principal business of the Company is the provision of services.
The principal types of service provided, either individually or as part of *contracts for the provision of Integrated Services*, are:
> administration and maintenance of property and installations, often associated with the supply of heat (energy services);
> environmental hygiene and cleaning services;
> maintenance of green areas;
> property management services.

Revenues are recognised with reference to the percentage stage of completion of the services in progress at the balance sheet date, determined using appropriate variables depending on the services provided and the contracts signed with the customer (e.g. sq.m, time, costs incurred).
Services not completed at the accounting reference date represent "contract work in progress" and are classified among the trade receivables.
Any revenues invoiced at the balance sheet date that exceed the amount accrued on a stage of completion basis are deferred as advances from customers and classified together with trade payables.
Even within multi-service contracts, the consideration for each service is generally defined separately and the amount of the revenues attributable to them is quantified as a reflection of their fair value.
When the outcome of a service cannot be determined reliably, the related revenues are only recognised to the extent that the costs incurred are deemed to be recoverable.

Construction activities

The Company records revenues from construction contracts on a stage-of-completion basis, reflecting the percentage of costs incurred with respect to the total estimated cost of completing the work.
When the outcome of a contract cannot be determined reliably, the related revenues are only recognised to the extent that the costs incurred are deemed to be recoverable.

Sale of goods

Revenues are recognised on transfer to the purchaser of all significant risks and benefits deriving from ownership of the goods.

Interest

Interest income (calculated using the effective interest method i.e. the rate which exactly discounts the expected future cash flows generated over the expected life of the financial asset to its net carrying amount) is recognised on an accruals basis.

Dividends

Dividend income is recognised when the right of the shareholders to receive payment is established.

Government grants

Government grants are recognised when it becomes reasonably certain that they will be collected and that all the related conditions will be satisfied. When grants are associated with costs, they are recognised as income each year on a systematic basis that offsets the related costs as they arise. The fair value of grants associated with assets is deducted from the carrying amounts of such assets and, accordingly, is effectively released to the income statement on a straight-line basis over the expected useful lives of the assets concerned via the systematic reduction of the related depreciation charges.

Income taxes

Current taxes

The current taxes due to or recoverable from the tax authorities in relation to the current and prior years are stated at the amounts expected to be recovered or paid. The tax rates and regulations used to calculate the above amounts are those in force, or essentially in force, at the balance sheet date.

Deferred taxes

Deferred taxes are calculated with reference to the temporary differences at the balance sheet date between the reported value of assets and liabilities and their value for fiscal purposes.

Deferred tax liabilities are recognised in relation to all taxable temporary differences, except:

> when they derive from the initial recognition of the goodwill or an asset or liability arising from a transaction that is not a business combination which, at the time of the transaction, had no effect on the profit for the year for accounting purposes or on the taxable income or loss reported for fiscal purposes;

> when they relate to investments in subsidiaries, associates and joint ventures, in which case the reversal of temporary differences can be controlled and is not likely to occur in the foreseeable future.

Deferred tax assets are recognised in relation to all deductible temporary differences and tax assets and liabilities carried forward, to the extent that there is likely to be sufficient future taxable income to absorb upon reversal such deductible temporary differences and carried-forward tax assets and liabilities, except:

> when they derive from the initial recognition of an asset or liability arising from a transaction that is not a business combination which, at the time of the transaction, had no effect on the profit for the year for accounting purposes or on the taxable income or loss reported for fiscal purposes;

> when they relate to investments in subsidiaries, associates and joint ventures, in which case they are only recognised to the extent it is likely that such deductible temporary differences will reverse in the immediate future and that taxable income will be sufficient for their recovery.

The deferred tax assets reported in the financial statements are reviewed at each accounting reference date and reduced to the extent it is no longer likely that there will be sufficient future taxable income for their recovery, either in whole or in part. Unrecognised deferred tax assets are reviewed annually, at the balance sheet date, and recognised to the extent it has become likely that future taxable income will be sufficient for their recovery.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the year the assets are realised or the liabilities are settled, as represented by the tax rates currently in force or essentially in force at the balance sheet date.

The income taxes relating to items recorded directly as part of shareholders' equity are charged directly against shareholders' equity and not to the income statement.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities and such deferred taxation relates to both the same fiscal entity and the same tax authority.

Value-added tax

Revenues, costs and assets are recognised net of value-added taxes, except:

> if the VAT charged on the purchase of goods and services is not recoverable, in which case it is recognised as part of the purchase cost of the asset or part of the cost charged to the income statement;

> if the VAT relates to trade receivables or payables for which invoices have already been issued or received inclusive of value-added tax.

The net indirect taxes on purchases and sales that are recoverable from or payable to the tax authorities are classified as a receivable or a payable in the balance sheet, depending on the sign of the net balance.

Derivatives and hedging transactions

Derivatives are recorded at fair value both at the time of initial recognition and subsequently. Changes in their fair value are recorded in the income statement or, in the case of derivatives designated as cash flow hedges pursuant to IAS 39, in shareholders' equity.

Derivatives that meet the requirements of IAS 39 are recorded in accordance with hedge accounting rules.

In particular, a transaction is deemed to be a hedge if the documented relationship between the hedging instrument and the hedged liability specifies the risk management objectives, the hedging strategy and the methods used to check effectiveness. A transaction is considered to be a hedge if it is shown to be effective both at the start and, prospectively, over its entire life.

In rare circumstances, call options are arranged in relation to strategic investments in subsidiaries and associates. This gives the Company an opportunity to increase its percentage interest in them. Pursuant to IFRS, such instruments are treated as derivatives.

They are initially recognised at their fair value on the arrangement date; subsequently, such fair value is re-measured on a periodic basis. They are recorded as an asset if fair value is positive and as a liability if fair value is negative.

Any profits or losses deriving from changes in the fair value of derivatives that are unsuitable for hedge accounting purposes are reflected directly in the income statement for the year.

Segment reporting

Following deferral of the listing process, the Company is not required to provide segment information but, nevertheless, has decided to make the related disclosures in the consolidated financial statements.

3. BUSINESS COMBINATIONS AND DISPOSALS

3.1 Absorption of Consorzio Pulizie Veneto Soc. Cons. a.r.l.

The deed for the absorption of Consorzio Pulizie Veneto Soc. Cons. a r.l. (absorbed company) by Manutencoop Facility Management S.p.A. (absorbing company) was signed on 21 October 2009. The Company held the entire quota capital of Consorzio Pulizie Veneto Soc. Cons. a r.l. and, accordingly, the merger took place without any share exchange, by cancelling all the quotas held in the absorbed company and replacing them by its assets and liabilities.
There were many business reasons for this merger: on the one hand, Consorzio Pulizie Veneto Soc. Cons. a r.l. was already wholly owned by Manutencoop Facility Management S.p.A. and, on the other, the merger would release the organisational/operational synergies deriving from the management of similar activities.

The transaction was carried out by parties that are under common control and, accordingly, is not governed by IFRS 3.
The effective date for the merger was 1 January 2009 and the 2009 transactions of the absorbed company were therefore recorded in the financial statements of the absorbing company with retroactive effect.
The accounting effects were determined by applying the general principle of consistency, as required by Assirevi in OPI 2.
Due to the accounting treatment adopted, the merger did not result in the identification of higher current values with respect to those already reflected in the financial statements of the absorbing company.

As envisaged in OPI 2 with regard to retroactive accounting effects and in order to ensure the comparability of the Company's 2009 data with those of the prior year, the following table compares the information already reported in the balance sheet and income statement, with the addition of a third column reporting the consolidation of the absorbing and absorbed companies as of 31 December 2008.

STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	31 December 2009 Manutencoop Facility Management S.p.A.	31 December 2008 Manutencoop Facility Management S.p.A.	Consolidated Manutencoop Facility Management S.p.A. and Consorzio Pulizie Veneto Soc. Cons. a r.l. 31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment	5,249,676	5,921,623	5,955,082
Leased property, plant and equipment	693,859	954,818	954,818
Goodwill	25,773,340	25,773,340	25,773,340
Other intangible assets	7,857,051	8,853,873	8,853,873
Investments in subsidiaries, joint ventures, associates	339,532,664	330,366,562	330,356,232
Other equity investments	1,542,313	1,093,780	1,093,780
Non-current financial receivables and other securities	2,082,189	964,695	964,695
Other non-current receivables and assets	662,559	753,453	753,453
Deferred tax assets	5,412,553	1,474,836	1,474,836
Total non-current assets	**388,806,203**	**376,156,980**	**376,180,110**
Current assets			
Inventories	988,935	1,262,413	1,262,413
Trade receivables and advances to suppliers	262,996,719	256,456,873	256,469,260
Current tax receivables	0	3,869,163	3,877,079
Other current receivables	4,792,495	3,469,621	3,478,128
Other current financial assets	93,734,937	66,630,910	66,630,910
Cash and cash equivalents	18,275,368	20,461,781	20,467,581
Total current assets	**380,788,454**	**352,150,761**	**352,185,371**
Non-current assets held for sale		**0**	**0**
Total non-current assets held for sale		**0**	**0**
TOTAL ASSETS	**769,594,657**	**728,307,741**	**728,365,481**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	109,149,600	109,149,600	109,149,600
Share premium reserve	144,736,293	143,685,365	143,685,365
Reserves	22,210,863	11,706,230	11,706,230
Retained earnings (losses)	3,808,981	3,808,981	3,808,981
Net profit (loss) for the year	10,092,441	14,994,651	14,994,651
Total shareholders' equity	**289,998,178**	**283,344,827**	**283,344,827**
Non-current liabilities			
Employee severance indemnities - benefits	13,020,925	13,455,363	13,455,363
Provisions for risks and charges - long term	2,501,753	1,474,837	1,474,837
Loans - long term	113,333,938	104,354,663	104,354,663
Deferred tax liabilities	1,407,044	1,401,444	1,401,444
Non-current liabilities from hedging derivatives	1,064,745	0	0
Total non-current liabilities	**131,328,405**	**120,686,307**	**120,686,307**
Current liabilities			
Provisions for risks and charges - short term	7,405,807	307,585	307,585
Loans - short term	149,539,309	159,188,267	159,228,235
Trade payables and advances from customers	5,418,459	0	15,667
Current tax receivables	59,892,148	58,596,791	58,596,791
Other current payables	125,951,248	106,129,421	106,131,526
Other current financial payables	61,104	54,542	54,542
Total current liabilities	**348,268,076**	**324,276,606**	**324,334,347**
Liabilities attributable to assets held for sale	**0**	**0**	**0**
Total liabilities attributable to assets held for sale	**0**	**0**	**0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**769,594,657**	**728,307,740**	**728,365,481**

INCOME STATEMENT

(in thousands of Euro)	31 December 2009 Manutencoop Facility Management S.p.A.	31 December 2008 Manutencoop Facility Management S.p.A. Filed financial statements	Consolidated Manutencoop Facility Management S.p.A. and Consorzio Pulizie Veneto Soc. Cons. a r.l. 31 December 2008
REVENUES			
Revenues from sales and services	458,155,322	428,717,732	428,590,681
Other operating revenues	557,485	595,282	595,333
TOTAL REVENUES	**458,712,807**	**429,313,014**	**429,186,015**
OPERATING COSTS			
Raw materials and consumables	(61,891,542)	(60,643,748)	(60,394,850)
Change in inventories of semi-finished and finished products			0
Cost of services	(167,905,650)	(167,748,191)	(167,861,867)
Payroll costs	(186,803,011)	(159,986,801)	(159,986,801)
Other operating costs	(3,191,351)	(3,981,129)	(3,982,041)
Internal work capitalised	0	0	0
(Depreciation, amortisation, write-downs) - write-backs	(10,167,830)	(4,209,342)	(4,216,752)
(Provisions for risks and charges) - amounts released	(8,650,878)	(984,077)	(984,077)
TOTAL OPERATING COSTS	**(438,610,261)**	**(397,553,288)**	**(397,426,388)**
OPERATING PROFIT	**20,102,546**	**31,759,726**	**31,759,627**
FINANCIAL INCOME AND CHARGES			
Dividends, income and charges from disposal of equity investments	9,551,146	6,959,088	4,890,006
Financial income	3,139,881	3,140,146	2,715,674
Financial charges	(10,851,032)	(15,130,691)	(12,423,338)
PROFIT (LOSS) BEFORE TAXATION	**21,942,541**	**26,728,269**	**26,941,969**
Current and deferred taxation	(11,850,102)	(11,733,617)	(11,746,113)
RESULTS FROM CONTINUING ACTIVITIES	**10,092,438**	**14,994,652**	**15,195,856**
Results from discontinued activities	0	0	0
NET PROFIT (LOSS) FOR THE YEAR	**10,092,438**	**14,994,652**	**15,195,856**

3.2 Disposal of IT line of business

The Company has sold to Engineering.it S.p.A. its *"IT"* line of business, comprising the group of net assets organised for the provision of ITC Services to the Manutencoop Group. On signature of the agreement, the line of business was transferred with effect from 31 December 2009.
The total consideration agreed for the transaction was Euro 940 thousand. In addition to the purchase price, the parties also agreed an accounting adjustment of Euro 35 thousand which was settled immediately. The amounts transferred were not subject to appraisal, since the transfer took place at book value.

The following schedule summarises the balance sheet effects of this transaction:

BALANCE SHEET EFFECT: DISPOSAL OF IT LINE OF BUSINESS

(in thousands of Euro)	Recognised value	Book value
Property, plant and equipment	1,030	1,030
ASSETS	**1,030**	**1,030**
Employee severance indemnities	29	29
Other current payables	26	26
LIABILITIES	**55**	**55**
Fair value of net assets	**975**	**975**
Total cost of disposal	**940**	
Adjustment	**35**	

3.3 Disposal of Building Division line of business

On 22 December 2009, the Company contributed to Manutencoop Costruzioni S.p.A. the line of business relating to the design, construction and maintenance of building works for public and private customers, in order to optimise the use of resources and contain costs by rationalising the organisational structure.

The independent expert appointed to appraise the value of the net assets contributed determined the value of the economic capital of the line of business of Manutencoop Facility Management S.p.A. known as the *"Building Division"*.. This expert determined the value of the business contributed to be Euro 289 thousand which, compared with the carrying amount of the related net liabilities, Euro 330 thousand, resulted in the recognition of a capital gain of Euro 619 thousand. This transaction represents a business combination between entities under common control, since Manutencoop Costruzioni S.p.A. is a wholly-owned subsidiary of Manutencoop Facility Management S.p.A.
The transaction is not governed by IFRS 3 since it was carried out by parties that are under common control. As indicated in Assirevi Document OPI 1 on the "Accounting treatment of business combinations of entities under common control", economic substance consists in the generation of value added for all the parties concerned (in the form, for example, of higher revenues, cost savings, release of synergies), in the form of significant changes in the cash flows generated before and after the combination of activities. Application of the consistency principle gives rise to the recognition in the statement of financial position of the amounts that would have been recorded had the combined businesses always been united. The net assets of the acquired and acquiring entities were therefore recognised at the respective carrying amounts recorded prior to the combination.
Accordingly, recognition of the transaction involving the *Building Division* using the consistency method has resulted in the creation of an equity reserve of Euro 611 thousand, representing the additional appraised value of the contributed net assets and liabilities with respect to their carrying amounts, net of the related tax effect (Euro 8 thousand).

BALANCE SHEET EFFECT: DISPOSAL OF BUILDING DIVISION LINE OF BUSINESS

(in thousands of Euro)	Recognised value	Book value
Property, plant and equipment	40	40
Increase in capital of Manutencoop Costruzioni S.p.A.	0	289
Investments held for sale	30	30
Inventories	1	1
Trade receivables and advances to suppliers	10	10
Non-current financial receivables	61	61
Assets	**142**	**431**
TFR	149	149
Provisions for risks and charges - long term	188	188
Other current payables	135	135
Liabilities	**472**	**472**
Carrying amount of net assets	**(330)**	**(41)**
Value of line of business transferred	**619**	
Increase in value of investment in Manutencoop Costruzioni S.p.A.	**289**	

4. PROPERTY, PLANT AND EQUIPMENT

(in thousands of Euro)	Plant, equipment and other assets	Leased plant and equipment	Total
As of 1 January 2009, net of accumulated depreciation and impairment	**5,921**	**955**	**6,876**
Increases	2,222	184	2,406
Reclassifications	1	-1	0
Absorption of CPV	231	0	231
Impairment	0	0	0
Decreases	(56)	0	(56)
Decrease on transfer of Building Division line of business	(886)	0	(886)
Decrease in historical cost on transfer of IT line of business	(4,528)	0	(4,528)
Acc. depreciation from absorption of CPV	(197)	0	(197)
Decrease in acc. depn. on transfer of Building Division line of business	846		846
Decrease in acc. depn. on transfer of IT line of business	3,498	0	3,498
Depreciation charge for the year	(1,802)	(444)	(2,246)
As of 31 December 2009, net of accumulated depreciation and impairment	**5,250**	**694**	**5,944**
As of 1 January 2009			
Cost	20,723	2,691	23,414
Accumulated depreciation and impairment	(14,802)	(1,736)	(16,538)
Net carrying amount	5,921	955	6,876
As of 31 December 2009			
Cost	16,753	2,604	19,357
Accumulated depreciation and impairment	(11,503)	(1,910)	(13,413)
NET CARRYING AMOUNT	**5,250**	**694**	**5,944**

The above table highlights the historical costs and accumulated depreciation deriving from the business combinations carried out during the year, as described in note 3.
Additions during the year related to technological and productivity improvements to industrial equipment, motor vehicles and assets for the IT system, as well as furniture and furnishings.
Property, plant and equipment have never been revalued.

(in thousands of Euro)	Plant, equipment and other assets	Leased plant and equipment	Total
As of 1 January 2008, net of accumulated depreciation and impairment	**4,658**	**1,299**	**5,957**
Increases	2,664	146	2,810
Revaluations	0	0	0
Absorption of Minati	180	0	180
Acquisition of Astrocoop line of business	961	0	961
Acquisition of SEC line of business	3	0	3
Impairment	0	0	0
Decreases	(46)	0	(46)
Acc. depreciation from absorption of Minati	(116)	0	(116)
Acc. depn. from acquisition of Astrocoop line of business	(728)	0	(728)
Acc. depn. from acquisition of SEC line of business	0	0	0
Depreciation charge for the year	(1,655)	(490)	(2,145)
As of 31 December 2008, net of accumulated depreciation and impairment	**5,921**	**955**	**6,876**
As of 1 January 2008			
Cost	17,501	2,737	20,238
Accumulated depreciation and impairment	(12,843)	(1,438)	(14,281)
Net carrying amount	4,658	1,299	5,957
As of 31 December 2008			
Cost	20,723	2,691	23,414
Accumulated depreciation and impairment	(14,802)	(1,736)	(16,538)
NET CARRYING AMOUNT	**5,921**	**955**	**6,876**

5. INTANGIBLE ASSETS

(in thousands of Euro)	Software	Trademarks and patents	Concessions and licences	Goodwill	Unexpired contracts	Total
As of 1 January 2009, net of accumulated amortisation and impairment	**5,681**	**7**	**0**	**25,773**	**3,166**	**34,627**
Increases	1,731	0	15	0	1	1,747
Impairment	0	0	0	0	0	0
Decreases	(13)	0	0	0	0	(13)
Amortisation	(2,115)	(1)	0	0	(615)	(2,731)
As of 31 December 2009	**5,284**	**6**	**15**	**25,773**	**2,552**	**33,630**
As of 1 January 2009						
Cost (gross carrying amount) as previously stated	11,619	33	0	29,695	311	41,658
Accumulated amortisation and impairment as previously stated	(5,938)	(26)	0	(3,922)	0	(9,886)
Net carrying amount	**5,681**	**7**	**0**	**25,773**	**311**	**31,772**
As of 31 December 2009						
Cost (gross carrying amount)	11,218	32	15	29,695	4,546	45,506
Accumulated amortisation and impairment	(5,933)	(27)	0	(3,922)	(1,995)	(11,876)
NET CARRYING AMOUNT	**5,285**	**6**	**15**	**25,773**	**2,552**	**33,630**

The costs of purchasing software are amortised on a straight-line basis over its expected useful life of 5 years.
Trademarks and patents are amortised on a straight-line basis over their useful life of 5 years.
The value attributed to contracts with customers, identified on the acquisition of the SEC line of business in the prior year, is amortised over the lives of the contracts concerned.
Commencing from 1 January 2004, goodwill is no longer amortised but is subjected to annual impairment testing, as described in note 6 below.
Concessions and Licences include costs of Euro 15 thousand incurred for a licence to transport goods for third parties, which is used as part of the Company's operating activities.
The increase in 'Other intangible assets' mainly relates to the cost of software.

(in thousands of Euro)	Software	Trademarks and patents	Goodwill	Unexpired contracts	Total
As of 1 January 2008, net of accumulated amortisation and impairment	**4,765**	**8**	**25,035**	**0**	**29,808**
Absorption of Minati	3	0	22	0	25
Acquisition of Astrocoop line of business	1	0	0	0	1
Acquisition of SEC line of business	0	0	0	3,115	3,115
Increases	2,877	0	717	102	3,696
Impairment	0	0	0	0	0
Decreases	0	0	0	0	0
Roundings	(1)	0	(1)	0	(2)
Amortisation	(1,964)	(1)	0	(51)	(2,016)
As of 31 December 2008	**5,681**	**7**	**25,773**	**3,166**	**34,627**
As of 1 January 2008					
Cost (gross carrying amount) as previously stated	8,641	11	28,942	311	37,905
Accumulated amortisation and impairment as previously stated	(3,876)	(3)	(3,907)	0	(7,786)
Net carrying amount	**4,765**	**8**	**25,035**	**311**	**30,119**
as of 31 December 2008					
Cost (gross carrying amount)	11,619	33	29,695	4,545	45,892
Accumulated amortisation and impairment	(5,938)	(26)	(3,922)	(1,379)	(11,265)
NET CARRYING AMOUNT	**5,681**	**7**	**25,773**	**3,166**	**34,627**

6. IMPAIRMENT TESTING OF RECORDED GOODWILL

During 2009, the directors of Manutencoop Facility Management S.p.A. requested a well-known firm of consultants to assist with checking the recoverability of the goodwill recorded in the consolidated statement of financial position.
This consultancy was carried out in the context of the impairment testing of assets required by IAS 36. The Company analysed the recoverability of recorded goodwill by reference to the Group's business plans, in order to identify any evidence of impairment. This analysis confirmed that recoverable value significantly exceeds the related carrying amounts.

In order to check the value of assets, management firstly identified the operating units that represent the cash generating units (CGU) concerned.
Three operating units were identified, principally with reference to the nature of the services provided by the Group: the Facility Management CGU, the Laundering/Sterilisation CGU and the Other Activities CGU. As of 31 December 2009, this last CGU solely comprised Construction activities, since the Project Management and Energy-related activities were temporarily included in the Facility Management CGU.

The goodwill of Euro 25,773 thousand reported in the separate financial statements is attributable to the Facility Management CGU.
Specifically, impairment testing was carried out using the unlevered or asset-side variant of the DCF method, which considers the cash flows generated by the capital invested without reference to the financial structure.

In order to obtain information about the potential net realisable value (fair value less costs to sell) of the assets allocated to the individual operating units, the valuations deriving from the application of stockmarket multiples or similar transactions carried out by listed companies in the sector were considered as potentially indicative of value in use.

The results of the testing performed indicate that the value in use of the goodwill analysed as of 31 December 2009 is higher than the corresponding book values recorded by the CGUs at that date.
The valuation deriving from the application of stockmarket multiples, following a period of prolonged market volatility, was lower than the value in use determined above but higher than the total carrying amounts recorded by the Facility Management CGU at the above date.

This calculation was performed using the cash flow projection contained in the latest financial plan, which covers a time period of four years. The discounting rate applied to the forecast cash flows was 8.1% (2008: 7.4%) and the cash flows after the first four years were extrapolated using a constant growth rate of 1% (2008: 2%).
This growth rate is deemed to be prudent, considering the much higher growth rates expected by external observers and the average growth in the revenues from facility management (about 20% p.a.) recorded over the last 5 years by Manutencoop Facility Management S.p.A.

7. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company holds certain direct investments in subsidiaries, joint ventures and associates that are measured at cost in the financial statements.
The following table relating to subsidiaries, associates and joint ventures provides summary information about the names, locations, the Company's direct and indirect interests in their share capital and, if different, the percentage of voting rights exercisable at shareholders' meetings.

SUBSIDIARY COMPANIES

COMPANY NAME	LOCATION	DIRECT INTEREST IN SC	INDIRECT INTEREST IN SC
Servizi Brindisi Soc.Cons. a r.l.	Zola Predosa (Bologna)	52%	
Gestlotto 6 Soc.Cons. a r.l.	Zola Predosa (Bologna)	55%	
Simagest 2 Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	30%
Consorzio Imolese Pulizie Soc.Cons. a r.l.	Imola (Bologna)	60%	
Consorzio Servizi Toscana Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	
Servizi Marche Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	
Palmanova servizi energetici Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	
Servizi l'Aquila Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	
Consorzio Igiene Ospedaliera Soc.Cons. a r.l.	Zola Predosa (Bologna)	66.66%	
Gymnasium Soc.Cons. a r.l.	Zola Predosa (Bologna)	68%	
M.C.B. S.p.A.	Bologna	100%	
Co.Ge.F. Soc.Cons. a r.l.	Zola Predosa (Bologna)	80%	
Simagest 3 Soc.Cons. a r.l.	Zola Predosa (Bologna)	89.99%	
Alisei S.r.l.	Zola Predosa (Bologna)	100%	
Servizi Ospedalieri S.p.A.	Ferrara	100%	
Teckal S.p.A.	Reggio Emilia	100%	
Manutenzione Installazione Ascensori S.p.A.	Zola Predosa (Bologna)	100%	
Società Manutenzione Illuminazione S.p.A.	Zola Predosa (Bologna)	100%	
Manutencoop Costruzioni S.p.A.	Zola Predosa (Bologna)	100%	
Gruppo Sicura S.r.l.	Vicenza	80%	
Integra FM B.V.	Amsterdam (Netherlands)	100%	
Protec S.r.l.	Vicenza		100%
Sicura S.r.l.	Vicenza		100%
Securveneta S.r.l.	Vicenza		80%
Sedda S.r.l.	Vicenza		80%
Mako Engineering S.r.l.	Vicenza		70%
Sicurama S.r.l.	Casalecchio di Reno (Bologna)		70%
Firing S.r.l.	Lainate (Milan)		65%
Leonardo S.r.l.	Vicenza		100%
Antincendio Piave S.r.l.	Vicenza		70%
Altair IFM S.p.A.	Milan		100%
Gestin Facility S.p.A.	Turin		100%
Altair IFM France S.a.s.	Trappes (France)		100%
Integra Energy S.r.l.	Milan		100%
P.I.T. Promozione Imprese e Territorio Soc.Cons. a r.l.	Pozzuoli (Naples)		100%
S.AN.GE Soc.Cons. a r.l.	Milan		64%
Delivery S.r.l.	Milan		60%
Envolta S.r.l.	Milan		55%
Gestin Polska Sp.zo.o.	Bielsko Biala (Poland)		100%
Consorzio Sermagest Servizi Manutentivi Gestionali Soc.Cons. a r.l.	Turin		60%
Consorzio Polo di Sterilizzazione Integrata in Service Soc.Cons. a r.l.	Padua		60%
Cofam S.r.l.	Modena		60%
Coplift S.r.l.	Milan		100%
M.P.E. S.r.l.,	Milan		100%
Fleur Bruzia S.r.l.	Cosenza		100%
MP Facility S.p.A.	Milan	50%	50%

JOINT VENTURES

COMPANY NAME	LOCATION	DIRECT INTEREST IN SC	INDIRECT INTEREST IN SC
Consorzio Leader Soc.Cons. a r.l.	Zola Predosa (Bologna)	50%	
Global Maggiore Bellaria Soc.Cons. a r.l.	Bologna	50%	
Legnago 2001 Soc.Cons. a r.l.	Zola Predosa (Bologna)	50%	
Servizi Sportivi Brindisi Soc.Cons. a r.l.	Rome	50%	
Altair Zander Italia S.r.l.	Milan		50%
Malaspina Energy Soc.Cons. a r.l.	Milan		50%
AMG S.r.l.	Busca (Cuneo)		50%
Bresso Energia S.r.l.	Bresso (Milan)		50%

ASSOCIATES

COMPANY NAME	LOCATION	DIRECT INTEREST IN SC	INDIRECT INTEREST IN SC
Gico Systems S.r.l.	Zola Predosa (Bologna)	20%	
Como Energia Soc.Cons. a r.l.	Como	29%	
Se.Sa.Mo. S.p.A.	Carpi (Modena)	20.91%	
Global Riviera Soc.Cons. a r.l.	Zola Predosa (Bologna)	23.11%	7.55%
Consorzio Sterilizzazione in Service	Rome		26%
Consorzio Energia Servizi Bologna	Bologna	24.25%	
Newco DUC Bologna S.p.A.	Bologna	24.90%	
PBS Soc.Cons. a r.l.	Milan	25%	
Bologna Più Soc.Cons. a r.l.	Bologna	25.68%	
Global Provincia di Rimini Soc.Cons. a r.l.	Zola Predosa (Bologna)	42.4%	
Roma Multiservizi S.p.A.	Rome	45.47%	
DUC Gestione Sede Unica Soc.Cons. a r.l.	Zola Predosa (Bologna)	49%	
Global Vicenza Soc.Cons. a r.l.	Concordia sulla Secchia (Modena)	41.25%	
Bologna Multiservizi Soc.Cons. a r.l.	Casalecchio di Reno (Bologna)	39%	
Livia Soc.Cons. a r.l.	Casalecchio di Reno (Bologna)	34.10%	
Bologna Gestione Patrimonio Soc.Cons. a r.l.	Bologna	27.58%	
Servizi Napoli 5 Soc.Cons. a r.l.	Zola Predosa (Bologna)	45%	
Costruzione Manutenzione Immobili S.r.l.	Bologna	40%	
Edex S.r.l.	Rho (Milan)	45%	
Progetto Nuovo Sant'Anna S.r.l.	Milan		49.5%
S.AN.CO. Soc.Cons. a r.l.	Milan		37.5%
HEADMOST Divisione Service Facility Management S.p.A.	Pomezia (Rome)		25%
Telepost S.p.A.	Milan		20%
San Martino 2000 Soc.Cons. a r.l.	Calata Gadda (Genoa)		40%
Sersan Servizi Sanitari S.p.A.	Lamezia Terme (Cosenza)		20%
F.lli Bernard S.r.l.	Bari		20%
Servizi Sanitari Treviso Soc.Cons. a r.l.	Calata Gadda (Genoa)		40%
Iniziative Produttive Piemontesi S.r.l.	Turin		24.75%
Steril Piemonte S.c.a r.l.	Turin		25%
Gestioni Sanitarie Toscane Soc.Cons. a r.l.	Florence		20%
Lavanderia Industriale Z.B.M. S.r.l.,	Arco (Trento)		19%
Linea Sterile S.p.A.	Rimini		15%
MCB Emirate LLC	United Arab Emirates		49%

The changes in investments in subsidiaries, joint ventures and associates during the year are summarised below:

CHANGES IN INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(in thousands of Euro)	Balance 01/01/2009	Increases	Combinations	Decreases/ write-downs	Reclassi-fications	Balance 31/12/2009
SUBSIDIARIES						
Servizi Marche Soc.Cons. a r.l.	6					6
Consorzio Imolese Pulizie Soc.Cons. a r.l.	6					6
S.I.MA.GEST2 Soc.Cons. a r.l.	30					30
S.I.MA.GEST3 Soc.Cons. a r.l.	45					45
Consorzio Servizi Toscana Soc.Cons. a r.l.	6					6
Gymnasium Soc.Cons. a r.l.	7					7
Consorzio Igiene Ospedaliera Soc.Cons. a r.l.	7					7
Alisei S.r.l.	-					-
M.C.B. S.p.A.	11,729					11,729
Gestlotto6 Soc.Cons. a r.l.	50					50
Servizi Ospedalieri S.p.A.	71,062	9,507				80,569
Servizi Brindisi Soc.Cons. a r.l.	5					5
Omasa S.p.A.	9,507	(9,507)				-
Co.Ge.F. Soc.Cons. a r.l.	8					8
Teckal S.p.A.	61,463					61,463
Palmanova servizi energetici Soc.Cons. a r.l.	6					6
Servizi l'Aquila Soc.Cons. a r.l.	12					12
Consorzio Pulizie Veneto Soc.Cons. a r.l.	10		(10)			-
Società Manutenzione Illuminazione S.p.A.	2,123					2,123
Manutenzione Installazione Ascensori S.p.A.	5,000					5,000
Gruppo Sicura S.p.A.	15,329	13,483				28,812
Integra F.M. BV	142,307					142,307
M.P. Facility S.p.A.	500					500
Manutencoop Costruzioni S.p.A.	-	409				409
TOTAL SUBSIDIARIES	**319,218**	**13,892**	**(10)**	**0**	**0**	**333,100**
JOINT VENTURES						
Consorzio Leader s.conS.r.l.	5					5
Legnago 2001 s.conS.r.l.	5					5
Global Maggiore Bellaria s.conS.r.l.	5					5
Scam Soc.Cons. a r.l.	10			10		-
Servizi Sportivi BrindisiSoc.Cons. a r.l.	5					5
TOTAL JOINT VENTURES	**30**	**0**	**0**	**10**	**0**	**20**

CHANGES IN INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(in thousands of Euro)	Balance 01/01/2009	Increases	Combinations	Decreases/ write-downs	Reclassi-fications	Balance 31/12/2009
ASSOCIATES						
Roma Multiservizi S.p.A.	3,324					3,324
Global Prov.Rimini Soc.Cons. a r.l.	4					4
Gico Systems S.r.l.	29					29
Bologna più Soc.Cons. a r.l.	77			72		5
Como Energia Soc.Cons. a r.l.	74					74
Global Riviera Soc.Cons. a r.l.	7					7
Newco Duc Bologna S.p.A.	2,241					2,241
Sesamo S.p.A.	606					606
Duc gest sede unica Soc.Cons. a r.l.	10					10
Consorzio Energia Servizi Bologna	2					2
P.B.S. Soc.Cons. a r.l.	25					25
Global Vicenza Soc.Cons. a r.l.	4					4
Bologna Multiservizi Soc.Cons. a r.l.	4					4
Terzatorre S.p.A.	1,472			1,012	(460)	-
Tower sSoc.Cons. a r.l.	20			20		-
Bologna Gestione Patrimonio Soc.Cons. a r.l.	6					6
Servizi Napoli 5 Soc.Cons. a r.l.	5					5
Costruzione Manutenzione Immobili S.r.l in liquidation	2,808			2,745		63
Edex S.r.l.	401			401		-
Livia Soc.Cons. a r.l.	0	3				3
TOTAL ASSOCIATES	**11,119**	**3**	**0**	**4,250**	**(460)**	**6,412**
TOTAL SUBSIDIARIES, JOINT VENTURES, ASSOCIATES	**330,367**	**13,895**	**(10)**	**4,260**	**(460)**	**339,532**

7.1 Changes in equity investments

The principal changes during the year are described below:

Servizi Ospedalieri S.p.A.

The increase in the investment in Servizi Ospedalieri S.p.A. by Euro 9,507 thousand reflects the absorption of Omasa S.p.A. by Servizi Ospedalieri, which was authorised on 15 April 2009.

OMASA S.p.A.

The reduction in the value of this investment was discussed in the preceding paragraph.

Consorzio Pulizie Veneto S.Cons. a r.l.

The reduction in the investment in Consorzio Pulizie Veneto S.Cons. a r.l. by Euro 10 thousand reflects the absorption of that company, which is described in paragraph 3.

Gruppo Sicura S.r.l.

The acquisition of an 80% interest in Gruppo Sicura S.r.l. was completed on 30 December 2008. This operating company also holds equity investments in a group of companies that principally provide fire-prevention, safety and security services, as well as other facility management services, both in Italy and abroad.

The total cost of the acquisition was Euro 15,329 thousand, including Euro 184 thousand in purchase-related costs (legal expenses, financial consultancy and antitrust procedures).
The purchase consideration was paid to the seller on completion of the transaction.
The contract also envisaged:

> payment to the sellers of an additional price (earn-out) for the 80% interest acquired. This amount is payable, upon request from the sellers between 1 July 2014 and 30 June 2015, on condition that the normalised consolidated EBITDA of Gruppo Sicura for 2013 exceeds its normalised EBITDA for 2007;

> grant of a put option (by the buyer to the sellers, exercisable between 30 June 2014 and 30 June 2015) and a call option (by the sellers to the buyer, exercisable between 1 July 2015 and 1 July 2017) for the transfer of the remaining 20% of the quota capital.

The additional price for the 80% interest acquired and the exercise price of the options over the residual 20% will be determined with reference to updated valuations for the investment at the time the sellers request payment and at the option exercise date.

The updated valuation of the investment will be determined by multiplying the normalised consolidated EBITDA for 2013 by a coefficient (defined by contract or, if MFM S.p.A. is listed at the time, representing the average market price over the preceding 3 months), less the consolidated net financial position of Gruppo Sicura S.r.l. as of 31 December 2013.

Pursuant to current standards, the present value of the additional price payable (earn-out) in relation to the Sicura group has been determined to be Euro 13,483 thousand. This amount has been recognised as a financial liability in these financial statements since management believes it likely that the earn-out condition will be met (EBITDA 2013 greater than EBITDA 2007). The financial charges contributing to the determination of this present value, Euro 653 thousand, have also been recognised.

Manutencoop Costruzioni S.p.A.

Manutencoop Costruzioni S.p.A. was formed on 12 November 2009. Its objects are to perform, in any configuration, contracts or concessions for the design and construction of works. The capital subscribed and paid in by Manutencoop Facility Management S.p.A., Euro 120 thousand, represents 100% of the company's share capital. The residual amount of the company's capital, Euro 289 thousand, was contributed in kind, in the form of the Building Division line of business discussed further in point 3.

Bologna Più S.Cons. a.r.l.

On 12 May 2009, the extraordinary meeting of Bologna Più cons. a r.l. resolved to liquidate the company and reduced its quota capital from Euro 300 thousand to Euro 20 thousand, with the consequent proportional return to quotaholders of part of their paid-in capital.

Scam S.Cons. a r.l. and Tower S.Cons. a r.l.

The reduction in the investments in Scam S.Cons. a r.l. and Tower S.Cons. a r.l. derives from the contribution of the *"Building Division"* line of business to Manutencoop Costruzioni S.p.A.

Terzatorre S.p.A.

The reduction in the investment in Terzatorre S.p.A. by Euro 1,012 thousand derives from the sale of 1,012,000 shares, par value Euro 1 each, representing 22% of the company. This investment, originally 33% held, is now 10% owned and has therefore become a minor investment as of 31 December 2009. The disposal did not give rise to any capital gains.

Costruzione Manutenzione Immobili S.r.l. in liquidation

The reduction in the investment by Euro 2,744 thousand reflects the write-down recorded with reference to the latest available financial statements and the effect of the dividend distribution authorised at the quotaholders' meeting of Costruzione Manutenzione Immobili S.r.l. in liquidation, held on 2 April 2009.

Edex S.p.A.

The reduction in the investment by Euro 401 thousand reflects the write-down recorded with reference to the latest available financial statements, in which the share capital was written off. The Company has decided not to reconstruct the capital of Edex S.p.A.

Livia Soc. Cons. a r.l.

Livia Soc. Cons. a r.l. was formed on 16 April 2009. Its objects are to perform all maintenance work on the properties owned by the Local Health Authority serving the Forlì Municipality. The capital subscribed and paid in by Manutencoop Facility Management S.p.A., Euro 3.4 thousand, represents 34.10% of the company's quota capital.

8. OTHER EQUITY INVESTMENTS (LONG TERM)

OTHER EQUITY INVESTMENTS (LONG TERM)

(in thousands of Euro)	31 December 2009	31 December 2008
Other equity investments	1,542	1,094
TOTAL	**1,542**	**1,094**

The investments in companies that are not subsidiaries or associates were made for strategic-operational reasons: these investments are all associated with production sites and, in addition, they mainly consist of consortiums established for the recharging of costs. This caption is measured at purchase or formation cost, since there is no active market in these investments which, in most cases, cannot be freely sold to third parties due to rules and agreements that effectively prevent their transfer. This valuation method is however deemed to approximate the fair value of these investments.

The increase during the year mainly reflects the sale of a 22% interest in Terzatorre S.p.A., described in the previous paragraph, which is now a minor investment rather than an associate.

9. NON-CURRENT FINANCIAL RECEIVABLES AND OTHER SECURITIES

NON-CURRENT FINANCIAL RECEIVABLES AND OTHER SECURITIES

(in thousands of Euro)	31 December 2009	31 December 2008
Non-current financial receivables and other securities	2,082	965
TOTAL	**2,082**	**965**

The loans made to certain consortiums are interest-free, having been granted proportionately by each consortium member; accordingly, they have been discounted with reference to the expected residual maturities, applying Eurirs for loans due beyond 12 months and Euribor for those due within 12 months uplifted by 0.5%. The increase with respect to the prior year mainly reflects the financial receivable, Euro 781 thousand, that arose on the sale of the IT line of business to Engineering.it S.p.A., as discussed earlier.

10. OTHER NON-CURRENT RECEIVABLES AND ASSETS

OTHER NON-CURRENT RECEIVABLES AND ASSETS

(in thousands of Euro)	31 December 2009	31 December 2008
Other non-current receivables and assets	663	753
TOTAL	**663**	**753**

The other financial assets mainly comprise guarantee deposits relating to certain commercial contracts.

11. INVENTORIES

INVENTORIES

(in thousands of Euro)	31 December 2009	31 December 2008
Raw materials (at cost)	989	1,262

Inventories of raw materials comprise the materials held awaiting use at production sites, stated at weighted-average purchase cost, and the fuel held in the tanks of customers who have outsourced their heat management to the Company.

12. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

(in thousands of Euro)	31 December 2009	31 December 2008
Due from third-party customers	214,791	201,011
Due from subsidiaries	33,528	32,774
Due from associates and joint ventures	13,376	21,344
Due from parent companies	299	592
Advances to suppliers	1,004	736
TOTAL TRADE RECEIVABLES	**262,997**	**256,457**

Amounts due from customers do not earn interest and are generally contractually collectible within 30-90 days. Since the large majority of customers are public bodies, which notoriously pay very late, the amounts due from customers have been discounted using a risk-free rate of 0.46% (2.85% in 2008) over the time period between the average delay in collection declared by competitors and the delay experienced by the Company during the year.

(in thousands of Euro)	Opening balance	Provisions	Utilisations	Closing balance
	518	84	(518)	84

Doubtful receivables that may not be fully recoverable are covered by a specific allowance for doubtful accounts, which is deemed adequate with respect to known disputes as of 31 December 2009:

(in thousands of Euro)	Opening balance	Provisions	Utilisations	Closing balance
	2,497	1,990	(337)	4,150

The terms and conditions applying to the amounts due from related parties are discussed in note 36.

The ageing of trade receivables as of 31 December 2009, net of the allowance for doubtful accounts and gross of the discounting provision, is presented in the following table:

(in thousands of Euro)	Total	Not yet due	Past due	Other written down receivables
As of 31 December 2009	263,081	190,523	68,046	4,512
AS OF 31 December 2008	256,975	194,578	58,224	4,174

The assignment of trade receivables to Calyon S.A. Corporate & Investment Bank continued during 2009 in order to make resources available to sustain the industrial expansion of the Company. This contract has a one-year term, renewable for 5 years, and envisages the factoring of receivables on a quarterly basis under a revolving facility.
During 2009, receivables with a total nominal value of Euro 211,147 thousand were sold without recourse on 24 March 2009, 26 June 2009, 23 September 2009 and 22 December 2009. Given the characteristics of the operation, the assigned receivables have been derecognised and the costs of the credit discount, Euro 836 thousand, and the interest discount, Euro 1,998 thousand, totalling Euro 2,834 thousand, were charged to the income statement. Considering historical experience with the debtors concerned, the credit collection risk is extremely low while the risk of late payment is more significant given that the amounts are due from public bodies.
The trade receivables assigned as of 31 December 2009, but not already collected at that date, amount to Euro 72,882 thousand.
As part of this operation, the Company has given a guarantee with a nominal value of Euro 8,405 thousand. Given the characteristics of this operation and the available impediments to collection against the guarantee, the fair value of this guarantee is estimated to be Euro 61 thousand.

13. OTHER CURRENT RECEIVABLES

(in thousands of Euro)	31 December 2009	31 December 2008
Due from employees	118	78
Due from suppliers	74	98
Due from social security institutions	301	192
Due from parent company	1	3
Due from subsidiaries	1	195
Bank accounts - INPDAP	2,178	2,176
VAT recoverable	185	64
Other	1,935	663
Roundings	0	1
TOTAL OTHER CURRENT RECEIVABLES	**4,792**	**3,470**

The amount of Euro 2,178 thousand relates to the current account balances held with Banca di Roma and managed for and in the name of INPDAP, as envisaged in the property management contract signed with that entity by B.S.M. S.r.l., which was absorbed in 2006.
Other receivables include Euro 1,713 thousand due in relation to temporary business associations in which Manutencoop Facility Management S.p.A. is the lead company.

14. OTHER CURRENT FINANCIAL ASSETS

(in thousands of Euro)	31 December 2009	31 December 2008
Servizi Marche Soc.Cons. a r.l.	12	12
Consorzio Imolese Pulizie Soc.Cons. a r.l.	36	36
Gymnasium Soc.Cons. a r.l.	7	7
Gestlotto6 Soc.Cons. a r.l.	20	20
Consorzio Igiene Ospedaliera Soc.Cons. a r.l.	175	665
Consorzio Pulizie Veneto Soc.Cons. a r.l.	0	40
Omasa S.p.A.	0	2,748
M.C.B. S.p.A.	1,161	0
Teckal S.p.A.	2,946	0
Società Manutenzione Illuminazione S.p.A.	3,681	210
Integra F.M. BV	47	60,448
Altair S.p.A.	83,448	0
Global Prov. Rimini Soc.Cons. a r.l.	170	170
Due on purchase of investment	1,023	1,023
Manutenzione Installazione Ascensori S.p.A.	813	0
Dividends to be collected	0	1,250
Due on disposal of line of business	195	0
Roundings	0	2
TOTAL RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS	**93,735**	**66,631**

This caption includes the current accounts maintained with Group companies for the settlement of financial transactions, as well as the receivable, Euro 195 thousand, arising on the disposal of the IT line of business, as discussed earlier. Other current financial assets and receivables total Euro 93,735 thousand. The increase during the year was mainly due to the loan granted to Altair S.p.A.. The intercompany current accounts, repayable on demand, earn interest at 3-month Euribor plus a spread of 0.5%. The related contracts expire on 31 December 2010, subject to automatic renewal. This caption also includes Euro 1,023 thousand claimed from the seller of Manutenzione Illuminazione S.p.A., which was already outstanding as of 31 December 2008.

15. CASH AND CASH EQUIVALENTS

(in thousands of Euro)	31 December 2009	31 December 2008
Demand deposits and cash	15,013	14,451
Treasury accounts	3,262	6,011
TOTAL LIQUID ASSETS	**18,275**	**20,462**

Bank deposits earn interest at the respective short-term rates. The amounts deposited with Consorzio Cooperativo Finanziario per lo Sviluppo (C.C.F.S.) and Consorzio Nazionale Servizi (C.N.S.) are readily available and earn interest.
The fair value of cash and cash equivalents is therefore Euro 18,275 thousand (2008: Euro 20,462 thousand)
As of 31 December 2009, the Company has unused lines of credit totalling Euro 76,036 thousand (2008: Euro 113,083 thousand), the terms and conditions for which have all been met.

For the purposes of the cash flow statement, cash and cash equivalents as of 31 December 2009 are analysed as follows:

(in thousands of Euro)	31 December 2009	31 December 2008
Demand deposits and cash	18,276	20,462
Bank overdrafts		
TOTAL	**18,276**	**20,462**

16. SHARE CAPITAL AND RESERVES

(in thousands of Euro)	31 December 2009	31 December 2008
Ordinary shares, par value Euro 1 each	109,150	109,150

The ordinary shares have a par value of Euro 1.

There are 109,149,600 issued and fully-paid ordinary shares as of 31 December 2009.
The Parent Company does not hold any treasury shares.

RETAINED EARNINGS (LOSSES)

(in thousands of Euro)	Legal reserve	Share premium reserve	Other reserves	TOTAL RESERVES	Retained earnings (losses)
As of 31 December 2006	**4,940**	**0**	**(49,537)**	**(44,597)**	**2,502**
Allocation of 2006 results	6,394			6,394	432
Utilisation on 5/12/2007	(7,603)		49,535	41,932	(2,934)
As of 31 December 2007	**3,731**	**0**	**2**	**3,733**	**0**
Effects of change in accounting policy (TFR)			(3,809)	(3,809)	1,326
As of 31 December 2007 restated	**3,731**	**0**	**(3,807)**	**(76)**	**1,326**
Allocation of 2007 results	10,585			10,585	
Capital increase		143,685		143,685	
Effect of Sorie method			1,563	1,563	
Combination of entities under common control			(366)	(366)	2,483
Roundings				2	
As of 31 December 2008	**14,316**	**143,685**	**(2,610)**	**155,393**	**3,809**
Allocation of 2008 results	750		10,206	10,956	
Capital increase		1,052		1,052	
Combination of entities under common control			611	611	
Total comprehensive profit/(loss)			(1,062)	(1,062)	
Roundings		(1)	(2)	(3)	
As of 31 December 2009	**15,066**	**144,736**	**7,143**	**166,947**	**3,809**

Note that:
> the Share premium reserve increased during 2009 by Euro 1,051 thousand to match recognition of the IRES recoverable from the tax authorities in relation to the capital increase expenses charged directly against this reserve in 2008. Previously, the Company had prudently not recognised the tax effect (lower taxation) of the costs associated with the capital increase that took place on 23 December 2008. During 2009, the tax authorities were asked to clarify the proper treatment of these costs for fiscal purposes. Following approval from the tax authorities, the tax credit has been recognised in the reserve against which the related charges were deducted.
> the Combination of entities under common control caption includes the capital gain, Euro 611 thousand, generated on the disposal of the Building Division line of business, net of the related tax effect as discussed earlier.
> the Total comprehensive profit/(loss) caption includes actuarial profits and losses recognised in equity of Euro 291 thousand, net of the related tax effect, as well as the fair value adjustment recognised in equity of the IRS derivative hedging the loan from BNP Paribas of Euro 773 thousand, net of the related tax effect, and the tax effect of expenses incurred in the prior year and recognised in equity in relation to the share capital increase.

Nature and purpose of other reserves

IFRS transition reserve

This reserve reflects the adjustment of financial statement captions on the first-time adoption of IFRS that required changes in accounting policy; the related tax effect is reported in a separate reserve..

(in thousands of Euro)				Summary of utilisation in the 3 preceding years	
NATURE/DESCRIPTION	Amount	Possible uses	Portion available	to cover losses	for other purposes
Capital	**109,150**				**39,000**
Capital reserves:					
> Share premium reserve	144,736	A,B	144,736		19,134
		C	137,972		
Profit reserves:					
> Legal reserve	15,066	B			7,603
> IFRS transition reserve	2	B			1,373
Extraordinary reserve	10,206	B,C			
Retained earnings (losses)	**3,809**				**2,934**
TOTAL	**282,969**				
Portion not distributable	25,641				
Residual distributable portion	148,178				

KEY
Possible uses:
A: for capital increases
B: to cover losses
C: for distribution to shareholders

17. EMPLOYEE BENEFITS AND PENSION FUNDS

The Company has no defined benefit pension plans, in the strict sense.
However, the employee severance indemnities (TFR) envisaged by art. 2120 of the Italian Civil Code fall into this category for reporting purposes and, accordingly, have been recorded as such on the basis described in the accounting policies.
The following tables summarise the net cost of the benefits recognised in the income statement and the amounts reported as TFR in the statement of financial position.
The net cost of the benefits, classified among the payroll costs, is analysed below.

(in thousands of Euro)	31 December 2009	31 December 2008
Cost of benefits earned (current service cost)	0	0
Financial charges on outstanding obligations	734	499
Curtailment	17	0
Net actuarial losses (gains) recognised in the year	0	0
Defined contribution benefits	6,990	5,969
NET COST OF BENEFITS	**7,741**	**6,468**

The actuarial loss for 2009 of Euro 400 thousand is not included in the net cost of the benefits since it is recognised in equity.
There are no assets servicing the plan.

The changes in the present value of the defined benefit obligation (Employee severance indemnities - TFR) are analysed below:

(in thousands of Euro)	2009	2008
Opening present value of the defined benefit obligation	13,455	16,454
Increase/(decrease) due to business combinations	(135)	1,146
Benefits paid	(1,433)	(2,486)
Cost of benefits earned	0	0
Financial charges on outstanding obligations	734	499
Actuarial (gains)/losses on obligation	400	(2,156)
Roundings	0	(2)
CLOSING PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION	**13,021**	**13,455**

The principal assumptions used to measure the obligation for employee severance indemnities are described below:

	% 2009	% 2008
Discount rate	5.70%	5.70%
Inflation rate	2.00%	2.00%
Turnover	10.00%	10.00%

The average number of employees is analysed below, together with those on secondment to the Company from Manutencoop Società Cooperativa:

	2009	2008
Executives	9	7
Clerical staff	251	261
Manual workers	8,096	7,063
EMPLOYEES	**8,356**	**7,331**
Executives	16	17
Clerical staff	242	240
Manual workers	351	349
SECONDED	**609**	**606**

18. PROVISIONS FOR RISKS AND CHARGES

(in thousands of Euro)	Testing and work performed	Litigation in progress	Employee bonuses	Coverage of losses	Restructuring	Total
As of 1 January 2009	**418**	**1,057**	**306**	**2**		**1,783**
Provisions for the year	349	783	432	15	7,040	8,619
Utilisations			(306)			(306)
Transfer of Building Division		(170)	(18)			(188)
As of 31 December 2009	**767**	**1,670**	**414**	**17**	**7,040**	**9,908**
Short term 2009	349			17	7,040	7,406
Long term 2009	418	1,670	414			2,502
TOTAL	**767**	**1,670**	**414**	**17**	**7,040**	**9,908**
Short term 2008			**306**	**2**		**308**
Long term 2008	418	1,057				1,475
TOTAL	**418**	**1,057**	**306**	**2**	**0**	**1,783**

Provision for risks in relation to testing and work performed

The amount of Euro 767 thousand relates to:

> the risk inherent in the property contract with the Municipality of Milan which requires approval by the tenants of the properties concerned of the actual management costs incurred, Euro 418 thousand, and possible costs to be incurred in the coming year for completion work to be performed by the PBS consortium for the Municipality of Milan following expiry of the contract, Euro 219 thousand;

> the risk of adjustments to the amount recorded for special maintenance work performed by a customer, Euro 130 thousand.

Provision for litigation in progress

The risk of having to make settlements in relation to the litigation in progress with customers, suppliers and employees is assessed when preparing the financial statements. Certain of these disputes related to alleged defective work pursuant to art. 1669 of the Italian Civil Code. These risks and related provisions were contributed to the Company on 30 December 2003. In relation to the employees transferred on contribution of the Palladio and Fidia lines of business, no provisions have been made in relation to the disputes that arose with them prior to the contribution dates. In particular, even though the Company is jointly liable together with Manutencoop Soc.Coop., current agreements establish that the latter will make any necessary settlements. This provision has been increased by Euro 783 thousand. The decrease of Euro 170 thousand relates to the risks transferred to Manutencoop Costruzioni S.p.A. together with the Building Division line of business.

Employee bonuses

The estimated amount of Euro 414 thousand reflects payments that may be due in relation to the results achieved by management. The exact amount cannot be determined each year since the related incentive plan is linked to the achievement of medium-term objectives.

Provision for restructuring

Following the Company's acquisition of the Altair Group (formerly Pirelli & C. RE IFM) on 23 December 2008 and considering the significance of the transaction, management immediately launched a project designed to integrate the businesses as rapidly as possible, in order to release the synergies deriving from the acquisition.

An executive committee for the reorganisation was established in March 2009 and, at the same time, a leading firm of consultants was engaged to "assist Manutencoop and Altair with the integration process". The activities initially included broad definition of the resulting organisation and, subsequently, the definition of the new organisational structure.

In May 2009, the executive committee approved work on the merger of the following companies:

> Manutencoop Facility Management S.p.A.;

> Integra FM BV;

> Altair IFM S.p.A.;

> Gestin Facility S.p.A.;

> Teckal S.p.A.

The decision to establish a single operational holding company, essentially combining within the Facility Management strategic business area:

> the "Operations" function;

> the "Commercial, development and technical sales" function;

> all business support functions (Personnel, Purchasing, Security) for the entire Group;

> and the management and control functions (Administration and Control, IT, Finance and Treasury, Legal and Corporate Affairs, Strategic Planning etc.), highlighted the availability of significant additional synergies deriving from the elimination of duplicated functions and the optimisation of operational management via the reduction of employment.

The merger proposal was approved on 25 June 2009 by the Management Board of MFM and by the Board of Directors of the other companies involved.

As of 31 December 2009, the plan:

> has been prepared in detail, covering the operating units and positions involved, the costs to be incurred and the estimated time required for implementation;

> has justifiably caused third parties to expect that the restructuring will be completed, since it has already been partially implemented by the Company via contacts with individuals; in addition, a formal redundancy process has commenced and the trade unions have been notified.

The estimated cost of the above plan has resulted in total provisions of Euro 7,040 thousand.

19. LOANS AND OTHER FINANCIAL LIABILITIES

(in thousands of Euro)	Effective interest rate %	Expiry	31 December 2009	31 December 2008
Short and long term				
BNP-Unicredit loan	2.65 +1.75	23/12/2014	82,987	73,780
C.C.F.S. loan	Euribor 3m + spread	29/07/2013	30,000	30,000
Finance lease obligations	Euribor 3m + spread	2010-2014	347	576
TOTAL LOANS AND OTHER NON-CURRENT FINANCIAL LIABILITIES			**113,334**	**104,356**
BNP-Unicredit loan	2.65 +1.75	23/12/2014	21,000	73,780
Bank overdrafts	Euribor 3m + spread	On demand	24,617	7,889
Hot money	Euribor + spread	07/01/2010 31/01/2010	35,111	45,363
Commercial paper	1.75-2.03	14/01/2010 21/04/2010	2,439	9,667
Parent/Subsidiary I/C accounts	Euribor 3m. + spread	31/12/2010	19,155	29,318
Finance lease obligations	Euribor 3m + spread	2010-2014	408	491
Consorzio Nazionale Servizi/Consorzio Coop.Costruzioni	8.00	31/12/2009	0	189
TOTAL CURRENT LOANS			**102,730**	**92,918**

BNP-Unicredit loan

Following the acquisition of Integra FM BV (formerly Pirelli & C. FM BV) on 23 December 2008, Manutencoop Facility Management S.p.A. and Altair S.p.A. (formerly Integra S.p.A.) arranged a syndicated loan for Euro 180 million with Banca Nazionale del Lavoro, acting as agent bank. This loan, designed to consolidate the Group's borrowing and rationalise that of the newly-acquired Altair Group, is sub-divided into various lines of credit:

> Euro 60 million reserved for Altair IFM S.p.A.;
> Euro 90 million reserved for MFM S.p.A.;
> Euro 30 million utilisable by both companies.

* The spread on loans depends on changes in certain financial parameters, which are checked every six months

The loan bears interest on the various lines of credit at floating rates linked to 3-month Euribor, plus a spread that depends on changes in certain financial parameters. As of 31 December 2009, the Company has drawn down a total of Euro 105 million.
The loan contract also requires compliance with a series of financial covenants based on parameters calculated with reference to the consolidated financial statements, as adjusted to take account of new acquisitions and all other non-recurring items, and restricts the payment of dividends.
Failure to comply with the above covenants would, under the terms of the contract, mean loss of the right to enjoy extended payment terms for the loans obtained.

The parameters were met at the time the contract was signed (23 December 2008).
Based on the preliminary information currently available to management, the above financial parameters are also met as of 31 December 2009.
A 'deed of recognition and integration' was signed on 26 October 2009, under which the financing banks recognised the mergers arranged by the Group with effect from 1 January 2010 and identified new security to replace the pledge of the entire share capital of Altair IFM S.p.A. following its absorption. The new pledges cover the entire share capital of Servizi Ospedalieri S.p.A., MP Facility S.p.A. and MCB S.p.A..

The cost of the deed of recognition and integration, Euro 171 thousand, was charged to the income statement for the year.

Overdrafts and hot money

Bank overdrafts and 'hot money' short-term bank loans are not guaranteed.

Parent/Subsidiary I/C accounts

The balance is unsecured and is repayable in full on 31 December 2010, subject to automatic renewal.

Finance lease obligations

The leasing contracts are unsecured with a limit of Euro 6,600 thousand. They relate to motor vehicles and each contract has a duration of 5 years.

Treasury current accounts with Consortiums

These treasury accounts bear interest and are repayable on demand. They are mainly used to settle transactions between the Company and the consortiums concerned. These accounts normally have a credit balance, in which case they are classified together with liquid funds.

Other current financial liabilities

(in thousands of Euro)	31 December 2009	31 December 2008
Collections on behalf of the factor	6,092	6,066
Capital payable to affiliates	5	4,156
Due on the purchase of investments/lines of business	17,125	2,989
Financial liabilities at fair value	61	55
TOTAL OTHER CURRENT FINANCIAL PAYABLES	**23,283**	**13,266**

The 'Other current financial liabilities' caption includes the amount due to Calyon S.A. Corporate & Investment Bank in relation to payments made by customers into the Company's bank accounts, in settlement of invoices that had already been assigned on the basis discussed in note 12. This type of payable is normally settled by bank transfer every 15 days.
As part of this securitisation operation, the Company has given a guarantee with a nominal value of Euro 8,405 thousand. Given the characteristics of this operation and the available impediments to collection against the guarantee, the fair value of this guarantee is estimated to be Euro 61 thousand as of 31 December 2009.

The amounts due for the purchase of investments relate to:
> acquisition of the SEC line of business for Euro 2,989 thousand;
> the present value of the additional price payable (earn-out) in relation to the purchase of the Sicura group, which has been determined to be Euro 13,483 thousand. This amount has been recognised as a financial liability in these financial statements since management believes it likely that the earn-out condition will be met (EBITDA 2013 greater than EBITDA 2007). The financial charges contributing to the determination of this present value, Euro 653 thousand, have also been recognised.

CURRENT LIABILITIES FROM DERIVATIVES		
(in thousands of Euro)	31 December 2009	31 December 2008
Financial liabilities at fair value	61	55
TOTAL CURRENT LIABILITIES FROM DERIVATIVES	**61**	**55**

20. NON-CURRENT FINANCIAL LIABILITIES FROM HEDGING DERIVATIVES

The contract for the BNL/Paribas loan envisaged the arrangement, by 23 June 2009, of one or more derivatives to hedge the risk of fluctuations in the floating rate of interest charge on the loan, nominal value Euro 165,000 thousand. The derivative had to hedge at least 50% of the drawdown against this loan. In this regard, the Group arranged three different interest rate swaps with a total hedged notional of Euro 105,000 thousand, paying a fixed rate and collecting the floating rate paid on the loan. The fair (marked to market) value of the related liability as of 31 December 2009 is Euro 1,064 thousand. The derivative was designated as a hedge from the start and the tests performed have confirmed its effectiveness both as of 31 December 2009 and on a prospective basis.
For this reason, the changes in the fair value of this derivative are recognised directly in equity, net of the related tax effect.

21. TRADE AND OTHER CURRENT PAYABLES

(in thousands of Euro)	31 December 2009	31 December 2008
Trade payables	104,295	113,539
Trade payables - Subsidiaries	16,129	9,174
Trade payables - Associates and joint ventures	18,103	24,033
Trade payables - Parent companies	8,806	10,347
Due to customers for work to be performed	2,206	2,094
Due to employees	24,433	20,806
Due to social security institutions	3,290	2,952
Due to tax authorities	22,573	22,670
Collections for temp. associations	6,407	8,965
Emoluments due to directors	306	32
Property collections for customers	2,178	2,176
Other	705	991
Roundings	0	1
TOTAL	**209,431**	**217,785**

The ageing of trade payables as of 31 December 2009 is presented in the following table:

(in thousands of Euro)	Total	Not yet due	Not overdue
As of 31/12/2009	149,539	108,500	41,039
As of 31/12/2008	159,189	115,418	43,771

Terms and conditions relating to the above liabilities:
The terms and conditions governing transactions with related parties are described in a separate note.
Trade payables do not bear interest and, on average, are settled 207 days from the invoice date.
Other payables do not bear interest and are generally settled after 30 days, except for the amounts due to employees for 14th-month wages and salaries and untaken holidays, which are settled after 6 months on average, and for the VAT payable to the tax authorities on deferred terms, which is settled when the related receivables are collected.

22. SEGMENT REPORTING

Following deferral of the listing process, the Company is not required to provide segment information but, nevertheless, has decided to make the related disclosures in the consolidated financial statements.

23. REVENUES FROM SALES AND SERVICES

REVENUES FROM SALES AND SERVICES		
(in thousands of Euro)	2009	2008
Revenues from sales of products	0	18
Cleaning and sanitation services	218,770	197,855
Heat management	54,344	74,778
Construction, renovation of buildings	57,765	49,056
Integrated maintenance services - plant and buildings	69,436	54,163
Care of green areas	9,732	8,583
Porterage services	3,281	4,094
Plant installation work	7,471	4,650
Cemetery services	859	868
Ecological services	-	15
Asset management	2,379	1,717
Other services	34,118	32,921
TOTAL	**458,155**	**428,718**

Pursuant to art. 5.1.b of Decree 221/2003, it is confirmed that the Company's shareholders' equity is 89 times greater than the 2009 sales of the "porterage" sector.

24. OTHER REVENUES AND INCOME

OTHER REVENUES AND INCOME

(in thousands of Euro)	2009	2008
Grants	16	54
Loss reimbursements	201	261
Gains on disposal of fixed assets	149	17
Other revenue	191	263
TOTAL	**557**	**595**

The grants received in 2009 comprise Euro 6 thousand for the employment of differently-able persons and Euro 10 thousand for the construction of a solar power plant.

25. RAW MATERIALS AND CONSUMABLES

RAW MATERIALS AND CONSUMABLES

(in thousands of Euro)	2009	2008
Change in inventories of raw materials	190	250
Purchase of fuel	28,274	28,521
Purchase of raw materials	26,988	25,062
Purchase of ancillary and consumable materials	4,594	4,434
Other purchases	1,846	2,377
TOTAL	**61,892**	**60,644**

The increase in the cost of materials reflects the higher average purchase price paid, as well as an increase in the volume of purchasing.

26. SERVICES, LEASES AND RENTALS

SERVICES, LEASES AND RENTALS

(in thousands of Euro)	2009	2008
Services received	102,561	105,526
Consortium services	21,728	21,491
Maintenance and repair of equipment	2,436	2,243
Professional services	19,807	15,461
Transport	2,105	2,445
Advertising and promotion	918	1,331
Rebates and commissions	5	23
insurance and guarantees	1,982	1,935
Banking services	58	68
Utilities	3,559	3.473
Emoluments of directors and statutory auditors	1,750	1,219
Travel and expense reimbursements	1,473	1,666
Personnel services	3,167	3,211
Rental expense	5,326	4,084
Hire and other charges	1,060	1,183
Other services	(30)	2,388
Roundings	0	1
TOTAL	**167,906**	**167,749**

27. PAYROLL COSTS

PAYROLL COSTS

(in thousands of Euro)	2009	2008
Wages and salaries	115,271	97,149
Social security charges	35,778	30,137
Temporary and seconded workers	27,708	26,227
Other current benefits	88	0
CURRENT BENEFITS	**178,844**	**153,514**
Employee severance indemnities	753	499
DEFINED BENEFITS	**753**	**499**
Payments to employee pension funds	6,990	5,969
DEFINED CONTRIBUTION BENEFITS	**6,990**	**5,969**
TERMINATION BENEFITS	**216**	**6**
TOTAL PAYROLL COSTS	**186,803**	**159,987**

All costs of temporary and seconded personnel are classified as current benefits.

28. OTHER OPERATING COSTS

OTHER OPERATING COSTS

(in thousands of Euro)	2009	2008
Losses on receivables	849	786
Loss on disposal of fixed assets	31	35
Indirect taxes	301	189
Fines and penalties	289	306
Other operating charges	1,721	2,666
TOTAL	**3,191**	**3,981**

The reduction in other operating costs mainly relates to entertaining expenses, contract costs and membership fees.

29. DEPRECIATION, AMORTISATION, WRITE-DOWNS AND WRITE-BACKS

DEPRECIATION, AMORTISATION, WRITE-DOWNS AND WRITE-BACKS

(in thousands of Euro)	2009	2008
Depreciation of property, plant and equipment	1,802	1,655
Depreciation of leased property, plant and equipment	444	489
Amortisation of intangible assets	2,732	2,016
Write-down of receivables	1,990	77
Write-down of investments in Group companies	3,160	64
Release from allowance for default interest	0	(93)
Other write-downs	41	1
TOTAL	**10,168**	**4,209**

30. DIVIDENDS, INCOME AND CHARGES FROM DISPOSAL OF EQUITY INVESTMENTS

DIVIDENDS

(in thousands of Euro)	2009	2008
Dividends	9,551	6,959

Dividend income for the year comprises Euro 9,527 thousand from Group companies and Euro 24 thousand from C.C.F.S. and construction cooperatives.

DIVIDENDS: GROUP COMPANIES

(in thousands of Euro)	2009	2008
M.P. Facility S.p.A.	2,405	1,595
Roma Multiservizi S.p.A.	3,187	3,526
M.C.B. S.p.A.	1,055	1,688
Costruzione Manutenzione Immobili S.r.l	2,880	0
TOTAL DIVIDENDS FROM GROUP COMPANIES	**9,527**	**6,809**

31. FINANCIAL INCOME

FINANCIAL INCOME

(in thousands of Euro)	2009	2008
Bank interest	33	63
Interest on I/C and settlement accounts	1,733	871
Interest on trade receivables	352	848
Discounting interest on interest-free loans	1,002	1,356
Other financial income	20	2
TOTAL FINANCIAL INCOME	**3,140**	**3,140**

32. FINANCIAL CHARGES

FINANCIAL CHARGES

(in thousands of Euro)	2009	2008
Bank loans and current account overdrafts	1,718	6,768
Other loans	5,091	911
Financial charges on finance leases	50	76
Financial charges on Group treasury accounts	511	2,102
Other financial charges	3,473	5,269
Charges for derivative instruments	7	4
TOTAL FINANCIAL CHARGES	**10,851**	**15,131**

"Other financial charges" include the interest discount costs incurred on the factoring of receivables during the year ended 31 December 2009, Euro 2,088 thousand, as described in note 12.

33. TAXATION

Income taxes for the years ended 31 December 2009 and 2008 are analysed as follows:

(in thousands of Euro)	2009	2008
CURRENT TAXES		
Current taxes	14,494	11.976
Adjustments to current taxation in relation to prior years	(124)	215
Tax group income	0	0
DEFERRED TAXES		
Temporary differences arising and reversing	(2,519)	(457)
INCOME TAXES IN INCOME STATEMENT	**11,851**	**11,734**
CHANGES IN SHAREHOLDERS' EQUITY		
Deferred taxation relating to items recorded directly as part of shareholders' equity	(734)	(2,003)

Reported IRES income taxes are reconciled below with the theoretical taxes calculated by applying the tax rate in force for the years ended 31 December 2009 and 2008 to the related profit before taxation:

THEORETICAL AND EFFECTIVE IRES TAX RATE

(in thousands of Euro)	31 December 2009		31 December 2008	
Results before taxation	**21,942,541**		**26,728,270**	
Standard tax rate		27.5%		27.5%
Effect of tax disallowances (allowances):				
> Temporary differences	8,529,178		649,508	
> Permanent differences	(2,173,834)		(4,258,348)	
IRES taxable income	28,297,885		23,119,430	
Tax / Effective tax rate	**7,781,956**	**35.46%**	**6,357,843**	**23.79%**

THEORETICAL AND EFFECTIVE IRAP TAX RATE

(in thousands of Euro)	31 December 2009		31 December 2008	
Results before taxation	**21,942,541**		**26,728,270**	
Standard tax rate		3.90%		3.90%
		4.73%		4.73%
		4.82%		4.82%
Effect of tax disallowances (allowances):				
> Payroll costs	186,803,011		159,986,801	
> Results of financial management	1,839,995		5,031,456	
> Differences (temporary and permanent)	15,062,502		4,827,397	
IRAP taxable income, gross	225,648,048		196,573,924	
Deductions	64,388,800		58,463,652	
IRAP taxable income, net	161,259,249		138,110,272	
Tax / Effective tax rate	**6,678,902**	**30.44%**	**5,829,773**	**21.81%**

During the year, the Company requested reimbursement of the additional IRES paid over following recognition of the partial deductibility of IRAP from IRES.
More specifically, as envisaged in paras. 2 and 3 of art. 6 of Decree 185 dated 29 November 2008 (anti-crisis decree), the Company has presented repayment claims for the additional IRES paid over in relation to the 2004, 2005, 2006 and 2007 tax years.
In view of the prevailing doctrine, which considers that the claims relating to 2004 and 2005 will be settled first, the Company has prudently recognised solely the IRES recoverable for those years, totalling Euro 69 thousand, while the amount due in relation to 2006, Euro 434 thousand, has not been recorded.
The tax group to which the Company belongs closed the 2007 tax year with a loss and, following the above repayment claim, the Company has contributed lower IRES taxable income to the group, thus increasing its 2007 tax loss; accordingly, the Company has recognised the related deferred tax asset of Euro 194 thousand.

Deferred taxes

Deferred taxation as of 31 December is analysed below:

DEFERRED TAX LIABILITIES

(in thousands of Euro)	BALANCE SHEET		INCOME STATEMENT	
	2009	2008	2009	2008
DEFERRED TAX LIABILITIES				
Depreciation for fiscal purposes	(980)	(968)	(12)	(956)
Measurement of work in progress on cost-to-cost basis	(134)	(159)	25	(184)
Leasing for fiscal purposes	(6)	(6)	0	(6)
Unrecognised gain on neutral contribution	(9)	0	(9)	9
Interest on overdue payments	(73)	(64)	(9)	(55)
Discounting of TFR	(187)	(187)	0	(187)
Dividends for 2008 not collected	0	(17)	17	(34)
Tax on statements for IRAP purposes	(18)	0	(18)	18
TOTAL	**(1,407)**	**(1,401)**	**(6)**	**(1,395)**

DEFERRED TAX ASSETS

(in thousands of Euro)	BALANCE SHEET		INCOME STATEMENT	
	2009	2008	2009	2008
DEFERRED TAX ASSETS				
Measurement of work in progress on cost-to-cost basis	141	0	141	0
Tax depreciation of costs expensed	7	218	(211)	(82)
Leasing balloon payment	11	11	0	0
Discounting of financial receivables	9	101	(92)	(1)
Discounting of trade receivables	1	35	(34)	(183)
Disallowed equipment maintenance and repairs	39	77	(38)	(37)
Allowance for inventories	26	0	26	0
Entertaining expenses	15	42	(27)	(27)
Provisions for risks and charges	2,707	465	2,242	9
Estimated losses on default interest charged	32	21	11	(30)
Allowance for doubtful accounts	763	341	422	0
Membership fees not paid	0	7	(7)	7
Write-down of investments on absorption of BSM S.r.l.	1	1	0	0
Professional services	45	0	45	(110)
Capital increase expenses recognised in equity	846	0	(282)	0
IRAP reimbursement claim	195	0	195	0
Tax effect of IRS derivative	293	0	0	0
Goodwill on unexpired contracts - 1/18th deduction	137	0	137	0
Tax depreciation of costs recognised in equity	145	157	(12)	(3)
TOTAL	**5,413**	**1,476**	**2,516**	**(457)**

Deferred tax assets have been recognised in full since their recovery in future years is reasonably certain. The amounts reported reflect application of the 27.5% IRES rate and the 3.9% IRAP rate.

34. EARNINGS PER SHARE

The Company has decided to make the earnings per share disclosure solely in the consolidated financial statements, as envisaged in IAS 33.

DIVIDENDS

(in thousands of Euro)	2009	2008
PROPOSALS FOR APPROVAL AT THE SHAREHOLDERS' MEETING		
Dividends on ordinary shares:	0	4,039
2008 dividend: 0.047 Euro		

35. COMMITMENTS AND CONTINGENCIES

Finance leases

The Company has entered into finance leases for lorries. The finance lease commitments are detailed in the following table together with the present value of the future instalments:

(in thousands of Euro)	**31 December 2009**		**31 December 2008**	
	Instalments	**PV of instalments**	**Instalments**	**PV of instalments**
Within one year	429	408	523	492
Beyond one year, but within five years	362	347	593	575
TOTAL LEASE INSTALMENTS	**791**	**755**	**1,116**	**1.067**
Financial charges	(50)	0	(49)	0
Present value of lease instalments	741	755	1,067	1,067

Guarantees given

The Company has the following contingencies as of 31 December 2009:

> guarantees have been given for the bank overdrafts and obligations of subsidiaries and associates totalling a maximum of Euro 40,124 thousand (2008: Euro 41,384 thousand);

> guarantees have been given to third parties for the proper performance of commercial contracts with customers and to the tax authorities for the repayment of VAT; in addition, a guarantee for Euro 8,405 thousand has been given to Calyon S.A. in relation to the contract for the assignment of trade receivables. Given the characteristics of this operation and the available impediments to collection against the guarantee, the fair value of the guarantee is estimated to be Euro 61 thousand.

The overall exposure deriving from guarantees given to third parties amounts to Euro 94,491 thousand. No liabilities are expected to emerge.

36. INFORMATION ABOUT RELATED PARTIES

The following table summarises the transactions that took place with related parties during the year:

PARENT COMPANY

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
Manutencoop Soc. Coop.	2009	482	32,206	-	87	300	13,946	-	476	-
	2008	4,658	30,716	117	1,571	3,728	10,347	-	1,193	-
TOTAL PARENT COMPANY	**2009**	**482**	**32,206**	**-**	**87**	**300**	**13,946**	**-**	**476**	**-**
	2008	**4,658**	**30,716**	**117**	**1,571**	**3,728**	**10,347**	**-**	**1,193**	**-**

SUBSIDIARY COMPANIES

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
Alisei S.r.l.	2009	0	1	-	-	0	2	-	-	-
	2008	1	1	-	-	0	1	-	-	2
M.C.B. S.p.A.	2009	506	0	9	13	209	76	1,161	-	-
	2008	241	8	-	1	254	9	1,250	700	-
Simagest 2 Soc.Cons.a r.l.	2009	165	145	-	-	4,336	51	-	-	-
	2008	2,261	2,306	-	-	5,838	439	-	-	-
Simagest 3 Soc.Cons.a r.l.	2009	129	218	-	-	57	31	-	-	-
	2008	1,881	3,946	-	-	496	1,095	-	-	-
Gymnasium Soc.Cons.a r.l.	2009	0	5	-	-	1	22	7	5	-
	2008	-	5	-	-	1	22	7	-	-
Gestlotto 6 Soc.Cons.a r.l.	2009	0	4	-	-	6	22	20	-	-
	2008	3	6	-	-	6	18	20	-	-
CGU. Imolese Pulizie Soc.Cons.a r.l.	2009	32	95	-	-	56	66	36	-	-
	2008	39	90	-	-	19	39	36	-	-
CGU. Servizi Toscana Soc.Cons.a r.l.	2009	212	185	-	-	167	76	-	-	-
	2008	54	103	-	-	51	42	-	-	-
Servizi Marche Soc.Cons.a r.l.	2009	9	154	-	-	8	71	12	-	-
	2008	15	176	-	-	12	50	12	-	-
CGU. Igiene Ospedaliera Soc.Cons.a r.l.	2009	1,239	394	-	-	332	226	174	-	-
	2008	1,567	881	-	-	581	284	665	-	-
Co.Ge.F. Soc.Cons.a r.l.	2009	11,388	14,685	-	-	7,881	8,938	-	-	-
	2008	8,540	8,543	-	-	4,046	3,157	-	-	-
Servizi Ospedalieri S.p.A.	2009	992	55	45	323	427	517	-	18,579	-
	2008	769	73	274	405	816	545	-	19,830	-
Omasa S.p.A.	2009	-	-	-	-	-	-	-	-	-
	2008	77	-	196	-	271	-	2,748	-	-
Servizi Brindisi Soc.Cons.a r.l.	2009	440	6,103	-	-	2,613	3,613	-	-	-
	2008	2,067	5,545	-	-	1,995	2,239	-	-	-
Teckal S.p.A.	2009	523	730	3	61	427	1,271	2,946	-	-
	2008	322	519	5	103	344	594	-	2,600	-

SUBSIDIARIES

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
Ingest Facility S.p.A.	2009	-	-	-	-	-	-	-	-	-
	2008	-	-	-	-	9		-	-	-
Integra S.p.A.	2009	0	-	0	-	0	-	47	-	-
	2008	49	-	48	-	292	-	60,448	-	-
Manutenzione installazione ascensori S.p.A.	2009	466	-	1	28	475	28	813	-	-
	2008	50	-	-	23	50	23	-	4,995	-
Palmanova servizi energetici Soc.Cons.a r.l.	2009	245	1,016	-	-	117	113	-	-	-
	2008	214	1,528	-	-	139	297	-	-	-
Sedda S.r.l.	2009	0	10	-	-	-	5	-	-	-
	2008	-	1	-	-	-	1	-	-	-
Servizi l'aquila Soc.Cons.a r.l.	2009	87	150	-	-	103	122	-	-	-
	2008	97	218	-	-	6	117	-	-	-
Servizi sportivi Brindisi Soc.Cons.a r.l.	2009	0	396	-	-	-	171	-	-	-
	2008	141	415	-	-	141	236	-	-	-
Sicura S.r.l.	2009	1	567	-	-	-	500	-	-	-
	2008	-	56	-	-	-	169	-	-	-
Sicurama S.r.l.	2009	0	77	-	-	-	50	-	-	-
	2008	-	4	-	-	-	4	-	-	-
Società manutenzione illuminazione S.p.A.	2009	442	-	30	-	443	-	3,681	-	-
	2008	87	-	1	-	88	-	210	-	-
MP Facility S.p.A.	2009	48,405	191	-	-	13,765	137	-	-	-
	2008	51,061	2	-	-	17,571	6	-	-	-
Altair IFM S.p.A.	2009	729	73	1,555	-	2,141	73	83,448	-	-
	2008	-	-	-	-	-	-	-	-	-
Cofam S.r.l.	2009	0	68	-	-	-	67	-	-	-
	2008	-	-	-	-	-	-	-	-	-
Leonardo S.r.l.	2009	0	1	-	-	-	1	-	-	-
	2008	-	-	-	-	-	-	-	-	-
Manutencoop Costruzioni S.p.A.	2009	0	72	-	0	1	72	-	100	-
	2008	-	-	-	-	-	-	-	-	-
TOTAL SUBSIDIARIES	**2009**	**66,011**	**25,394**	**1,644**	**425**	**33,565**	**16,318**	**92,347**	**18,683**	**-**
	2008	**69,536**	**24,426**	**524**	**532**	**33,027**	**9,385**	**65,398**	**28,125**	**2**

JOINT VENTURES

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
SO.GE.CA. Soc.Cons.a r.l.	2009	-	-	-	-	-	-	-	-	-
	2008	-	4	-	-	-	-	-	-	-
Legnago 2001 Soc.Cons.a r.l.	2009	592	1,303	-	-	447	550	-	-	-
	2008	599	1,171	-	-	527	1,208	-	-	-
Global Maggiore Bellaria Soc.Cons.a r.l.	2009	20	- 69	-	-	290	- 77	-	-	-
	2008	1,718	2,199	-	-	2,092	2,437	-	-	-
Consorzio Leader Soc.Cons.a r.l.	2009	5	51	-	-	5	98	-	-	-
	2008	20	86	-	-	10	48	-	-	-
Servizi e Manutenzioni Soc.Cons.a r.l.	2009	-	-	-	-	-	-	-	-	-
	2008	-	3	-	-	-	-	-	-	-
CGU. Pulizie Veneto Soc.Cons.a r.l.	2009	-	-	-	-	-	-	-	-	-
	2008	415	270	-	-	146	42	40	-	-
SCAM Soc.Cons.a r.l.	2009	120	1,437	-	-	50	813	-	-	-
	2008	300	2,316	-	-	224	839	-	-	-
TOTAL JOINT VENTURES	**2009**	**737**	**2,723**	**-**	**-**	**792**	**1,385**	**-**	**-**	**-**
	2008	**3,052**	**6,049**	**-**	**-**	**2,998**	**4,574**	**40**	**-**	**-**

ASSOCIATES

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
Newco DUC Bologna S.p.A.	2009	12	7	-	-	2	-	-	-	-
	2008	20	7	-	-	18	7	-	-	-
Gico Systems S.r.l.	2009	8	177	-	-	3	123	20	-	-
	2008	22	256	-	-	18	148	20	-	-
Consorzio Cooperativo Karabak Soc.a r.l.	2009	51	-	-	-	14	2	-	-	-
	2008	55	-	-	-	32	2	-	1	-
Se.Sa.Mo. S.p.A.	2009	4,500	11	43	-	5,025	23	606	-	-
	2008	4,471	19	49	-	5,945	11	606	-	-
Bologna Global Service Soc.Cons.a r.l.	2009	-	-	-	-	-	-	-	-	-
	2008	5	- 6	-	-	-	1	-	-	-
Global Provincia di Soc.Cons.a r.l.	2009	425	1,737	-	-	254	879	170	-	-
	2008	420	1,601	-	-	361	637	170	-	-
Bologna Più Soc.Cons.a r.l.	2009	3	-	-	-	- 2	3	90	-	-
	2008	3,063	308	-	-	1,332	155	193	-	-
Global Riviera Soc.Cons.a r.l.	2009	1,524	5,430	-	-	952	3,852	-	-	-
	2008	1,340	5,185	-	-	3,641	5,628	-	-	-
Como Energia Soc.Cons.a r.l.	2009	0	794	-	-	17	773	-	-	-
	2008	-	836	-	-	-	252	-	-	-
DUC Gestione Sede Unica Soc.Cons.a r.l.	2009	4,344	2,733	-	-	2,253	1,067	-	-	-
	2008	1,959	979	-	-	1,521	784	-	-	-
Cons.Energia servizi Bologna	2009	92	1	-	-	54	2	-	-	-
	2008	277	12	-	-	296	12	-	-	-
P.B.S. s.c.r.l.	2009	0	2,051	-	-	-	1,443	-	-	-
	2008	-	2,680	-	-	-	1,706	-	-	-
Bologna Multiservizi Soc.Cons.a r.l.	2009	1,193	4,929	-	-	974	3,281	-	-	-
	2008	1,004	5,082	-	-	1,100	3,668	-	-	-
Roma Multiservizi S.p.A.	2009	1,706	3,223	-	-	830	2,459	-	-	-
	2008	1,194	3,382	-	-	1,700	3,206	-	-	-
Tower soc.cons. a r.l.	2009	79	3,081	-	-	13	54	-	-	-
	2008	110	884	-	-	35	357	61	-	-
Bologna gestione patrimonio soc.cons.a r.l.	2009	380	299	-	-	189	160	-	-	-
	2008	120	205	-	-	181	238	-	-	-
Edex S.r.l.	2009	10	37	-	-	14	21	-	-	-
	2008	6	-	-	-	5	-	-	-	-
Global Vicenza Soc.Cons.a r.l.	2009	403	2,131	-	-	58	805	-	-	-
	2008	767	2,451	-	-	767	1,531	-	-	-
Servizi Napoli 5 Soc.Cons.a r.l.	2009	1,977	1,548	-	-	1,841	738	-	-	-
	2008	1,540	1,114	-	-	1,540	1,114	-	-	-
Livia soc.cons.a r.l.	2009	166	1,029	-	-	130	864	-	-	-
	2008	-	-	-	-	-	-	-	-	-
TOTAL ASSOCIATES	**2009**	**16,873**	**29,217**	**43**	**-**	**12,621**	**16,549**	**886**	**-**	**-**
	2008	**16,373**	**24,995**	**49**	**-**	**18,491**	**19,458**	**1,049**	**1**	**-**

SUBSIDIARIES OF MANUTENCOOP SOC. COOP.

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
Manutencoop Immobiliare S.p.A.	2009	1,549	612	-	-	931	184	-	-	-
	2008	1,771	595	-	-	556	112	-	-	-
SIES S.r.l.	2009	3,539	-	-	-	1,656	-	-	-	-
	2008	3,443	-	-	-	1,736	-	-	-	-
Manutencoop Servizi Ambientali S.p.A.	2009	1,042	495	-	-	1,248	415	-	-	-
	2008	1,112	428	-	-	410	159	-	-	-
Cerpac S.r.l. in liquidation	2009	1	-	-	-	1	-	-	-	-
	2008	2	-	-	-	-	-	-	-	-
TOTAL SUBSIDIARIES OF MANUTENCOOP SOC. COOP.	**2009**	**6,130**	**1,107**	**-**	**-**	**3,835**	**599**	**-**	**-**	**-**
	2008	**6,328**	**1,023**	**-**	**-**	**2,702**	**271**	**-**	**-**	**-**

ASSOCIATES OF MANUTENCOOP SOC. COOP. OR OTHERS

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
Segesta S.r.l.	2009	-	-	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-	-	-
Consorzio Segantini	2009	-	-	-	-	-	-	-	-	-
	2008	11	-	-	-	5	-	-	-	-
Bar.S.A. S.p.A.	2009	-	-	-	-	-	-	-	-	-
	2008	126	-	-	-	38	-	-	-	-
Cavarzere Ambiente S.r.l.	2009	2	-	-	-	0	-	-	-	-
	2008	-	-	-	-	-	-	-	-	-
Total associates of Manutencoop Soc. Coop. or other Group companies	**2009**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2008	**137**	**-**	**-**	**-**	**42**	**-**	**-**	**-**	**-**

	Year	Revenues	Costs	Financial income	Financial charges	Trade and other receivables	Trade and other payables	Financial receivables	Financial payables	Provisions for risks and charges
TOTAL RELATED PARTIES	**2009**	**90,234**	**90,648**	**1,686**	**511**	**51,113**	**48,797**	**93,233**	**19,160**	**-**
	2008	**100,084**	**87,209**	**690**	**2,103**	**60,988**	**44,035**	**66,487**	**29,319**	**2**

Terms and conditions applying to transactions with related parties

These transactions were carried out on normal market terms i.e. those that would have been applied between independent parties. Market prices are applied for both commercial and financial transactions; interest-free loans are only made in the case of proportional lending by consortium members to their consortiums, where any interest charges would only be charged back to the members by the consortiums concerned. Such loans, if made on a long-term basis, are stated at their present value in the financial statements. In addition to technical and productive services relating to its core businesses, the Company also provides administrative and IT services to certain Group companies. No guarantees have been given or received in relation to the amounts due to or from related parties. The Company has not recorded any allowances for doubtful accounts regarding amounts due from related parties. The situation is reviewed at each year end by examining both the financial position of the related parties concerned and conditions in the markets in which they operate.

The principal contracts with other Group companies are analysed below:

> On 30 December 2004, Manutencoop Facility Management S.p.A. and Manutencoop Servizi Ambientali S.p.A. signed a contract whereby the former agreed to supply IT services to the latter. This contract came into force on 1 January 2009 and was terminated on 14 December 2009. The annual consideration agreed was Euro 450 thousand.

> Manutencoop Facility Management S.p.A. and Manutencoop Società Cooperativa have signed an agreement whereby the former agrees to supply IT services to the latter. This contract came into effect on 1 January 2005 and will terminate on 31 December 2009 or on the later date that coincides with the date of termination of the investment agreements between the shareholders of Manutencoop Facility Management S.p.A., which were entered into on 23 December 2003 and 23 December 2004.. Manutencoop Società Cooperativa will pay Euro 286 thousand to Manutencoop Facility Management S.p.A. for the above services provided in the 2009 calendar year.

> Manutencoop Facility Management S.p.A. and MP Facility S.p.A. have signed an agreement whereby the former agrees to supply the latter with the following services: environmental hygiene, maintenance of green areas, materials handling management and maintenance of mechanical and electrical installations, fire-prevention systems, lifts, building works, furniture, equipment, and facilities at several properties (specified in an annex to the contract) owned by Telecom Italia S.p.A. and Emsa S.p.A. This contract will terminate on 31 October 2010. As consideration for the above services, MP Facility S.p.A. will pay Manutencoop Facility Management S.p.A. an annual amount based on the volumes and unit prices for each type of service, as specified in a price list attached to the contract.

> Manutencoop Società Cooperativa has sublet to Manutencoop Facility Management S.p.A. a portion of the building at via Poli 4, Zola Predosa (Bologna), covering a total area of 5,147 m^2, for use as office space. The duration of this contract is from 1 January 2005 to 31 December 2010, with automatic renewal if neither party informs the other, by registered letter sent at least 12 months prior to the expiry date, that it does not wish to renew. The annual rental is Euro 1,610 thousand, payable in 12 monthly instalments.

> On 6 July 2007, the Company entered into a framework agreement with Manutencoop Società Cooperativa, governing the key terms for the subsequent secondment of personnel from Manutencoop Società Cooperativa to the Company, pursuant to Chapter III, Section I of Decree 276/2003. This five-year agreement will be renewed automatically unless formally terminated at least 18 months prior to the end of the first five-year period. Legally, this agreement is a regulatory contract that does not grant rights to third parties. Under its terms, the Company and Manutencoop Società Cooperativa - which manages and coordinates the Company's activities - specify the conditions governing any contracts for the future secondment of member employees of Manutencoop Società Cooperativa, and the operational basis for entering into and terminating such contracts.

> On 1 August 2008, Manutencoop Facility Management S.p.A. and Roma Multiservizi S.p.A. signed a contract whereby the former agreed to supply IT services to the latter. This contract came into force on 1 September 2008 and will expire on 30 August 2011. The annual consideration payable is Euro 1,250 thousand.

As already stated, the Company is subject to management and coordination by Manutencoop Società Cooperativa and, pursuant to para. 4 of art. 2497-bis of the Italian Civil Code, the key information reported in the latter's latest approved financial statements is presented below:

MANUTENCOOP SOC.COOP.VA - FINANCIAL STATEMENTS AS OF 31/12/2008

(in thousands of Euro)	2008	2007 restated
BALANCE SHEET		
ASSETS		
A) Unpaid capital due from shareholders	299	349
B) Fixed assets	300,382	204,634
C) Operating assets	36,974	97,344
D) Accrued income and prepaid expenses	3,464	1,271
TOTAL ASSETS	**341,119**	**303,598**
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) Shareholders' equity:		
Share capital	15,038	14,722
Reserves	252,261	203,513
Net profit (loss) for the year	(597)	46,885
B) Provisions for risks and charges	2,568	1,421
C) Employee severance indemnities	4,436	4,583
D) Payables	66,526	31,681
E) Accrued expenses and deferred income	887	793
TOTAL LIABILITIES AND EQUITY	**341,119**	**303,598**
MEMORANDUM ACCOUNTS	**124,784**	**152,585**
INCOME STATEMENT		
A) Value of production	45,059	35,546
B) Cost of production	(48,179)	(37,729)
C) Financial income and charges	5,199	5,182
D) Adjustments to financial assets	(3,710)	(2,018)
E) Non-recurring financial income and charges	1,074	39,086
Income taxes for the year	(41)	6,818
Net profit (loss) for the year	(598)	46,885

Remuneration of Executives with strategic responsibilities and the Board of Statutory Auditors

The following table summarises the gross remuneration due for whatever reason and in whatever form to the Executives and Statutory Auditors listed below:

(in thousands of Euro)	2009	2008
BOARD OF DIRECTORS		
Short-term benefits	0	500
Future benefits (severance indemnities)	0	5
TOTAL BOARD OF DIRECTORS	**0**	**505**
BOARD OF STATUTORY AUDITORS		
Short-term benefits	0	88
TOTAL BOARD OF STATUTORY AUDITORS	**0**	**88**
Management Board		
Short-term benefits	1,148	552
Future benefits (severance indemnities)	0	0
TOTAL MANAGEMENT BOARD	**1,148**	**552**
SUPERVISORY BOARD		
Short-term benefits	360	194
TOTAL SUPERVISORY BOARD	**360**	**194**
OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES		
Short-term benefits	734	522
Future benefits (severance indemnities)	49	32
TOTAL OTHER STRATEGIC EXECUTIVES	**783**	**553**

The following table analyses the total fees paid in 2009 to Reconta Ernst & Young S.p.A.

PARTY PROVIDING THE SERVICE

(in thousands of Euro)	2009		2008	
	Auditing	Other	Auditing	Other
Reconta Ernst & Young s.p.a.	304	19	379	197

37. MANAGEMENT OF FINANCIAL RISK: OBJECTIVES AND CRITERIA

Financing requirements and the related risks (mainly interest-rate risk and liquidity risk) are managed on a centralised basis by the Group Treasury, following guidelines approved by the Company's Management Board which are reviewed periodically. The main purpose of these guidelines is to ensure that the structure of liabilities matches that of the assets reported in the financial statements, with a view to maintaining a high degree of financial strength.

The main financial instruments used comprise:

> short-term loans and a revolving factoring facility that involves the sale of receivables without recourse in order to finance working capital;

> medium/long-term loans repayable in instalments, to finance the investment in fixed assets.

The Company also uses the trade payables deriving from operating activities as financial instruments.

It is Company policy not to trade in financial instruments. This policy was followed during the year just ended.

Categories of financial assets and liabilities defined in IAS 32

As required by IFRS 7, the following table presents the financial assets and liabilities reported in the separate financial statements of Manutencoop Facility Management S.p.A. in accordance with the classification defined in IAS 32, together with the related economic effects for the year ended 31 December 2009:

FINANCIAL ASSETS 2009

(in thousands of Euro)	31 DECEMBER 2009	AFS FINANCIAL ASSETS	LOANS AND RECEIVABLES
NON-CURRENT FINANCIAL ASSETS			
Other equity investments	1,542	1,542	
Non-current financial receivables and other securities	2,082		2,082
Other non-current receivables and assets	663		663
Total non-current financial assets	**4,287**	**1,542**	**2,745**
CURRENT FINANCIAL ASSETS			
Trade receivables and advances to suppliers	262,997		262,997
Current tax receivables	-		-
Other current receivables	4,792		4,792
Other current financial assets	93,735		93,735
Cash and cash equivalents	18,275		18,275
Total current financial assets	**379,800**	**-**	**379,800**
TOTAL FINANCIAL ASSETS	**384,087**	**1,542**	**382,544**
FINANCIAL INCOME (CHARGES)	**3,164**	**24**	**3,140**

FINANCIAL LIABILITIES 2009

(in thousands of Euro)	31 DECEMBER 2009	FINANCIAL LIABILITIES AVAILABLE FOR SALE	FINANCIAL LIABILITIES MEASURED AT AMORTISED COST
NON-CURRENT FINANCIAL LIABILITIES			
Loans - long term	113,334		113,334
Non-current financial liabilities from hedging derivatives	1.065		
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**113,334**	**-**	**113,334**
CURRENT FINANCIAL LIABILITIES			
Trade payables and advances from customers	149,539		149,539
Loans - short term	125,951		125,951
Other current financial payables	61	55	6
TOTAL CURRENT FINANCIAL PAYABLES	**275,552**	**55**	**275,497**
TOTAL FINANCIAL PAYABLES	**388,886**	**55**	**388,831**
FINANCIAL INCOME (CHARGES)	**(8,769)**	**(7)**	**(9,977)**

The same information for the year ended 31 December 2008 is presented below:

FINANCIAL ASSETS 2008

(in thousands of Euro)	31 DECEMBER 2008	AFS FINANCIAL ASSETS	LOANS AND RECEIVABLES
NON-CURRENT FINANCIAL ASSETS			
Other equity investments	1,094	1,094	
Non-current financial receivables and other securities	965		965
Other non-current receivables and assets	753		753
TOTAL NON-CURRENT FINANCIAL ASSETS	**2,812**	**1,094**	**1,718**
CURRENT FINANCIAL ASSETS			
Trade receivables and advances to suppliers	256,457		256,457
Current tax receivables	3,869		3,869
Other current receivables	3,470		3,470
Other current financial assets	66,631		66,631
Cash and cash equivalents	20,462		20,462
TOTAL CURRENT FINANCIAL ASSETS	**350,888**	**-**	**350,888**
TOTAL FINANCIAL ASSETS	**353,700**	**1,094**	**352,606**
FINANCIAL INCOME (CHARGES)	**3,290**	**150**	**3,140**

FINANCIAL LIABILITIES 2008

(in thousands of Euro)	31 DECEMBER 2008	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH P/L	FINANCIAL LIABILITIES AT AMORTISED COST
NON-CURRENT FINANCIAL LIABILITIES			
Loans - long term	104,355		104,355
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**104,355**	**-**	**104,355**
CURRENT FINANCIAL LIABILITIES			
Trade payables and advances from customers	159,188		159,188
Loans - short term	92,918		92,918
Other current financial payables	13,266	55	13,211
TOTAL CURRENT FINANCIAL PAYABLES	**265,372**	**55**	**265,317**
TOTAL FINANCIAL PAYABLES	**369,727**	**55**	**369,672**
FINANCIAL INCOME (CHARGES)	**(9,981)**	**(4)**	**(9,977)**

Liquidity risk

The Company's objective is to keep a balance between the maintenance of funding and the flexibility deriving from the use of overdrafts, bank loans and lease finance.

Risk of changes in the prices of raw materials

The Company's exposure to price risk solely relates to the purchase cost of oil products, which represent about 50% of the total purchase cost of raw materials and consumables. This commodity, which is a primary factor of production for heat management contracts, is highly susceptible to price fluctuations due to political events and seasonal climatic variations.

The following table shows the sensitivity of the cost of raw materials and consumables assuming constant volume. These fluctuations would have largely been absorbed by the contracts in force with customers, because price revisions are covered both contractually and pursuant to art. 115 of Decree 163 dated 12 April 2006. As such, their effect on the Company's profit for the year would not have been significant.

	Percentage increase/decrease	Effect on cost of raw materials consumed, gross of taxation *(in thousands of Euro)*
2009	20%	5,655
	-5%	(1,414)
2008	20%	5,691
	-5%	(1,423)

Credit risk

The Company's portfolio mainly comprises contracts with the Public Administration which, accordingly, are not subject to serious insolvency problems. They do however require continual contact with the customers concerned, in order to minimise bureaucratic delays and resolve the related financial management issues. In this area, the Company deploys personnel and suitable procedures in order to monitor the situation continually and counter the tendency for collection times to extend.

Fair value

The amount of the financial instruments recorded in the financial statements does not differ from their fair value, including those classified as operations held for sale. This is because they are all held for the short/medium term and settled at floating market rates.

Interest-rate risk

Current Company policy for the management of costs gives preference to the use of floating-rate loans. In relation to the BNP/Paribas loan, an interest-rate hedge has been arranged with a nominal value of Euro 105 million, at a fixed rate of 2.65% for the entire duration of the contract. Borrowing was reorganised during 2009, adjusting the medium/long-term element to about 61% of the total.

The carrying amount of the financial instruments exposed to interest-rate risk is analysed by maturity in the following table:

31 DECEMBER 2009

(in thousands of Euro)	Within 1 year	Beyond 1 year and within 5	Beyond 5 years	Total
Demand deposits and cash	15,005			15,005
Treasury accounts - consortiums	3,262			3,262
Treasury accounts - subsidiaries	73,191			73,191
Treasury accounts - associates and joint ventures	170			170
Bank overdrafts	(24,617)			(24,617)
Treasury account - parent	(576)			(576)
Treasury accounts - consortiums	0			0
Lease payables	(408)	(347)		(755)
Syndicated loan	(21,000)	(82,987)		(103,987)
C.C.F.S. loan	0	(30,000)		(30,000)
Commercial paper	(2,439)			(2,439)
Hot money	(35,111)			(35,111)
TOTAL	**7,478**	**(113,334)**	**0**	**(105,856)**

31 DECEMBER 2008

(in thousands of Euro)	Within 1 year	Beyond 1 year and within 5	Beyond 5 years	Total
Demand deposits and cash	14,422			14,422
Treasury accounts - consortiums	6,011			6,011
Treasury accounts - subsidiaries	65,209			65,209
Treasury accounts - associates and joint ventures	170			170
Bank overdrafts	(7,889)			(7,889)
Treasury account - parent	(29,318)			(29,318)
Treasury accounts - consortiums	(189)			(189)
Lease payables	(492)	(575)		(1,067)
Syndicated loan	0	(60,000)	(15,000)	(75,000)
C.C.F.S. loan	0	(30,000)		(30,000)
Commercial paper	(9,667)			9,667
Hot money	(45,363)			45,363
TOTAL	**(7,106)**	**(90,575)**	**(15,000)**	**(2,621)**

Table of financial risks

The following table shows the sensitivity of the Company's pre-tax profit to reasonably foreseeable changes in interest rates, holding constant all other variables. There is no effect on the shareholders' equity of the Company.

	Increase/decrease	Effect on profit before taxation in thousands of Euro
2009	+50 bps	(1,464)
	-30 bps	878
2008	+80 bps	(1,226)
	-30 bps	460

Management of capital structure

The Company's primary objective for the management of its capital structure is to maintain a sound credit rating and appropriate capital ratios, in order to facilitate operations and maximise shareholder value. The Company manages its capital structure, taking account of changes in economic conditions. In order to maintain or adjust its capital structure, the Company can modify the dividends paid to shareholders, repay capital or issue new shares. The Company calculates its debt ratio by dividing net borrowing by the total of shareholders' equity plus net borrowing. The Company seeks to keep this ratio below 65%. The Company includes the following within net borrowing: interest-bearing loans, trade and other payables, tax payables, employee severance indemnities, and cash and cash equivalents. The above objective was met during the year ended 31 December 2009.

(in thousands of Euro)	31 December 2009	31 December 2008
Employee severance indemnities	13,021	13,455
Interest-bearing loans	239,285	210,484
Trade and other payables	216,318	219,241
Cash and cash equivalents	(18,275)	(20,462)
NET PAYABLES	**450,349**	**422,718**
Capital	109,149	109,149
reserves and retained earnings	180,849	174,195
SHAREHOLDERS' EQUITY	**289,998**	**283,344**
TOTAL EQUITY+NET PAYABLES	**740,347**	**706,062**
BORROWING RATIO	**60.83%**	**59.87%**

38. SUBSEQUENT EVENTS

The operational phase of the integration process has continued in early 2010 and should be completed later in the year, when the new organisational structure will become fully effective. As an integral part of this process, the absorption of Integra FM BV, Altair IFM S.p.A., Gestin Facility S.p.A. and Teckal S.p.A. by Manutencoop Facility Management S.p.A. became effective on 1 January 2010.

Note also that:

> on 26 January 2010, the Company sold its 50% interest in Bresso Energia S.r.l. for Euro 99 thousand;

> on 3 March 2010, the Company purchased from Hoch.rein GmbH the remaining 45% equity interest in Envolta S.r.l., thus becoming its sole quotaholder. This interest in the company, which installs and sells solar power equipment, was acquired for Euro 45 thousand, being the nominal value of the quotas transferred.

The Chairman of the Management Board
Claudio Levorato

MANUTENCOOP

REPORT OF THE INDEPENDENT AUDITORS

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REPORT OF THE INDEPENDENT AUDITORS
pursuant to art. 2409-ter of the Italian Civil Code
(Translation from the original issued in Italian)

To the Shareholders of
Manutencoop Facility Management S.p.A.

1. We have audited the financial statements, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in shareholders' equity, the cash flow statement and the related explanatory notes of Manutencoop Facility Management S.p.A. as of and for the year ended 31 December 2009. The directors of the management board of Manutencoop Facility Management S.p.A. are responsible for the preparation of the financial statements under the International Financial Reporting Standards endorsed by the European Union. Our responsibility is to express our professional opinion on the financial statements based on the audit work performed.

2. Our examination was performed in accordance with the auditing standards issued by the Italian Accounting Profession and recommended by CONSOB. In compliance with such auditing standards, our audit work was planned and performed for the purpose of obtaining all the information needed in order to determine whether or not the financial statements contain significant errors and if, taken as a whole, they are reliable. The auditing process includes an examination, based on sample testing, of the evidence supporting the balances and other information contained in the financial statements, as well as an assessment of the adequacy and fairness of the accounting policies adopted, and of the reasonableness of the estimates made by the directors. We believe that the work we performed provides a reasonable basis for expressing our professional opinion.

   Another auditing firm is responsible for the audit work performed on the financial statements of Roma Multiservizi S.p.A., an associate that represents about 1% of the equity investments caption.

   For the opinion on the financial statements for the prior year, the amounts from which, presented for comparative purposes, have been restated to take account of the changes made to the reporting formats pursuant to IAS 1, reference should be made to our auditors' report dated 14 April 2009.

3. In our opinion, the financial statements of Manutencoop Facility Management S.p.A. as of and for the year ended 31 December 2009, comply with the International Financial Reporting Standards endorsed by the European Union; accordingly, they have been prepared clearly and provide a true and fair view of the financial position, results of operations, changes in shareholders' equity and cash flows of Manutencoop Facility Management S.p.A. as of and for the year ended on that date.

4. As described in the explanatory notes and in the report on operations, the merger deed for the absorption of Integra FM B.V., Altair IFM S.p.A., Gestin Facility S.p.A. and Teckal S.p.A. by Manutencoop Facility Management S.p.A. was signed on 10 December 2009 and took legal effect from 1 January 2010. Under this deed, the account balances of the absorbed companies were recognised by the absorbing company on 1 January 2010.

5. In accordance with legal requirements, the directors of the management board of Manutencoop Facility Management S.p.A. are responsible for the preparation of the report on operations. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by law. For this purpose, we have performed the procedures indicated in auditing standard 001 issued by the Italian Accounting Profession. In our opinion, the report on operations is consistent with the financial statements of Manutencoop Facility Management S.p.A. as of and for the year ended 31 December 2009.

Bologna, 6 April 2010

Reconta Ernst & Young S.p.A.

s/Alberto Rosa
(Partner)

"COPY OF THE ORIGINAL DOCUMENT HELD BY THE COMPANY"

MANUTENCOOP

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	Notes	31 december 2009	31 december 2008 Restated*
ASSETS			
Non-current assets			
Property, plant and equipment	5	55,741	57,728
Leased property, plant and equipment	5	6,946	4,946
Goodwill	6-7	384,905	356,409
Other intangible assets	6	30,826	42,305
Investments carried at equity	9	12,305	19,265
Other equity investments	10	3,301	2,836
Non-current financial receivables and other securities	10	15,694	6,708
Other non-current assetsi	11	1,730	1,414
Deferred tax assets	33	10,297	7,796
Total non-current assets		**521,745**	**499,407**
Current assets			
Inventories	12	7,139	8,686
Trade receivables and advances to suppliers	13	649,517	634,086
Current tax receivables		9,401	234
Other current operating receivables	13	14,758	17,074
Receivables and other current financial assets	14	1,960	1,220
Cash and cash equivalents	14	79,802	97,927
Total current assets		**762,577**	**759,227**
Non-current assets held for sale	**15**	**98**	**6,959**
Total non-current assets held for sale		**98**	**6,959**
TOTAL ASSETS		**1,284,420**	**1,265,593**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	16	109,150	109,150
Reserves	16	119,033	110,855
Retained earnings (losses)	16	17,911	10,566
Net profit (loss) attributable to the Parent Company		15,117	20,595
Group shareholders' equity		**261,211**	**251,166**
Minority interests		446	752
Net profit (loss) attributable to minority shareholders		221	304
Total minority interests		**667**	**1,056**
Total shareholders' equity		**261,878**	**252,222**
Non-current liabilities			
Employee severance indemnities - benefits	17	35,645	37,309
Provisions for risks and charges - non-current portion	18	7,124	4,112
Non-current financial liabilities from hedging derivatives	20	1,065	-
Loans - non-current portion	19	209,210	229,708
Deferred tax liabilities	33	12,830	17,976
Other non-current liabilities		2	12
Total non-current liabilities		**265,876**	**289,117**

* This column presents restated information for the prior year after final allocation of the purchase price paid for the investment made in Integra IFM BV on 23 December 2008 (see note 3 for further information).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)	Notes	31 december 2009	31 december 2008 Restated*
Current liabilities			
Provision for risks and charges - current portion	18	7,898	4,315
Trade payables and advances from customers	21	431,103	490,049
Current income taxes		12,022	-
Other current operating payables	21	133,614	114,014
Loans and other current financial liabilities	19	172,026	110,531
Total current liabilities		**756,663**	**718,909**
Liabilities associated with assets held for sale	**15**	**3**	**5,345**
Total liabilities associated with assets held for sale		**3**	**5,345**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,284,420**	**1,265,593**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	31 december 2009	31 december 2008
REVENUES			
Revenues from sales and services	23	1,146,579	688,824
Other operating revenues	24	4,398	1,772
TOTAL REVENUES		**1,150,977**	**690,596**
OPERATING COSTS			
Raw materials and consumables	25	(114,012)	(98,479)
Change in inventories of semi-finished and finished products		105	-
Services, leases and rentals	26	(580,475)	(286,956)
Payroll costs	27	(337,219)	(219,493)
Other operating costs	28	(6,200)	(5,298)
Depreciation, amortisation, write-downs and write-backs	29	(43,308)	(23,836)
Provisions for risks and charges, amounts released	18	(11,680)	(3,274)
TOTAL OPERATING COSTS		**(1,092,789)**	**(637,336)**
OPERATING PROFIT		**58,188**	**53,260**
FINANCIAL INCOME AND CHARGES			
Income (charges) from investments carried at equity	9	416	2,942
Dividends, income and charges from disposal of equity investments	30	209	182
Financial income	31	2,714	3,802
Financial charges	32	(18,188)	(21,527)
Exchange gains (losses)		(103)	(4)
Profit (loss) before taxation		**43,236**	**38,655**
Current and deferred taxation	33	(27,892)	(17,756)
Profit (loss) from continuing operations		**15,344**	**20,899**
Results from discontinued activities	15	(6)	-
Net profit (loss) for the year		**15,338**	**20,899**
Net loss (profit) attributable to minority shareholders		(221)	(304)
Net profit (loss) attributable to the Group		**15,117**	**20,595**

CONSOLIDATED INCOME STATEMENT

(amounts in Euro)	Notes	31 december 2009	31 december 2008
Basic earnings per share	34	0.138	0.262
Diluted earnings per share	34	0.138	0.262
Basic earnings per share from continuing operations	34	0.139	0.262
Diluted earnings per share from continuing operations	34	0.139	0.262

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	31 december 2009	31 december 2008
Net profit for the year	**15,338**	**20,899**
Translation of foreign currency financial statements	(82)	
Equity effect of measuring companies using equity method	(185)	389
Actuarial gains (losses) on defined benefit plans (SORIE)	(1,444)	3,554
Income tax effect of Sorie method	397	(638)
Net effect of actuarial gains (losses) (SORIE)	**(1,047)**	**2,916**
Net profit (loss) from cash flow hedges	(1,063)	
Income tax effect of cash flow hedges	292	
Net effect of profit (loss) from cash flow hedges	**(771)**	**-**
Total net profit (loss) from transactions with non-shareholders	**(2,085)**	**3,305**
TOTAL COMPREHENSIVE PROFIT (LOSS) AFTER TAXATION	**13,253**	**24,204**
Attributable to:		
Shareholders of the Parent Company	13,032	23,900
Minority shareholders	221	304

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)	Notes	31 december 2009	31 december 2008
Profit before taxation		43,236	38,655
Depreciation, amortisation, write-downs (write-backs)		43,308	23,836
Provisions for risks (amounts released)		11,680	3,274
Provision for employee severance indemnities		2,788	727
Charges (income) from investments carried at equity, net of dividends received		5,651	584
Taxes paid during the year		(31,355)	(14,889)
Cash flow from current operations		**75,308**	**52,187**
Decrease (increase) in inventories		1,838	283
Decrease (increase) in trade receivables		(18,030)	(14,694)
Decrease (increase) in other operating assets		2,727	(1,160)
Change in trade payables		(59,221)	24,493
Change in other operating liabilities		18,847	9,865
Utilisation of employee severance indemnities		(6,157)	(4,541)
Utilisation of provisions for risks and charges		(5,085)	(2,390)
Change in operating assets and liabilities		**(65,081)**	**11,856**
Cash flow generated by operating activities		**10,227**	**64,043**
(Purchase of intangible assets)		(2,636)	(3,625)
(Purchase of property, plant and equipment)		(25,598)	(20,025)
Disposal of property, plant and equipment		2,108	744
(Net purchases of equity investments)		265	(10,558)
Long-term loans (granted) repaid		(9,726)	160
Financial effects of business combinations	4	(5,479)	(102,189)
Disposal of discontinued activities	15	1,513	0
Cash flow absorbed by investing activities		**(39,553)**	**(135,493)**
Net loans obtained (repaid)		15,283	(42,910)
Distribution of dividends		(4,082)	(3,664)
Change in scope of consolidation		0	(1,338)
Increase in share capital and reserves		0	174,871
Cash flow generated by financing activities		**11,201**	**126,959**
Change in cash and cash equivalents		**(18,125)**	**55,509**
Cash and cash equivalents - start of year		97,927	42,418
Change in cash and cash equivalents		(18,125)	55,509
Cash and cash equivalents - end of year		**79,802**	**97,927**
Analysis of cash and cash equivalents			
Bank current accounts		79,802	97,927
Bank overdrafts			
TOTAL CASH AND CASH EQUIVALENTS		**79,802**	**97,927**
Supplementary information			
Interest paid		(18,064)	(21,273)
Interest received		2,714	3,802
Dividends collected		6,067	3,708

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of Euro)	Share	Reserves	Retained earnings (losses)	Net profit for the year	Group shareholders' equity	Minority interest	Total share-holders' equity
01-JAN.-08	**77,964**	**(47,152)**	**10,296**	**15,318**	**56,426**	**1,079**	**57,505**
Capital increase	31,186	148,814			180,000		180,000
Capital increase expenses		(5,128)			(5,128)		(5,128)
Distribution of dividends				(3,666)	(3,666)		(3,666)
Allocation of prior-year results		11,382	270	(11,652)	0		0
Change in scope of consolidation		(366)			(366)	(327)	(693)
Total comprehensive profit (loss)		3,305		20,595	23,900	304	24,204
31-DEC.-08	**109,150**	**110,855**	**10,566**	**20,595**	**251,166**	**1,056**	**252,222**
Capital increase					0		0
Capital increase expenses		1,051			1,051		1,051
Distribution of dividends				(4,038)	(4,038)	(44)	(4,082)
Allocation of prior-year results		9,212	7,345	(16,557)	0		0
Change in scope of consolidation		0			0	(566)	(566)
Total comprehensive profit (loss)		(2,085)		15,117	13,032	221	13,253
31-DEC.-09	**109,150**	**119,033**	**17,911**	**15,117**	**261,211**	**667**	**261,878**

ACCOUNTING POLICIES AND EXPLANATORY NOTES

1. INFORMATION ABOUT THE GROUP

Publication of the consolidated financial statements of the Manutencoop Facility Management Group (the Group or the MFM Group) for the year ended 31 December 2009 was authorised by the Management Board on 23 March 2010.
The Group is 71.89% owned by Manutencoop Società Cooperativa, based in Zola Predosa (Bologna), which manages and coordinates its activities. The remaining 28.11% interest is held by investors.

1.1 Group activities

The Group is active in the supply of integrated facility management services to public and private customers, specialising in buildings, the environment and health sector support.
In particular, the MFM Group operates nationwide, providing a broad and coordinated range of integrated services. These services are designed to rationalise and enhance the quality of activities that are deemed non-strategic and peripheral by major private groups, public bodies and health sector organisations.
The services provided by the MFM Group are grouped into three principal areas of activity known as Strategic Business Areas (ASA):
› facility management (management and maintenance of buildings);
› laundering and sterilisation for the health sector;
› complementary activities, including *Project Management, Energy Management* and *Building work*. These activities are grouped together for two reasons: firstly, they are less significant in volume terms compared with the other activities listed and, secondly, these three activities are managed in a similar manner that is somewhat different to the approach taken in relation to the facility management and laundering/sterilisation activities.

Facility Management

Facility Management consists in the optimised provision to users of a range of logistical and organisational support services.
The so-called traditional Facility Management services provided by the MFM Group comprise:
› cleaning
› technical services
› landscaping

Cleaning Services include cleansing and hygiene, sanitation, disinfection, disinfestation and rodent control, and the collection, transportation and disposal of sanitary waste. These services employ the largest number of persons within the Group.
Technical Services, comprises the management, operation and maintenance of building installations (including heating and airconditioning plant, electrical equipment, lifts, fire-prevention and safety equipment). These activities encompass:

› planning and performance of work to upgrade facilities and comply with safety regulations;
› design and installation of devices for energy saving and the reduction of polluting emissions;

Landscaping Services, comprises the planning, creation and maintenance of green areas for buildings, as well as the provision of territorial services.

Commencing from the end of 2008, the Group has begun a series of external acquisitions in order to broaden the range of facility management services offered to customers, in addition to the traditional services described above. These include various specialist facility management services, such as:
› installation and maintenance of lifting equipment;
› building security services;
› public lighting services;
› document management services.

Laundering/Sterilisation

Laundering/Sterilisation is an industrial-scale activity carried out for the healthcare sector.
The services provided by the MFM Group in this area principally comprise (i) the rental and laundering of sheets, other linen and towels, and bed accessories, (ii) the sterilisation of linen and (iii) the sterilisation of surgical instruments.
The following specific activities are included:
› collection and distribution of linen for individual wards and departments;
› management of staff garments for health sector organisations;
› supply of disposable items;
› rental of sheeting made from special materials for operating theatres;
› collection, treatment, sterilisation and return of surgical instruments;
› rental of surgical instruments;
› establishment and management of sterilisation units.

Complementary activities

ASA complementary activities include:
› Project Management, which comprises the performance of technical design work, as well as the planning, procurement management and supervision of contracts for the construction, renovation and conversion of buildings.
› Energy Management, which comprises the performance of technical design work, as well as the construction and management of solar energy and co-generation installations, from the feasibility study phase to completion, together with the management and maintenance of plant in order to provide energy-efficient solutions to customers.
The Group has carried out these activities from the start of 2009, following acquisition of the Integra FM BV Group (formerly the Pirelli & C. RE IFM BV Group) at the end of 2008.
› Building activities, which comprise small-scale construction work, mainly for other companies within the Manutencoop Group, such as Manutencoop Soc. Coop. and Manutencoop Immobiliare, and occasional support for the Group’s facility management activities, where minor building work is needed as part of special maintenance activities.

2. ACCOUNTING POLICIES AND FORM AND CONTENT OF FINANCIAL STATEMENTS

The annual consolidated financial statements as of 31 December 2009 comprise the *statement of financial position*, the *income statement*, the *statement of comprehensive income*, the *cash flow statement*, the *statement of changes in shareholders’ equity* and the *explanatory notes.*
The amounts reported in the various schedules and in the explanatory notes are compared with those as of 31 December 2008, as restated to reflect the effect of final allocation of the price paid to purchase Integra IFM BV on 23 December 2008. This company is the parent of a complex group (the Altair group) that primarily performs facility management activities for medium and large-sized customers. At the time of acquisition, the entire difference between purchase cost and the fair value of the net assets acquired was provisionally allocated to goodwill. During 2009, Group management finalised the purchase price allocation which resulted in changes to certain accounts within the statement of financial position, with respect to their balances following the provisional allocation made. Note 3 below discusses the final purchase price allocation and reconciles the consolidated statement of financial position presented in the financial statements as of 31 December 2008 with the restated statement of financial position as of 31 December 2008 presented herein.

The income statement for 2008 does not include any costs, revenues, income or charges relating to the companies in the Altair group (controlled by Integra FM BV), which was purchased at the end of 2008. For this reason, only its balance sheet information was consolidated as of 31 December 2008. Accordingly, comparison of income statement information for the year ended 31 December 2009 with that for the prior year is not meaningful.

The statement of financial position is classified in a manner that distinguishes between non-current assets and liabilities and current assets and liabilities, while the income statement is classified by type of expenditure. The cash flow statement is prepared using the indirect method, identifying in compliance with IAS 7 the cash flows from operating, investing and financing activities.
The financial statements are presented in Euro, which is the Group’s functional currency.
Except where otherwise stated, the amounts reported in the financial statements and explanatory notes are expressed in thousands of Euro.

2.1 Declaration of compliance with IFRS

The consolidated financial statements as of 31 December 2009 have been prepared in compliance with International Financial Reporting Standards (IFRS).
With regard to the accounting policies adopted for the preparation of the consolidated financial statements, the Group is subject to the provisions of art. 2.f) of Decree 38 dated 28 February 2005, which governs the elections envisaged by art. 5 of EC Regulation 1606/2002 on the subject of International Accounting Standards. Accordingly, pursuant to art. 3.2 and art. 4.5 of the above Decree, the Group has applied the IFRS endorsed by the European Commission for the preparation of its separate and consolidated financial statements with effect from the financial year ended 31 December 2005.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those applied in the prior year, except as described below.

New or revised IFRS and interpretations applicable from 1 January 2009

The following accounting standards, amendments and interpretations have been applied for the first time by the Group commencing from 1 January 2009.

Amendment to IFRS 7 – Financial Instruments: Disclosures

This amendment, applicable from 1 January 2009, was issued to increase the disclosures required about the use of measurement at fair value and strengthen those required about the liquidity risks associated with financial instruments. In particular, the amendment requires disclosure of the hierarchical levels of fair value used to determine the fair value of financial instruments. Adoption of this standard has not affected the measurement and recognition of amounts reported in the financial statements, but only the disclosures presented in the explanatory notes.

IFRS 8 – Operating Segments

IFRS 8 was issued in November 2006 to replace IAS 14 Segment Reporting. The standard applies to accounting periods that commence on or after 1 January 2009.

IFRS 8 requires disclosures based on the information used by management to make operating decisions. Adoption of this standard has not significantly changed the segment information provided by the Group.

IAS 1 Revised – Presentation of Financial Statements

The revised version of IAS 1 – Presentation of Financial Statements no longer allows the presentation of income and charges ("changes generated by transactions with non-owners") in the statement of changes in shareholders' equity, requiring them instead to be disclosed separately from the changes generated by transactions with owners. The new version of the standard requires all changes generated by transactions with non-owners to be presented in a single separate statement showing the results for the period (statement of comprehensive income) or in two separate statements (income statement and statement of comprehensive income). These changes must also be shown separately in the statement of changes in shareholders' equity.

The Group has adopted the revised version of the standard from 1 January 2009 on a retrospective basis, electing to report all changes generated by transactions with non-owners in two statements showing the results for the period, entitled respectively the "Income statement" and the "Statement of comprehensive income". In addition, as part of the IASB's 2008 improvement process, an amendment to IAS 1 Revised has been published stating that the classification in the statement of financial position of assets and liabilities deriving from derivative financial instruments designated as hedges must distinguish between current and non-current items.

IAS 23 Revised – Borrowing Costs

The revision to IAS 23 was issued in April 2007 and applies to accounting periods commencing on or after 1 January 2009.

The revised standard eliminates the alternative treatment for the capitalisation of borrowing costs. Consequently, borrowing costs that are directly associated with the acquisition, construction or production of assets must always be capitalised if they take a substantial period of time to get ready for their intended use or for sale.

The application of this revised standard has not affected the financial statements of the MFM Group, since management had already elected to capitalise borrowing costs whenever appropriate.

Improvements to IAS/IFRS (2008)

In May 2008, the IASB issued a series of changes to the body of standards, applicable from 1 January 2009, essentially to remove inconsistencies and clarify the terminology used.

Certain changes related solely to terminology, while others were of greater substance but have only had a limited effect on the financial statements of the Group.

The following accounting standards, amendments and interpretations, effective from 1 January 2009, govern circumstances and cases not relevant to the Group at the reporting date, but which might have an accounting effect in relation to future transactions or agreements.

Amendment to IFRS 2 – Share-based payment: vesting conditions and cancellations

The amendment to IFRS 2 envisages changes in the conditions for vesting and with regard to cancellations.

Amendment to IAS 32 – Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements

Puttable instruments and obligations arising on liquidation. This standard requires puttable financial instruments and financial instruments that oblige an entity to deliver an interest in its activities to a third party to be classified as equity instruments.

IFRIC 9 – Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement

The changes to IFRIC 9 and IAS 39 were issued in March 2009 and apply to accounting periods ending on or after 30 June 2009. The changes require an entity to determine if an embedded derivative must be separated from the host contract when it reclassifies a hybrid financial instrument away from the "fair value through profit or loss" category. The amendments are applicable from 31 December 2009 on a retrospective basis, but their adoption has not had any accounting effect on the financial statements of the Group.

IFRIC 13 - Customer Loyalty Programmes

IFRIC issued IFRIC 13 in June 2007. This interpretation requires customer loyalty rebates to be recorded separately from the sales transactions that give rise to them. IFRIC 13 applies to accounting periods commencing on or after 1 July 2008.

IFRIC 16 – Hedges of a Net Investment in a Foreign Operation

IFRIC issued IFRIC 16 in July 2008. This interpretation provides guidelines for the recognition of transactions that hedge the exchange-rate risk associated with a net investment in a foreign operation. IFRIC 16 applies to accounting periods commencing on or after 1 October 2008.

New or revised IFRS and interpretations applicable from 1 January 2010 and not adopted early by the Group

The following international accounting standards and interpretations are applicable from 2010, or in one case from 2011, having been published in the Official Journal of the European Union by December 2009. The MFM Group has not adopted them early, i.e. in 2009, and their impact on the Group's financial statements is currently being determined.

IFRS 3 Revised – Business Combinations and IAS 27 Revised – Consolidated and Separate Financial Statements

The revisions to these two standards were issued in January 2008 and apply to accounting periods commencing on or after 1 July 2009 (in substance, from 1 January 2010).

IFRS 3 Revised makes significant changes to the recognition of business combinations taking place after the standard comes into force. These changes relate to the measurement of non-controlling interests, the recognition of transaction costs, initial recognition and the subsequent measurement of any contingent consideration and business combinations made in stages. These changes will affect the amount of goodwill recognised, the results earned in the period in which the acquisition takes place, and the results reported in future years.

IAS 27 Revised requires a change in the ownership structure of a subsidiary (without loss of control) to be recognised as a transaction between owners in their role as owners. Accordingly, such transactions will no longer generate goodwill, profits or losses. In addition, the revised standard makes changes to the recognition of losses recorded by a subsidiary and the loss of control over a subsidiary. Further, IAS 27 Revised establishes that all dividends received from subsidiaries, associates and joint ventures must be recognised in the separate income statement when the right to receive them is established, without considering whether they derive from pre- or post-acquisition profits. In this regard, IAS 36 – Impairment has also been revised so that, when looking for evidence of impairment following the distribution of dividends by an affiliate, the following aspects must be considered:

- if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the affiliate's net assets (including any related goodwill) in the consolidated financial statements;
- if the dividend exceeds the total comprehensive income of the affiliate for the period to which the dividend relates.

The changes introduced by IFRS 3 Revised and IAS 27 Revised relate to future acquisitions of or losses of control over a subsidiary and to transactions with non-controlling owners.

Improvement to IAS 39 – Financial Instruments: Recognition and Measurement

This amendment, introduced in July 2008 and applicable to financial years beginning on or after 1 July 2009, clarifies how to calculate the new effective rate of return on a financial instrument on the termination of a fair value hedge; it also clarifies that the ban on reclassification to the "financial instruments at fair value through profit or loss" category does not apply to derivative financial instruments that no longer qualify as hedges or which, conversely, become hedges.

IFRC 15 – Agreements for the Construction of Real Estate

IFRC issued IFRIC 15 in July 2008 to clarify if an agreement for the construction of real estate falls within the scope of IAS 11 or IAS 18 and, consequently, when revenues from the construction of real estate should be recognised.
This interpretation applies to accounting periods beginning on or after 1 January 2010.

IFRIC 17 – Distributions of Non-cash Assets to Owners

IFRIC issued IFRIC 17 on 27 November 2008 in order to align the accounting treatment of distributions of non-cash assets to owners. In particular, this interpretation clarifies that dividend payable must be recognised when they have been appropriately authorised and that such liability must be measured at the fair value of the net assets that will be used to make the payment. Lastly, the entity must recognise in the income statement the difference between the dividend paid and the net carrying amount of the assets used to make the payment. This interpretation must be applied on a prospective basis from 1 January 2010.

IFRIC 18 – Transfers of Assets from Customers

This interpretation clarifies the accounting treatment to be adopted if an entity enters into an agreement under which it receives an item of property, plant and equipment from a customer that must then be used either to connect the latter to a network or provide it with ongoing access to a supply of goods or services (e.g. a supply of electricity, gas or water). In some cases, the entity receives cash from the customer in order to construct or purchase the item of property, plant and equipment for use in the performance of the agreement. This interpretation, issued in January 2009, must be applied on a prospective basis from 1 January 2010.

On 16 April 2009, the IASB issued a series of improvements to the IFRS; those indicated by the IASB as involving changes in the presentation, recognition or measurement of financial statement items are mentioned below, ignoring those merely involving changes in terminology or changes in wording with minimal accounting effect, and those with an effect on standards or interpretations that do not apply to the Group. At the reporting date, the competent bodies within the European Union have not yet completed the necessary endorsement process:

› *IAS 1 – Presentation of Financial Statements*: this amendment, applicable from 1 January 2010, modifies the definition of current liabilities contained in IAS 1. The previous definition required liabilities to classified as current if they could be settled at any time via the issue of equity instruments. This involved recognising as current liabilities the convertible bonds that could be converted at any time into shares of the issuer. Following this change, the presence of a currently-exercisable option for conversion into equity instruments is not relevant for determining the classification of a liability as current/non-current.

› *IAS 7 – Statement of Cash Flows*: this amendment, which must be applied from 1 January 2010, requires that only cash flows deriving from expenditure resulting in the recognition of an asset in the statement of financial position can be classified in the cash flow statement as deriving from investing activities. Cash flows deriving from expenditure not resulting in the recognition of an asset (such as promotional expenses, advertising and the training of employees) must, by contrast, be classified as deriving from operating activities.

› *IAS 17 – Leases*: following the changes, the general conditions envisaged in IAS 17 for the classification of contracts as finance or operating leases will also apply to leased land, regardless of whether or not ownership is obtained at the end of the contract period. Prior to the changes, the accounting standard required the classification of leased land as an operating lease, given that land has an indefinite useful life, if ownership of such land was not transferred at the end of the contract period.
The amendment must be applied from 1 January 2010. Upon adoption, all land already held under unexpired leases must be measured separately with, if appropriate, the retrospective recognition of a new lease recorded as if the related contract was a finance lease.

› *IAS 38 – Intangible Assets*: the revision to IFRS 3 in 2008 established that there is sufficient information to measure the fair value of an intangible asset acquired as part of a business combination if such asset is separable or originates from contractual or legal rights. IAS 38 has been amended as a consequence to reflect this change to IFRS 3. The amendment also clarified the measurement techniques to be used normally for measuring the fair value of intangible assets for which there is no active reference market. In particular, these techniques include, as alternatives, estimation of the discounted net cash flows deriving from the assets, estimation of the costs avoided by the entity due to ownership of the assets rather than having to use them under licence from a third party, and estimation of the costs necessary to re-create or replace them (application of the cost method). This amendment must be applied on a prospective basis from 1 January 2010.

› *IAS 39 – Financial Instruments*: Recognition and Measurement: this amendment restricts the inapplicability exception contained in para. 2(g) of IAS 39 to forward contracts between a purchaser and a selling owner for the purpose of selling an entity transferred under a business combination at a future acquisition date, on condition that completion of the business combination does not depend on further action by one of the two parties, but solely on the passage of an appropriate period of time. The amendment clarifies, by contrast, that IAS 39 does apply to option contracts (whether or not currently exercisable) that allow one of the two parties to control whether or not future events take place and whose exercise would result in control over the entity. The amendment also clarifies that implicit penalties for the early repayment of loans, being the price that compensates the lender for the loss of further interest, are deemed to be closely correlated with the loan contract that envisages them and, accordingly, must not be recognised separately. Lastly, the amendment clarifies that profits and losses on a hedged financial instrument must be reclassified from equity to the income statement in the period in which the hedged expected cash flow has an effect on the income statement. This amendment must be applied on a prospective basis from 1 January 2010.

- *IFRIC 9 – Reassessment of embedded derivatives*: this amendment, which must be applied on a prospective basis from 1 January 2010, excludes from the application of IFRIC 9 the derivatives embedded in contracts acquired as part of business combinations at the time of forming entities under common control or joint ventures.

On 8 October 2009, the IASB issued an amendment to IAS 32 – *Financial Instruments: Presentation: Classification of Rights Issues*, governing the recognition of rights issues (rights, options or warrants) not denominated in the issuer's functional currency. Previously, such rights were recognised as liabilities from derivative financial instruments; the amendment, on the other hand, requires (on certain conditions) such rights to be recognised in equity regardless of the currency in which the exercise price is denominated.
This amendment is applicable on a retrospective basis from 1 January 2011. Adoption of this amendment is not expected to have any effect on the Group's financial statements.

New or revised IFRS and interpretations issued by the IASB or IFRIC, for which the competent European Union bodies have not yet completed the endorsement process

In June 2009, the IASB issued an amendment to *IFRS 2 – Share-based Payment - Group Cash-settled Share-based Payment Transactions*. This amendment clarifies the scope of application of IFRS 2 and its relations with other accounting standards. In particular, it clarifies that entities that receive goods or services as part of a share-based payment plan must record such goods and services regardless of which Group company settles the transaction, and without regard for whether settlement is made in cash or using shares; in addition, it establishes that the word "Group" has the meaning given in IAS 27 – Consolidated and Separate Financial Statements i.e. it includes the parent company and its subsidiaries. The amendment further specifies that an entity must measure from its own standpoint the goods or services received as part of a transaction settled in cash or using shares, which might not coincide with that of the Group or with the related amount recognised in the consolidated financial statements. The amendment incorporates the guidelines previously included in IFRIC 8 – Scope of IFRS 2 and in IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions. As a consequence, the IASB has withdrawn IFRIC 8 and IFRIC 11. This amendment is applicable from 1 January 2010; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

On 4 November 2009, the IASB issued a revised version of *IAS 24 – Related Party Disclosures* which simplifies the type of information required about transactions with related parties controlled by the State and clarifies the definition of related parties. The standard is applicable from 1 January 2011; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

On 12 November 2009, the IASB published the first chapters of *IFRS 9 – Financial Instruments* on the classification and measurement of financial assets from 1 January 2013. This publication is the first part of a process in phases that will completely replace IAS 39. The new standard adopts a unified approach, determining the appropriate measurement criterion based on the way that financial instruments are managed and on the characteristics of the contractual cash flows deriving from the financial assets, thus replacing the various rules envisaged in IAS 39. In addition, the new standard

envisages just one way to determine the impairment of financial assets. At the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for the application of the new standard.

On 26 November 2009, the IASB issued a minor amendment to *IFRIC 14* concerning voluntary prepayments against minimum required contributions, allowing entities that make such prepayments to recognise them as an asset. This amendment is applicable from 1 January 2011; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

On 26 November 2009, IFRIC issued *IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments*, which provides guidelines for the recognition of such transactions. This interpretation establishes that if an entity renegotiates the conditions for extinguishing a financial liability and the creditor agrees to extinguish it via the issue of shares in the entity, then the shares issued become part of the price paid to extinguish the financial liability and must be measured at fair value; the difference between the carrying amount of the extinguished financial liability and the initial value of the equity instruments issued must be recognised in the income statement for the period.
This amendment is applicable from 1 January 2011; at the reporting date, the competent bodies within the European Union have not yet completed the endorsement process necessary for its application.

2.3 Discretionary valuations and significant accounting estimates

In order to prepare the Group's financial statements, the directors are required to make discretionary appraisals, estimates and assumptions that affect the values of revenues, costs, assets and liabilities, and the indication of contingent liabilities, at the reporting date. However, the uncertainty surrounding such conjectures and estimates might give results that in the future require significant adjustments to be made to the carrying amounts of said assets and/or liabilities.

Discretionary valuations

In applying the Group's accounting policies, the directors have made the following principal decisions based on discretionary valuations (excluding those involving accounting estimates) with a significant effect on the amounts reported in the financial statements:

- the adoption from 2007 of the consistency principle for recognising the combination of businesses under common control.
  These transactions are not governed by IFRS 3 since they are carried out by parties that are under common control.
  In the absence of IFRS standards or interpretations relevant to such transactions, IAS 1.13. requires in general terms that the financial statements present in a true and fair manner the effects of transactions, events and situations in accordance with the definitions and recognition criteria established in the IFRS Framework for assets, liabilities, costs and revenues. In addition, IAS 1.15 requires selection, considering the relative importance established in IAS 8, of the accounting policies that are most appropriate for achievement of the general objective of presenting a true and fair view.
  Given the special nature of these transactions and the fact that they are not specifically covered by the IFRS, the most appropriate accounting policy was selected with reference to the general principles established in IAS 8.
  As clearly stated in IAS 8.11, the system of IAS/IFRS standards is deemed to be a "closed" system; it follows that the solution to the problem of operations under common control must be found, in the first instance, within the body of IFRS standards. Accordingly, it may not be appropriate to make exceptional reference to a system of national standards or to sector accounting practices.

In particular, IAS 8.10 envisages that, in the absence of a standard or IFRS interpretation specifically applicable to a given transaction, event or situation, management must use its judgement to develop and apply an accounting policy that provides disclosures which are:

(a) relevant to the economic decisions taken by users;

(b) reliable, so that the financial statements:

- (i) present fairly the financial position, the results of operations and the cash flows of the entity concerned;
- (ii) reflect the economic substance of transactions, events and situations, and not merely their legal form;
- (iii) are neutral, i.e. unaffected by preconceived ideas;
- (iv) are prudent;
- (v) are complete in all material respects.

In exercising this judgement, management must make reference to and consider the applicability of the following sources, presented in decreasing order of importance:

(a) the instructions and guidelines contained in standards and interpretations dealing with similar or related cases;

(b) the definitions, recognition criteria and measurement concepts for the recording of assets, liabilities, revenues and costs contained in the Framework.

When making the above judgement, management may also consider the latest pronouncements from other standard-setting bodies that use a conceptually similar framework for the development of accounting standards, as well as other accounting literature and established practice in the sector concerned, to the extent these do not conflict with the sources mentioned above.

In seeking an accounting treatment that fits within the conceptual framework and meets the criteria set out in IAS 8.10, the critical factor is that the accounting policy selected for the presentation of operations "under common control" must reflect their economic substance, regardless of their legal form. The existence or otherwise of "economic substance" is therefore the key factor in selection of the accounting policy to be adopted.

As indicated in Assirevi Document OPI 1 on the "Accounting treatment of business combinations of entities under common control", economic substance consists in the generation of value added for all the parties concerned (in the form, for example, of higher revenues, cost savings, release of synergies), in the form of significant changes in the cash flows generated before and after the combination of activities.

Application of the consistency principle gives rise to the recognition in the statement of financial position of the amounts that would have been recorded had the combined businesses always been united. The net assets of the acquired and acquiring entities are therefore recognised at the respective carrying amounts recorded prior to the combination.

- the adoption from 2005, the first year for which the Group prepared consolidated financial statements under IAS/IFRS, of the proportional method for the consolidation of joint venture companies. This election is allowed by IAS 31 as an alternative to measuring these investments using the equity method. With respect to using the equity method, proportional consolidation gives the same net result for the period and the same value for shareholders' equity, but results in significantly different amounts being reported in the statement of financial position, the income statement and the cash flow statement for the period (in this regard, see para. 2.5, and note 8 below).
- the adoption from 2008 of the criterion that recognises in a specific equity reserve (rather than through the income statement) the actuarial gains and losses arising from the measurement of defined benefit plans (so-called Sorie method).

Uncertainty of estimates

The principal assumptions about the future are presented below, together with other major sources of uncertainty affecting the year-end estimates. These may result in significant adjustments being made to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Goodwill is subjected to impairment testing on an annual basis, or more frequently; this work involves estimating the fair value and/or value in use of the cash-generating unit to which the goodwill was allocated. This estimate reflects the present value of the unit's forecast cash flows, determined using an appropriate discounting rate. As of 31 December 2009, the carrying amount of goodwill is Euro 384,905 thousand (31 December 2008 restated: Euro 356,409 thousand). Further details are provided in notes 6 and 7.

Identification of the present value of the liability for put options on minority interests in subsidiaries and the present value of the liability for additional purchase price payments (earn-out) in relation to acquisitions made

The Group has majority interests in 2 subsidiaries whose minority shareholders hold put options that may be exercised in future, at prices determinable using certain parameters that require management to make estimates in order to obtain a reliable valuation.

In addition, the original contract for the purchase of one of these majority interests envisages recognition to the sellers, the current minority shareholders, of an earn-out if certain conditions are met at a specified future date. Here too, proper recognition of the related liability requires the use of parameters that must be estimated by management.

Other balance sheet captions

Management has also necessarily made estimates to determine:

- deferred tax assets, especially in relation to the likelihood of future reversals of the related temporary differences,
- provisions for doubtful accounts and provisions for risks and charges;
- key assumptions for the actuarial recalculation of employee severance indemnities, namely the expected future turnover rate, inflation rate and the discount rate,
- contract work in progress, especially with regard to the total completion costs used to determine the percentage stage of completion.

2.4 Consolidation principles

The consolidated financial statements comprise the financial statements of Manutencoop Facility Management S.p.A. and its subsidiaries, prepared as of 31 December. The financial statements of subsidiaries are prepared at each period end using the accounting policies adopted by the parent company.

All intercompany transactions and balances, as well as any related unrealised profits and losses included in asset accounts, are eliminated in full.

Subsidiaries are consolidated on a line-by-line basis from the date of acquisition, or from the date on which the Group obtains control over them, and are deconsolidated when control is transferred outside of the Group.

With the exception of acquisitions deriving from the business combination of entities under common control, as explained in para. 2.3 above, the acquisition of subsidiaries is recorded using the purchase method, which involves allocating the purchase cost of a company to the fair value of its assets, liabilities and contingent liabilities at the time of acquisition, and recognising in the consolidated financial statements its results from the acquisition date to the end of the year.

Minority interests comprise the portion of profits or losses and net assets attributable to the minority

shareholders. They are classified in separate captions of the income statement and statement of financial position, where they are presented separately from the Group's interest in shareholders' equity.
Joint ventures are consolidated using the proportional method, while investments in associates are measured using the equity method.
Subsidiaries and joint ventures in liquidation are measured using the equity method. This is because they ceased operations from the time they were put into liquidation, and the parent company is no longer able to determine their strategies since their activities are solely dedicated to the realisation of assets and the settlement of liabilities. As such, Group management considers that control over them has been lost.
The following tables relating to subsidiaries, associates and joint ventures provide summary information as of 31 December 2009 about their names, locations, the Group's direct and indirect interests in their share capital and, if different, the percentage of voting rights exercisable at shareholders' meetings.

SUBSIDIARY COMPANIES (consolidated line by line, identifying separately the minority interests in their shareholders' equity and results)

Company name	Registered offices	31 Dec. 2009	31 Dec. 2008
Altair IFM S.p.A.	Milan	100%	100%
Altair IFm Frances S.a.s.	France	100%	100%
Gestin Facility S.p.A.	Turin	100%	100%
Gestin Polska Sp.zo.o.	Poland	100%	100%
Integra Energy S.r.l.	Milan	100%	100%
Integra FM BV	Netherlands	100%	100%
S.AN.GE. Soc.Cons. a r.l.	Milan	64%	64%
Cons. Sermagest Serv. Manut. Gestionali	Turin	60%	60%
Delivery S.r.l.	Monteverdi Marittimo (Pisa)	60%	60%
Envolta S.r.l.	Milan	55%	55%
Manutencoop Costruzioni S.p.A.	Zola Predosa (Bologna)	100%	-
Manuten. Installazione Ascensori S.p.A.	Zola Predosa (Bologna)	100%	100%
Coplift S.r.l.	Milan	100%	-
MPE S.r.l.	Milan	100%	-
Cofam S.r.l.	Modena	60%	-
M.C.B. S.p.A.	Bologna	100%	100%
MP Facility S.p.A.	Milan	100%	100%
Servizi Ospedalieri S.p.A.	Ferrara	100%	100%
Società Manutenzione Illuminazione S.p.A.	Zola Predosa (Bologna)	100%	100%
Teckal S.p.A.	Reggio Emilia	100%	100%
Simagest 2 Soc.Cons. a r.l.	Zola Predosa (Bologna)	90%	90%
Simagest 3 Soc.Cons. a r.l.	Zola Predosa (Bologna)	89.99%	89.99%
Co.Ge.F. Servizi Alberghieri Consip Soc.Cons. a r.l.	Zola Predosa (Bologna)	80%	80%
Gruppo Sicura S.r.l.	Vicenza	80%	80%
Leonardo S.r.l.	Vicenza	100%	100%
Protec S.r.l.	Vicenza	100%	100%
Sicura S.r.l.	Vicenza	100%	100%
Securveneta S.r.l.	Vicenza	80%	80%
Sedda S.r.l.	Vicenza	80%	80%
Anticendi Piave S.r.l.	Vicenza	70%	70%
Mako Engineering S.r.l.	Treviglio (Bergamo)	70%	70%
Sicurama S.r.l.	Casalecchio di Reno (Bologna)	70%	70%
Firing S.r.l.	Lainate (Milan)	65%	65%
Consorzio Igiene Ospedaliera Soc.Cons. a r.l.	Zola Predosa (Bologna)	66.67%	66.67%
Consorzio Imolese Pulizie Soc.Cons. a r.l.	Imola (Bologna)	60%	60%
Consorzio Servizi Toscana Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	60%
Palmanova Servizi Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	60%
Servizi Marche Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	60%
Servizi L'Aquila Soc.Cons. a r.l.	Zola Predosa (Bologna)	60%	60%
Servizi Brindisi Soc.Cons. a r.l.	Brindisi	52%	52%
Altair IFM Polska Sp.zo.o.	Poland	-	100%
Consorzio Pulizie Veneto Soc.Cons. a r.l.	Marghera (Venice)	-	100%
Omasa S.p.A.	Ferrara	-	100%

JOINT VENTURES (consolidated on a proportional basis)

Company name	Registered offices	31 Dec. 2009	31 Dec. 2008
Altair Zander Italia S.r.l.	Milan	50%	50%
A.M.G. S.r.l.	Busca (Cuneo)	50%	50%
Bresso Energia S.r.l.	Bresso (Milan)	-	50%
Consorzio Leader Soc.Cons. a r.l.	Zola Predosa (Bologna)	50%	50%
Global Maggiore Bellaria Soc.Cons. a r.l.	Bologna	50%	50%
Legnago 2001 Soc.Cons. a r.l.	Zola Predosa (Bologna)	50%	50%
Malaspina Energy Soc.Cons. a r.l.	Milan	50%	50%
SCAM Soc.Cons. a r.l.	Zola Predosa (Bologna)	50%	50%
Servizi Luce Soc.Cons. a r.l.	Zola Predosa (Bologna)	50%	-
Servizi Sportivi Brindisi Soc.Cons. a r.l.	Rome	50%	50%
Duc Gestione Sede Unica Soc. Cons. a r.l.	Bologna	49%	49%

ASSOCIATES (measured using the equity method)

Company name	Registered offices	31 Dec. 2009	31 Dec. 2008
Progetto Nuovo Sant'Anna S.r.l.	Milan	49.5%	49.5%
MCB Emirates LLC.	Dubai	49%	49%
ROMA Multiservizi S.p.A.	Rome	45.47%	45.47%
Servizi Napoli 5 Soc.Cons. a r.l.	Zola Predosa (Bologna)	45%	45%
Global Provincia di Rimini Soc.Cons. a r.l.	Zola Predosa (Bologna)	42.4%	42.4%
Global Vicenza Soc.Cons. a r.l.	Concordia sul Secchia (Modena)	41.25%	41.25%
Costruzioni Manutenzioni Immobili S.r.l. in liquidation	Bologna	40%	40%
Servizi Sanitari Treviso Soc.Cons. a r.l.	Calata Gadda (Genoa)	40%	40%
San Martino 2000 Soc.Cons. a r.l.	Calata Gadda (Genoa)	40%	40%
Bologna Multiservizi Soc.Cons. a r.l.	Bologna	39%	39%
S.AN.CO. Soc.Cons. a r.l.	Milan	37.5%	37.5%
Livia Soc.Cons. a r.l.	Casalecchio di Reno (Bologna)	34.10%	-
Global Riviera Soc.Cons. a r.l.	Zola Predosa (Bologna)	30.66%	30.66%
Como Energia Soc.Cons. a r.l.	Como	29%	29%
Bologna Gestione Patrimonio	Bologna	27.58%	27.58%
Co.S.I.S. Soc.Cons. a r.l.	Rome	26.33%	26.33%
Bologna Più Soc.Cons. a r.l. in liquidation	Bologna	25.68%	25.68%
Headmost Division Service FM S.p.A.	Pomezia (Rome)	25%	25%
Iniziative Produttive Piemontesi S.r.l.	Turin	25%	25%
PBS Soc.Cons. a r.l.	Milan	25%	25%
Steril Piemonte S.c.a.r.l.	Turin	25%	25%
Newco DUC Bologna S.p.A.	Bologna	24.9%	24.9%
Cons. Energia Servizi Bologna Soc.Cons. a r.l. in liquidation	Bologna	24.25%	24.25%
Se.Sa.Mo. S.p.A.	Carpi (Modena)	20.91%	20.91%
Gico Systems S.r.l.	Zola Predosa (Bologna)	20%	20%
Tower Soc.Cons. a r.l.	Bologna	20.17%	20.17%
F.lli Bernard S.r.l.	Bari	20%	20%
Gestioni Sanitarie Toscane Soc.Cons. a r.l.	Florence	20%	20%
Ser.San. Servizi Sanitari S.p.A. in liquidation	Lamezia Terme (Catanzaro)	20%	20%
Edex S.r.l.	Rho (Milan)	-	45%
Terzatorre S.p.A.	Bologna	-	32%

SUBSIDIARIES AND JOINT VENTURES CARRIED AT EQUITY (measured using the equity method)

ompany name	Registered offices	31 Dec. 2008	31 Dec. 2008
Fleur Bruzia S.r.l. in liquidation	Cosenza	100%	100%
Alisei S.r.l. in liquidation	Zola Predosa (Bologna)	100%	100%
Pit Soc.Cons. a r.l. in liquidation	Pozzuoli (Naples)	100%	100%
Gymnasium Soc.Cons. a r.l. in liquidation	Zola Predosa (Bologna)	68%	68%
CPSIS Consorzio Polo di Sterilizzazione	Padua	60%	60%
Gestlotto 6 Soc.Cons. a r.l. in liquidation	Zola Predosa (Bologna)	55%	55%

During 2009, the Group acquired 3 companies that provide specialist facility management services involving, in particular, the installation and maintenance of lifting equipment:

- In January 2009, MIA S.p.A. (MIA) acquired 60% of Cofam S.r.l., an SME (2009 sales of about Euro 3.1 million) operating in the provinces of Bologna and Modena, for Euro 4,146 thousand including purchase-related expenses; with regard to the remaining 40% of the capital, the seller granted a call option to MIA which, in turn, granted a put option to the seller;
- In December 2009, MIA acquired 100% of both Coplift S.r.l. (for Euro 542 thousand including purchase-related expenses) and MPE S.r.l. (for Euro 1,406 thousand including purchase-related expenses), two small companies (combined 2009 sales of euro 1.5 million) operating in the Milan area.

These acquisitions are described in detail in note 4, to which reference is made.

In addition, following the major acquisitions made at the end of 2008, work to reorganise the MFM Group has commenced and will be completed during 2010. The principal non-recurring transactions relating to Group companies during 2009 were:

- The absorption of Omasa S.p.A. by Servizi Ospedalieri S.p.A., both active in the laundering-sterilisation sector;
- The absorption of Altair IFM Polska Sp.zo.o. by Gestin Polska Sp.zo.o.;
- The absorption of Consorzio Pulizie Veneto Soc.Cons. a r.l. by MFM;
- The formation in November 2009 of Manutencoop Costruzioni S.p.A. to which MFM contributed the Building activities line of business.

In November, SMAIL S.p.A., active in the provision of public lighting services, formed Servizi Luce Soc. Cons.a r.l. as a 50% joint venture to manage the contract for public lighting services in the Municipality of Quartu Sant'Elena, in Sardinia.

The investment in Bresso Energia S.r.l., a joint venture, has been measured as of 31 December 2009 in accordance with the provisions of *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations*, since agreement to sell the investment for Euro 99 thousand had already been reached by that date. The transaction was completed on 27 January 2010 (see note 15 for further information).

With regard to associates, during 2009:

- MFM S.p.A. subscribed for 34.10% of Livia Soc.Cons. a r.l., a new consortium formed to formalise relations in the context of a temporary business association established to manage a contract for the supply of facility management services.
- The Parent Company decided not to participate in the capital reconstruction of EDEX S.r.l., following the cancellation of its quota capital to cover losses, and is no longer a member of that company.
- The Parent Company sold 23% of the shares in Terzatorre S.p.A. to other shareholders for Euro 1,012 thousand, thus reducing its equity interest to 10%. This investment has therefore been reclassified among the *Other investments* and will no longer be measured using the equity method.

2.5 Summary of principal accounting policies

Investments in joint ventures

The Group participates in numerous joint ventures that are classified as entities under common control. A joint venture is a contractual agreement pursuant to which two or more parties undertake an economic activity under common control; a company under common control is a joint venture that involves the formation of a separate company in which each participant holds an equity interest.
Common control is presumed to exist when equity investments are 50% held.
The Group consolidates its investments in joint ventures using the proportional method, combining line by line its interest in the assets, liabilities, revenues and costs of the company under common control with the respective captions reported in the consolidated financial statements. Each joint venture prepares financial statements with the same accounting reference date as that of the Parent Company and adopts consistent accounting policies. Any inconsistencies in the accounting policies applied are corrected by making adjustments.
When the Group contributes or sells assets to a joint venture, the recognition of any resulting gains or losses reflects the nature of the transaction. When the Group purchases goods or services from a joint venture, its share of any resulting gains is not recognised until such goods or services have been re-sold to a third party.
The proportional consolidation of a joint venture terminates on the date when the Group ceases to exercise common control over the company.

Translation of foreign currency items

The financial statements are presented in Euro, which is the functional and presentation currency adopted by the Group.
Balance sheet items denominated in foreign currency are translated to Euro using the closing rates of exchange, while such income statement items are translated using the average rates for the year. Differences arising from the translation of opening shareholders' equity using the closing rates of exchange are allocated to the translation reserve, together with those arising from the translation of the results for the year using the closing rather than the average rates of exchange. The translation reserve is released to the income statement when the company giving rise to the reserve is sold or liquidated.

Property, plant and equipment

Property, plant and equipment are stated at historical cost, excluding routine maintenance expenses, net of accumulated depreciation and impairment write-downs. This amount includes the cost, when incurred, of replacement parts for plant and machinery and equipment, on condition that they comply with the related recognition criteria.
Depreciation is provided on a straight-line basis over the estimated useful lives of the assets concerned, commencing from the date when they become available for use until the time when they are sold or retired.
The carrying amount of property, plant and equipment is subjected to impairment testing if events or changes suggest that such amount may not be recoverable.
Property, plant and equipment are eliminated from the financial statements upon sale or retirement, or if no further economic benefits are expected from their use or disposal. Any gains or losses (representing the difference between the net disposal proceeds and the carrying amount) are reflected in the income statement for the year of disposal.
The residual value of assets, their useful lives and the methodology applied are reviewed annually and adjusted, if necessary, at the end of each year.

The useful lives of the various categories of property, plant and equipment are estimated on the following basis:

Type of plant and equipment	Useful life
Plant and machinery for maintenance/creation of green areas	11 years
Plant and machinery for maintenance/construction of property	from 6.5 to 10 years
Telephone equipment	4 years
Equipment for cleaning and green area	6.5 years
Equipment for managing technological installations	3 years
Equipment for maintenance/construction of property	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 (included in plant and equipment)	lower of useful life and contract duration

In addition to plant and equipment in the strict sense, this category also includes machinery, motor vehicles, office machines and furniture.
Purchasing-related borrowing costs are charged to the income statement unless they are directly attributable to the purchase, construction or production of a qualifying asset that justifies their capitalisation, in which case they are capitalised.
A qualifying asset is an asset that necessarily requires a substantial period of time before it becomes available for use.
The capitalisation of borrowing costs ceases when essentially all the activities needed to render a qualifying asset available for use have been completed.
Improvement expenditure is only added to the carrying amount of the asset concerned if it is likely that the related future economic benefits will accrue to the company and the costs can be determined reliably. The cost of repairs, maintenance and other work to keep assets operational are charged to the income statement as incurred.
Leasehold improvements are classified as part of property, plant and equipment, depending on the nature of the costs incurred, when they fulfil the capitalisation criteria established in IAS 16. They are depreciated over the residual life of the tangible asset concerned or the residual duration of the lease contract, whichever is shorter.

Goodwill

The goodwill arising from business combinations is initially measured at cost, being the difference between acquisition cost and the Group's interest in the net fair value of the related assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost net of any accumulated impairment losses. Goodwill is subjected to impairment testing on an annual basis, or more frequently if events or changes suggest that it may not be fully recoverable.
For impairment testing purposes, goodwill is allocated from the date of acquisition to each of the Group's cash-generating units that are expected to benefit from the synergies released from the acquisition, regardless of the allocation of other assets or liabilities to the same units. This is only done if such allocation is not arbitrary. Each unit to which goodwill is allocated:

› represents the lowest level, within the Group, at which goodwill is monitored for internal operational purposes;

> is no broader than the primary or secondary reporting segments identified for the disclosure of Group segment information pursuant to IFRS 8 – Operating Segments.

Impairment is determined with reference to the recoverable value of the cash-generating units (or groups of units) to which goodwill was allocated. If the recoverable value of the cash-generating units (or groups of units) is lower than the carrying value of goodwill, such impairment in value is recognised. Once written down, the value of goodwill cannot be reinstated.

Other intangible assets

Intangible assets purchased separately are initially capitalised at cost, while those acquired as a result of business combinations of entities not under common control are capitalised at their fair value at the acquisition date. Following initial recognition, intangible assets are stated at cost, net of accumulated amortisation and impairment write-downs.

The useful lives of intangible assets are either finite or indefinite.

Intangible assets with a finite life are amortised over their useful lives and subjected to impairment testing whenever there is evidence of a possible loss in value. The period of amortisation and the methodology applied are reviewed at the end of each financial year, or more frequently if necessary. Changes in expected useful life or in the way future economic benefits associated with the intangible asset will be earned by the Group are recognised by modifying the period of amortisation or the methodology applied, as appropriate, and treated as a change in accounting estimate. The amortisation of intangible assets with finite useful lives is charged to the 'depreciation, amortisation, write-downs and write-backs' caption of the income statement.

The Group has not recorded any intangible assets with an indefinite useful life except for goodwill.

The policies adopted by the Group in relation to intangible assets are summarised below:

	Concessions, licences, trademarks and similar rights	**Other intangible assets**
Content	Software and trademarks	Contractual relations with customers
Useful life	Finite	Finite
Method used	Amortised on a straight-line basis over the shorter of: > legal duration of the right > expected period of utilisation	Amortisation in proportion to the consumption of the related backlog.
Produced internally or acquired	Acquired	Acquired on business combination.
Impairment testing for the identification of losses / test of recoverable value	Annually or more frequently when there is evidence of impairment	Annually or more frequently when there is evidence of impairment

The gains or losses deriving from the disposal of an intangible asset, measured as the difference between the net sale proceeds and the carrying amount of the asset, are recognised in the income statement at the time of disposal.

Investments in associates

The Group's investments in associates are measured using the equity method. An associate is a company, not classifiable as a subsidiary or joint venture, over which the Group exercises significant influence. When the interest held in companies is equal to or greater than 20% they are presumed to be associates.

In accordance with the equity method, investments in associates are initially recorded in the balance sheet at cost and subsequently adjusted to reflect post-acquisition changes in the Group's interest in their shareholders' equity. Goodwill relating to associates is included in the carrying amount of the investment and is not amortised. Following application of the equity method, the Group determines if it is necessary to recognise any additional impairment losses with reference to the Group's net interest in the associate. The Group's interest in the results for the year of the associate is reflected in the income statement. If associates make direct adjustments to their shareholders' equity, the Group recognises its interest and, where applicable, reports such adjustments in the statement of changes in shareholders' equity.

In the majority of cases, the accounting reference date used by associates is the same as that of the Group. Where this is not the case, the majority of the associates concerned prepare accounting statements as of the Group's financial year end.

The accounting policies adopted by associates are consistent with those applied by the Group in relation to events and transactions of the same type taking place in similar circumstances.

Impairment of assets

At each balance sheet date, the Group determines if there is any evidence that the value of assets may be impaired. In this case, or whenever annual impairment testing is required, the Group makes an estimate of recoverable value. Recoverable value is the fair value of an asset or cash-generating unit, net of selling costs, or, if higher, its value in use. Recoverable value is determined for each individual asset, unless its cash flows are not broadly independent of those generated by other assets or groups of assets. Impairment is recognised if the carrying amount of an asset exceeds its recoverable value and, accordingly, such amount is written down to reflect recoverable value. When determining value in use, the Group discounts estimated future cash flows to present value using a pre-tax discounting rate that reflects market assessments of the time value of money and the specific risks associated with the asset. Losses in value suffered by assets in use are charged to the 'depreciation, amortisation, write-downs and write-backs' caption of the income statement.

At each balance sheet date, the Group also determines if there is any evidence that the reasons for previous impairment adjustments have ceased (wholly or in part) to apply and, in such cases, estimates the revised recoverable value of the assets concerned. The value of previously written-down assets may only be reinstated if, subsequent to the most recent impairment adjustment, there are changes in the estimates used to determine their recoverable value. In such cases, the carrying amount of the assets concerned is increased to reflect their recoverable value without, however, exceeding the carrying amount net of accumulated depreciation that would have been recorded had impairment not been recognised in prior years. All write-backs are credited to the income statement in the caption used to report the earlier write-downs, except when the asset is recorded at a revalued amount, in which case the write-back is treated as a revaluation. Following write-backs, the depreciation charge for the assets concerned is adjusted on a prospective basis in order to allocate their revised carrying amounts, net of any residual value, on a straight-line basis over their residual useful lives.

Financial assets

IAS 39 envisages the following types of financial instruments:

> financial assets at fair value through the income statement. This category comprises financial assets that are held for trading and any assets purchased for resale in the short term;

> loans and receivables, i.e. non-derivative financial assets with fixed or determinable payments that are not listed on an active market;

> held-to-maturity investments, i.e. non-derivative financial assets that involve payments at fixed or determinable intervals which the owner intends and is able to hold to maturity.

> available-for-sale financial assets, i.e. non-derivative financial assets that have been designated as available for sale or which are not classified in any of the three categories described above.

Initially, all financial assets are recognised at their fair value as uplifted, except for assets at fair value through the income statement, by any related charges; the Group classifies its financial assets

subsequent to initial recognition and, where appropriate and allowed, reviews such classification at the end of each financial year.
As in the prior year, all the financial assets held by the Group at year end are classified as either loans and receivables or available-for-sale financial assets.
The valuation criteria applied by the Group are as follows:

Loans and receivables
Loans and receivables are measured on an amortised-cost basis using the effective interest method. Gains and losses are reflected in the income statement when the related loans and receivables are eliminated from the accounts, or when impairment other than via the amortisation process is identified.

Available-for-sale financial assets
Following initial recognition at cost, available-for-sale financial assets are measured at fair value and any gains and losses are classified separately in equity until the related assets are derecognised or impairment is identified; the gains or losses accumulated within shareholders' equity until that time are then released to the income statement.
As in the prior year, at year end this asset category solely comprises equity investments of less than 20%, which are carried at cost if their fair value cannot be determined reliably. In particular, consortiums not listed on regulated markets whose objects are to govern relations between temporary business associations formed to manage specific service contracts, are measured at cost which is represented by the capital subscribed.

Inventories
Inventories are measured at the lower of cost or their estimated realisable value.
The costs incurred to bring each asset to its present state and location are identified as follows:

	Replacement cost
Raw materials (excluding fuel)	– purchase cost determined using the weighted-average cost method;
Inventories of fuel	– purchase cost determined using the FIFO method

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

Trade receivables and other receivables
Trade receivables, generally collectible within 30-90 days, are stated at their invoiced value, net of the allowance for doubtful accounts. This allowance is recorded based on objective evidence that the Group will be unable to collect the amount due. Uncollectible amounts are written down as soon as they are identified.
The Group's customers comprise, in large part, public bodies and health authorities whose effective payment terms greatly exceed the contractual due dates.
For this reason, amounts due from third-party customers are discounted, using a risk-free rate (since the collection risks are considered when determining the allowance for doubtful accounts), over the period between the estimated collection date (based on the weighted-average delay in collection from the Group's customers, determined using historical data) and the average credit period allowed to customers by similar businesses operating in the same markets as the various Group companies.
Receivables and payables not denominated in the functional currency of each Group company are adjusted using the year-end rates of exchange.

Contracts for the construction of buildings and plant
A construction contract is a contract signed specifically for the construction of an asset commissioned by a principal, who determines the initial design and technical characteristics.
The contract revenues comprise the consideration initially agreed with the principal, as well as the change orders and the price variations envisaged in the contract that can be determined reliably.
When the results of contracts can be determined reliably, they are measured on a percentage-of-completion basis; the stage of completion is determined with reference to the contract costs incurred at the balance sheet date as a percentage of the total costs estimated for each contract (cost-to-cost basis).
If the contract costs are expected to exceed total contract revenues, the expected loss is recognised immediately as a cost.
The gross amount due by contract principals, for all contracts in progress where the costs incurred plus the margins recognised (or less the losses recognised) exceed the progress billings made, is recognised as a receivable and, as such, classified among the "Trade receivables". The gross amount due to contract principals, for all contracts in progress where the progress billings made exceed the costs incurred plus the margins recognised (or less the losses recognised), is recognised as a payable and, as such, classified among the "Trade payables".

Cash and cash equivalents
The liquid funds and short-term deposits included in the balance sheet comprise cash on hand, demand deposits and short-term deposits with an original maturity of not more than three months.

Loans
All loans are initially recorded at the fair value of the amount received, net of related loan-arrangement expenses.
Following initial recognition, loans are measured on an amortised-cost basis using the effective interest method.
In addition to the amortisation process, all related gains and losses are reflected in the income statement when the liability is settled.

Elimination of financial assets and liabilities
Financial assets
Financial assets (or, where applicable, parts of financial assets or parts of a group of similar financial assets) are eliminated from the financial statements when:
- the contractual rights to receive the cash flows generated by them expire;
- the Group has transferred the financial asset (transferring the right to receive the cash flows deriving from the asset or retaining the right to receive them, but accepting the contractual obligation to pay them in their entirety and immediately to another party), together with substantially all the risks and benefits deriving from ownership of such asset.

If, as the result of a transfer, a financial asset is derecognised in full but, as a consequence, the Group obtains a new financial asset or accepts a new financial liability, the Group recognises at fair value such new financial asset, financial liability or liability originating from the service.

Financial liabilities
Financial liabilities are derecognised when the underlying obligation is eliminated, cancelled or settled.
If an existing financial liability is replaced by another from the same lender on substantially different terms, or the conditions applying to an existing liability are modified significantly, this replacement or modification is recorded by eliminating the original liability and recognising a new liability. Any differences between the carrying amounts concerned are reflected in the income statement.

Impairment of financial assets

At each accounting reference date, the Group determines if the value of a financial asset or a group of financial assets is impaired.

Assets measured on an amortised-cost basis

If there is objective evidence that the value of a loan or receivable measured at amortised cost is impaired, the related loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding any collection losses not yet incurred), discounted using the original effective interest rate applying to the financial asset (being the effective interest rate determined at the time of initial recognition). The carrying amount of the asset is reduced both directly and via the recording of provisions. The loss is charged to the income statement.

The Group firstly looks for objective evidence of impairment in relation to individually significant financial assets, and then considers the position individually and collectively in relation to financial assets that are not significant. In the absence of objective evidence of impairment in the value of financial assets considered individually, whether significant or otherwise, such assets are then included in a group of financial assets with similar credit risk characteristics which is subjected to impairment testing on a collective basis. Assets measured individually, for which impairment has been or continues to be identified, are not included in the collective tests.

If, in subsequent years, the extent of impairment decreases due, objectively, to an event arising after the earlier loss in value was recognised, the amount previously written down may be reinstated. Subsequent write-backs are credited to the income statement, to the extent that the carrying amount of the asset does not exceed its amortised cost at the write-back date.

Assets measured at cost

If there is objective evidence of the impairment of an unlisted equity investment that is not measured at fair value, since its fair value cannot be measured reliably, or of a derivative associated with that equity instrument that must be settled by delivery of such instrument, the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted using the current market yield for a similar financial asset.

Available-for-sale financial assets

If the value of available-for-sale financial assets is impaired, the difference between their cost (net of repayments of principal and amortisation) and their current fair value, net of any earlier impairment charged to the income statement, is reclassified from shareholders' equity to the income statement. Write-backs in the value of equity instruments classified as available for sale are not reflected in the income statement. Write-backs in the value of debt instruments are credited to the income statement if, objectively, the increase in their fair value is related to an event arising after the earlier loss in value was recognised in the income statement.

Provisions for risks and charges

The Group records provisions for risks and charges to cover current obligations (legal or implicit) deriving from past events, if the settlement of such obligations is likely to require an outflow of resources and a reliable estimate of the amount can be made.

If the Group believes that the costs covered by a provision for risks and charges will be reimbursed, in whole or in part, as in the case of risks covered by insurance policies, the related indemnity is recorded separately as an asset if, and only if, such recovery is virtually certain. In such cases, the provision is classified in the income statement net of the amount recognised for the indemnity.

If the discounting effect is significant, the provisions are stated at their present value using a pre-tax discounting rate that appropriately reflects the specific risks associated with the liability concerned.

When provisions are discounted, the subsequent increases due to the passage of time are recorded as financial charges.

Provision for benefits due on the termination of employment

A liability for benefits due on the termination of employment is recorded when, and only when, the Group is demonstrably committed to: (a) terminating the employment of an employee or a group of employees before the normal retirement date; or (b) paying benefits for the termination of employment following the offer of voluntary redundancy incentives. The Group is demonstrably committed to terminating employment when, and only when, it has a detailed formal plan for such termination and there is no realistic likelihood that this plan will be withdrawn.

Employee benefits

Italian legislation (art. 2120 of the Italian Civil Code) envisages that, upon termination of employment, each employee shall receive a severance indemnity (TFR). The calculation of this indemnity is based on certain items comprising the employees' annual remuneration for each year of work (suitably revalued) and on their length of service. Pursuant to Italian legislation, this indemnity is reported in the financial statements using calculations based on the amount that would be due to each employee at the reporting date, assuming that their employment terminated at that time.

The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) has examined the subject of Italian TFR and concluded, pursuant to IAS 19, that it represents a "defined benefit" plan in the context of post-employment benefits. As such, the provision must be calculated using the Projected Unit Credit Method (PUCM), whereby the liability for benefits earned must reflect the expected termination date and must be discounted to present value.

Following the 2007 reform of the relevant Italian regulations governing the TFR accrued subsequent to 1 January 2007 by companies with more than 50 employees, the provision now represents a "defined contributions" plan and payments are charged directly to the income statement as a cost when incurred. The TFR accrued up until 31.12.2006 continues to represent a defined benefits plan, to which no further contributions are made. Accordingly, the provision is now determined by independent actuaries with sole reference to the average expected residual working lives of employees, without considering the remuneration earned by them over a predetermined period of service.

The calculations for the TFR "accrued" prior to 1 January 2007 have therefore changed, due to exclusion of the actuarial assumptions about wage and salary increases that were required previously. In particular, the provision for "accrued TFR" was determined on an actuarial basis as of 1 January 2007 without applying the pro-rata (years of service worked/total expected length of service), since the employee benefits accumulated up to 31 December 2006 can be considered to have been almost entirely earned (except for the annual revaluation) pursuant to para. 67 (b) of IAS 19. It follows, for the purposes of this calculation, that there are no current service costs relating to future services from employees, since these are represented by the contributions paid to supplementary pension funds or to the INPS Treasury Fund.

In addition, commencing from 2008, the Group has decided to modify the accounting policy applying to the TFR accrued up to 31 December 2006. As a consequence, the Group has recorded the actuarial gains (or losses) deriving from application of the projected unit credit method in a specific equity reserve pursuant to paras. 93B and 93D of IAS 19.

The actuarial gains and losses on defined benefit plans accumulated up to the prior year have been reclassified to an equity reserve. These amounts reflected the effects of changes in the actuarial assumptions used and, up to 31 December 2007, were recognised in full in the income statement. Accordingly, the so-called "corridor method" has not been applied. This method allocates actuarial

gains and losses to the income statement over the residual average working lives of employees, but only to the extent that their net value, not recognised at the end of the prior year, exceeds 10% of the liability.
The actuarial valuation of the liability is performed by an independent actuary.
The Group does not have any other significant defined benefit pension plans.

Leasing

The definition of a contract as a lease (or containing a leasing transaction) depends on the substance of the agreement, requiring an assessment of whether or not it involves the use of one or more specific assets and also transfers the right to use them.
A review is only carried out after the start of the contract if one of the following conditions arises:
(a) the contractual conditions are modified, other than by the renewal or extension of the contract;
(b) a renewal option is exercised or an extension is granted, unless the renewal or extension terms were included in the original conditions of the leasing transaction;
(c) there is a change in the condition whereby performance depends on a specific asset; or
(d) the asset undergoes a substantial change.

In the event of a review, recognition of the lease will start or cease from the date of change in the circumstances giving rise to the review (cases a), c) or d)) or from the date of renewal or extension (case b)).
For contracts signed prior to 1 January 2005, the start date is considered to be 1 January 2005 in compliance with the transitional arrangements set out in IFRIC 4.
Finance leases, which essentially transfer to the Group all the risks and benefits of ownership, are capitalised from the start of the lease at the fair value of the leased asset or, if lower, at the present value of the related instalment payments. The instalment payments are analysed between interest and principal in a manner that applies a constant interest rate to the residual principal outstanding. Financial charges are recognised directly in the income statement.
Capitalised assets held under finance leases are depreciated over their estimated useful lives or, if shorter, over the duration of the lease contract, if it is not reasonably certain that the Group will obtain full ownership of them at the end of the contract.
The cost of operational leases is charged to the income statement on a straight-line basis over the lives of the contracts concerned.

Revenue recognition

Revenues are recognised to the extent that the related economic benefits are likely to be obtained by the Group and the amount can be determined reliably. The following specific recognition criteria must be satisfied before the related revenues are recognised in the income statement:

Services

The principal types of service provided by the Group, either individually or as part of contracts for the provision of integrated services, are:
› administration and maintenance of property and installations, often associated with the supply of heat (energy services);
› environmental hygiene and cleaning services;
› maintenance of green areas;
› project management services;
› laundering and sterilisation services.

Revenues are recognised with reference to the percentage stage of completion of the services in progress at the balance sheet date, determined using appropriate variables depending on the services provided and the contracts signed with the customer (e.g. sq.m., time, costs incurred, length of stay).

Services not completed at the accounting reference date represent “contract work in progress” and are classified among the trade receivables.
Any revenues invoiced at the balance sheet date that exceed the amount accrued on a stage of completion basis are deferred as advances from customers and classified together with trade payables.
Even within multi-service contracts, the consideration for each service is generally defined separately and the amount of the revenues attributable to them is quantified as a reflection of their fair value.
When the outcome of a service cannot be determined reliably, the related revenues are only recognised to the extent that the costs incurred are deemed to be recoverable.

Construction activities

The Group records revenues from construction contracts on a stage-of-completion basis, reflecting the percentage of costs incurred with respect to the total estimated cost of completing the work.
When the outcome of a contract cannot be determined reliably, the related revenues are only recognised to the extent that the costs incurred are deemed to be recoverable.

Sale of goods

Revenues are recognised on transfer to the purchaser of all significant risks and benefits deriving from ownership of the goods.

Interest

Interest income (calculated using the effective interest method i.e. the rate which exactly discounts the expected future cash flows generated over the expected life of the financial asset to its net carrying amount) is recognised on an accruals basis.

Dividends

Dividend income is recognised when the right of the shareholders to receive payment is established.

Government grants

Government grants are recognised when it becomes reasonably certain that they will be collected and that all the related conditions will be satisfied. When grants are associated with costs, they are recognised as income each year on a systematic basis that offsets the related costs as they arise. The fair value of grants associated with assets is deducted from the carrying amounts of such assets and, accordingly, is effectively released to the income statement on a straight-line basis over the expected useful lives of the assets concerned via the systematic reduction of the related depreciation charges.

Income taxes

Current taxes

The current taxes due to or recoverable from the tax authorities are stated at the amounts expected to be recovered or paid. The tax rates and regulations used to calculate the above amounts are those in force at the balance sheet date.

Deferred taxes

Deferred taxes are calculated with reference to the temporary differences at the balance sheet date between the reported value of assets and liabilities and their value for fiscal purposes.
Deferred tax liabilities are recognised in relation to all taxable temporary differences, except:
› when they derive from the initial recognition of the goodwill or an asset or liability arising from a transaction that is not a business combination which, at the time of the transaction, had no effect

on the profit for the year for accounting purposes or on the taxable income or loss reported for fiscal purposes;

- when they relate to investments in subsidiaries, associates and joint ventures, in which case the reversal of temporary differences can be controlled and is not likely to occur in the foreseeable future.

Deferred tax assets are recognised in relation to all deductible temporary differences and tax assets and liabilities carried forward, to the extent that there is likely to be sufficient future taxable income to absorb upon reversal such deductible temporary differences and carried-forward tax assets and liabilities, except:

- when they derive from the initial recognition of an asset or liability arising from a transaction that is not a business combination which, at the time of the transaction, had no effect on the profit for the year for accounting purposes or on the taxable income or loss reported for fiscal purposes;
- when they relate to investments in subsidiaries, associates and joint ventures, in which case they are only recognised to the extent it is likely that such deductible temporary differences will reverse in the immediate future and that taxable income will be sufficient for their recovery.

The deferred tax assets reported in the financial statements are reviewed at each accounting reference date and reduced to the extent it is no longer likely that there will be sufficient future taxable income for their recovery, either in whole or in part. Unrecognised deferred tax assets are reviewed annually, at the balance sheet date, and recognised to the extent it has become likely that future taxable income will be sufficient for their recovery.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the year the assets are realised or the liabilities are settled, as represented by the tax rates currently in force or essentially in force at the balance sheet date.

The income taxes relating to items recorded directly as part of shareholders' equity are charged directly against shareholders' equity and not to the income statement.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities and such deferred taxation relates to both the same fiscal entity and the same tax authority.

Value-added tax

Revenues, costs and assets are recognised net of value-added taxes, except:

- if the VAT charged on the purchase of goods and services is not recoverable, in which case it is recognised as part of the purchase cost of the asset or part of the cost charged to the income statement;
- if the VAT relates to trade receivables or payables for which invoices have already been issued or received inclusive of value-added tax.

The net indirect taxes on purchases and sales that are recoverable from or payable to the tax authorities are classified as a receivable or a payable in the balance sheet, depending on the sign of the net balance.

Derivatives and hedging transactions

Derivatives are recorded at fair value both at the time of initial recognition and subsequently. Changes in their fair value are recorded in the income statement or, in the case of derivatives designated as cash flow hedges pursuant to IAS 39, in shareholders' equity.

Derivatives that meet the requirements of IAS 39 are recorded in accordance with hedge accounting rules.

In particular, a transaction is deemed to be a hedge if the documented relationship between the hedging instrument and the hedged liability specifies the risk management objectives, the hedging strategy and the methods used to check effectiveness. A transaction is considered to be a hedge if it is shown to be effective both at the start and, prospectively, over its entire life.

Pursuant to IFRS, such instruments are treated as derivatives.

They are initially recognised at their fair value on the arrangement date; subsequently, such fair value is re-measured on a periodic basis. They are recorded as an asset if fair value is positive and as a liability if fair value is negative.

Any gains or losses deriving from changes in the fair value of derivatives that are unsuitable for hedge accounting purposes are reflected directly in the income statement for the year.

Segment reporting

The risks and profitability of the Group are mainly affected by differences between the types of service provided; accordingly, the primary breakdown of the Group is by business segment.

A business segment is a clearly identifiable group of activities and transactions, providing a series of related products and services that are subject to different risks and returns with respect to the Group's other business segments.

The Group's secondary reporting is analysed by geographical segment.

A geographical segment is a clearly identifiable component of the business, providing a series of related products and services that are subject to different risks and returns with respect to other segments operating in different economic environments.

The lines of business comprising the primary segment consist of the following strategic areas of Group operations, which coincide with the activities described in paragraph 1.1.

Method of allocating costs to each segment:

The Group allocates specific direct and indirect production costs to each segment.

Commencing from the consolidated financial statements as of 31 December 2007, the Group also uses appropriate cost drivers to allocate commercial and other general expenses to each segment.

Financial income and expense and current and deferred taxation are not allocated to the various segments, while the results of investments measured using the equity method are allocated to the segments concerned.

Method of allocating assets and liabilities to each segment

Assets and liabilities are allocated to each segment in a manner consistent with the treatment of the various income statement captions.

3. EFFECTS OF FINAL ALLOCATION OF PURCHASE PRICE OF INTEGRA IFM BV

Final allocation of purchase price of Integra IFM BV

As indicated at the start of note 2, during 2009 Group management worked on final allocation of the price paid to purchase Integra IFM BV on 23 December 2008. This company is the parent of a complex group that primarily provides facility management services to medium and large-sized customers. At the time of acquisition, the entire difference between purchase cost and the fair value of the net assets acquired was provisionally allocated to goodwill.

The final purchase price allocation resulted in changes to certain accounts within the statement of financial position, with respect to their balances following the provisional allocation made. The following table compares, for the various captions concerned, the amounts recognised following final allocation (column: "Final amount recognised 2009") with those recognised as of 31 December 2008 following provisional allocation (column: "Provisional amount recognised 2008") and, for completeness, with the initial carrying amounts (column: "Carrying amount").

Caption	Final amount recognised 2009	Provisional amount recognised 2008	Carrying amount
ASSETS			
Non-current assets			
Property, plant and equipment	15,934	15,934	15,934
Leased property, plant and equipment	984	984	984
Other intangible assets	32,552	3,214	3,214
Investments carried at equity	704	704	704
Other equity investments	434	434	434
Non-current financial receivables and other securities	5,167	5,167	5,167
Deferred tax assets	2,784	2,567	2,567
Total non-current assets	**58,559**	**29,004**	**29,004**
Current assets			
Inventories	3,808	3,570	3,570
Trade receivables and advances to suppliers	252,835	253,526	253,526
Current tax receivables	82	82	82
Other current operating receivables	7,182	7,182	7,182
Cash and cash equivalents	57,937	57,937	57,937
Total current assets	**321,844**	**322,297**	**322,297**
TOTAL ASSETS	**380,403**	**351,301**	**351,301**
LIABILITIES			
Minority interests	171	171	171
Non-current liabilities			
Employee severance indemnities - benefits	15,404	15,404	15,404
Provisions for risks and charges - non-current portion	1,821	1,821	1,821
Loans - non-current portion	75,072	75,072	75,072
Deferred tax liabilities	10,576	1,319	1,319
Total non-current liabilities	**102,873**	**93,616**	**93,616**
Current liabilities			
Provision for risks and charges - current portion	1,771	1,771	1,771
Trade payables and advances from customers	260,513	260,513	260,513
Current income taxes	2,605	2,605	2,605
Other current operating payables	23,284	23,284	23,284
Loans and other current financial liabilities	71,887	71,887	71,887
Total current liabilities	**360,060**	**360,060**	**360,060**
TOTAL LIABILITIES	**463,104**	**453,847**	**453,847**
Fair value of net assets	**(82,701)**	**(102,546)**	**(102,546)**
Goodwill deriving from combination	**225,008**	**244,853**	
TOTAL COST OF COMBINATION	**142,307**	**142,307**	
Total cost of combination:			
> Payments to seller	137,500	137,500	
> Ancillary acquisition costs	4,807	4,807	
TOTAL COST OF COMBINATION	**142,307**	**142,307**	
Net liquidity used for the acquisition:			
> Cash and cash equivalents of the acquired entity	57,937	57,937	
> Ancillary acquisition costs	(4,807)	(4,807)	
Payments to seller	(137,500)	(137,500)	
Net liquidity used for the acquisition	**(84,370)**	**(84,370)**	

The principal change made by the final allocation with respect to the provisional allocation was to allocate part of the purchase price to the contractual relations with customers included in the business activities acquired, but not recognised in the acquisition balance sheet since they were generated internally prior to the acquisition.
This involved the recognition of additional Other intangible assets of Euro 29,338 thousand, together with the related deferred tax effect of Euro 9,212 thousand, added to the Deferred tax liabilities caption, matched by a reduction in the Goodwill deriving from the combination.

Reconciliation of the consolidated statement of financial position presented in the consolidated financial statements as of 31 December 2008 with the consolidated statement of financial position restated as of 31 December 2008

In order to make comparison between the consolidated statements of financial position as of 31 December 2009 and 31 December 2008 as consistent as possible, as required by IFRS 3, the statement of financial position as of 31 December 2008 has been restated to reflect at that date the final purchase price allocation discussed above.
The balance sheet amounts as of 31 December 2008 reported in the consolidated financial statements as of 31 December 2008 are reconciled below with the balance sheet amounts as of 31 December 2008, as restated by the above adjustment.

Caption	31 december 2008	Restatement of PPA	31 december 2008 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	57,728	-	57,728
Leased property, plant and equipment	4,946	-	4,946
Goodwill	376,254	(19,845)	356,409
Other intangible assets	12,967	29,338	42,305
Investments carried at equity	19,265	-	19,265
Other equity investments	2,836	-	2,836
Non-current financial receivables and other securities	6,708	-	6,708
Other non-current assets	1,414	-	1,414
Deferred tax assets	7,579	217	7,796
Total non-current assets	**489,697**	**9,710**	**499,407**
Current assets			
Inventories	8,448	238	8,686
Trade receivables and advances to suppliers	634,777	(691)	634,086
Current tax receivables	234	-	234
Other current operating receivables	17,074	-	17,074
Receivables and other current financial assets	1,220	-	1,220
Cash and cash equivalents	97,927	-	97,927
Total current assets	**759,680**	**(453)**	**759,227**
Non-current assets held for sale	**6,959**	**-**	**6,959**
Total non-current assets held for sale	**6,959**	**-**	**6,959**
TOTAL ASSETS	**1,256,336**	**9,257**	**1,265,593**

Caption	31 december 2008	Restatement of PPA	31 december 2008 Restated
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	109,150	-	109,150
Reserves	110,855	-	110,855
Retained earnings (losses)	10,566	-	10,566
Net profit (loss) attributable to the Parent Company	20,595	-	20,595
Group shareholders' equity	**251,166**	**-**	**251,166**
Minority interests	**752**	**-**	**752**
Net profit (loss) attributable to minority shareholders	304	-	304
Total minority interests	**1,056**	**-**	**1,056**
Total shareholders' equity	**252,222**	**-**	**252,222**
Non-current liabilities			
Employee severance indemnities - benefits	37,309	-	37,309
Provisions for risks and charges - non-current portion	4,112	-	4,112
Loans - non-current portion	229,708	-	229,708
Deferred tax liabilities	8,719	9,257	17,976
Other non-current liabilities	12	-	12
Total non-current liabilities	**279,860**	**9,257**	**289,117**
Current liabilities			
Provision for risks and charges - current portion	4,315	-	4,315
Trade payables and advances from customers	490,049	-	490,049
Other current operating payables	114,014	-	114,014
Loans and other current financial liabilities	110,531	-	110,531
Total current liabilities	**718,909**	**-**	**718,909**
Liabilities associated with assets held for sale	**5,345**	**-**	**5,345**
Total liabilities associated with assets held for sale	**5,345**	**-**	**5,345**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,256,336**	**9,257**	**1,265,593**

4. BUSINESS COMBINATIONS

Acquisition of Call Center line of business

On 1 January 2009, Altair IFM S.p.A., a subsidiary absorbed by MFM on 1 January 2010, acquired the Call Center line of business from Pirelli & C. Real Estate Property Management S.p.A. The price for this line of business, agreed by the parties to be Euro 15 thousand, was paid in full at the time of acquisition.

Accounting effects of the acquisition

This transaction was a business combination. Accordingly, the purchase method envisaged in IFRS 3 was adopted by the Group to record the transaction.

The value on the acquisition date of the assets and liabilities of the business acquired, the difference between purchase cost and the carrying amounts related to the transaction, and the net liquidity used for the acquisition are shown in the table below:

(in thousands of Euro)	Amount recognised	Carrying amount
ASSETS	**216**	**216**
LIABILITIES	**213**	**213**
Fair value of net assets	**3**	**3**
Goodwill deriving from combination	**12**	
TOTAL COST OF COMBINATION	**15**	
TOTAL COST OF COMBINATION:		
Payments to seller	15	
Ancillary acquisition costs	0	
TOTAL COST OF COMBINATION	**15**	
NET LIQUIDITY USED FOR THE ACQUISITION:		
Cash and cash equivalents of the acquired entity	0	
Ancillary acquisition costs	0	
Payments to seller	(15)	
NET LIQUIDITY USED FOR THE ACQUISITION	**(15)**	

The carrying amount of the net liabilities acquired via the combination was Euro 3 thousand, while the total cost of the combination was Euro 15 thousand.

The difference between purchase cost and the carrying amount of the net assets deriving from the business combination, Euro 12 thousand, was classified as Goodwill as part of the purchase price allocation process.

The net liquidity used for the combination was Euro 15 thousand.

Acquisition of 60% of COFAM S.r.l.

On 15 January 2009, MIA S.p.A., a subsidiary of the MFM Group, acquired 60% of COFAM S.r.l., an SME that maintains lifts and lifting equipment. This acquisition was part of the "Lift" project launched with the formation of MIA S.p.A. to develop the maintenance of lifting equipment as a service that extends the range of integrated facility management services available to customers. The purchase price was Euro 4,058 thousand. Of this, Euro 3,246 thousand was paid on signing the Deed of Sale, while the balance was paid by the purchasing company in 2 tranches of Euro 406 thousand each, in March and May 2009. With regard to the remaining 40% of the capital, the seller granted a call op-

tion to MIA S.p.A. which, in turn, granted a put option to the seller. The present value of the financial liability represented by the put option granted to the seller amounts to Euro 2,990 thousand as of 31 December 2009. This liability is matched by the same amount of goodwill.
Charges related to the acquisition of this investment amounted to Euro 87 thousand.

Accounting effects of the acquisition
This transaction was a business combination. Accordingly, the purchase method envisaged in IFRS 3 was adopted by the Group to record the transaction.
The value on the acquisition date of the assets and liabilities of the company acquired, the goodwill deriving from the transaction and the net liquidity used for the acquisition are shown in the table below:

(in thousands of Euro)	**Amount recognised**	**Carrying amount**
ASSETS		
Property, plant and equipment	12	12
Deferred tax assets	18	18
Inventories	209	209
Trade receivables and advances to suppliers	1,978	1,978
Other current receivables	678	678
Cash and cash equivalents	19	19
TOTAL ASSETS	**2,914**	**2,914**
LIABILITIES		
Minority interests	25	25
Employee severance indemnities - benefits	84	84
Loans - non-current portion	126	126
Deferred tax liabilities	10	10
Loans and other current financial liabilities	1,632	1,632
Trade payables and advances from customers	153	153
Current income taxes	424	424
Other current payables	420	420
TOTAL LIABILITIES	**2,874**	**2,874**
Fair value of net assets	**40**	**40**
Goodwill deriving from combination	**4,105**	
Total cost of combination	**4,145**	
TOTAL COST OF COMBINATION:		
Payments to seller	4,058	
Ancillary acquisition costs	87	
TOTAL COST OF COMBINATION	**4,145**	
NET LIQUIDITY USED FOR THE ACQUISITION:		
Cash and cash equivalents of the acquired entity	19	
Ancillary acquisition costs	(87)	
Payments to seller	(4,058)	
NET LIQUIDITY USED FOR THE ACQUISITION	**(4,126)**	

The fair value of the assets and liabilities acquired via the combination was Euro 40 thousand, while the total cost of the combination was Euro 4,145 thousand.
The difference between purchase cost and the carrying amount of the net assets, Euro 4,105 thousand, has been classified as Goodwill.

The net liquidity used for the combination was Euro 4,126 thousand.
Since the acquisition date, COFAM S.r.l. has contributed Euro 3,010 thousand to Group revenues and a net profit of Euro 505 thousand.

Acquisition of Faceo line of business
On 29 May 2009, Altair IFM S.p.A., a subsidiary absorbed by MFM on 1 January 2010, acquired the Faceo line of business from Faceo Italia S.p.A.. This business provides facility management services (technical maintenance in particular) for the Alcatel-Lucent sites in Vimercate (Milan), Trieste and Battipaglia (Salerno). The price for this line of business, agreed by the parties to be Euro 183 thousand, of which Euro 100 thousand was paid in advance while the balance was settled at the time of acquisition.

Accounting effects of the acquisition
This transaction was a business combination. Accordingly, the purchase method envisaged in IFRS 3 was adopted by the Group to record the transaction.
The value on the acquisition date of the assets and liabilities of the business acquired, the difference between purchase cost and the carrying amounts related to the transaction, and the net liquidity used for the acquisition are shown in the table below:

(in thousands of Euro)	**Amount recognised**	**Carrying amount**
ASSETS		
Property, plant and equipment	15	15
Other intangible assets	309	2
Other current receivables	1	1
TOTAL ASSETS	**325**	**18**
LIABILITIES		
Employee severance indemnities - benefits	49	49
Other current payables	93	93
TOTAL LIABILITIES	**142**	**142**
Fair value of net assets	**183**	**(124)**
Goodwill deriving from combination	**0**	
Total cost of combination	**183**	
TOTAL COST OF COMBINATION:		
Payments to seller	183	
Ancillary acquisition costs	0	
TOTAL COST OF COMBINATION	**183**	
NET LIQUIDITY USED FOR THE ACQUISITION:		
Cash and cash equivalents of the acquired entity	0	
Ancillary acquisition costs	0	
Payments to seller	(183)	
NET LIQUIDITY USED FOR THE ACQUISITION	**(183)**	

The carrying amount of the net liabilities acquired via the combination was Euro 124 thousand, while the total cost of the combination was Euro 183 thousand.
The difference between purchase cost and the carrying amount of the net assets deriving from the business combination, Euro 307 thousand, was allocated to “contracts with customers” and therefore recognised as in increase in Other intangible assets as part of the purchase price allocation process.
The value of the contracts with customers recognised on PPA will be amortised over the related residual contract periods.
The net liquidity used for the combination was Euro 183 thousand.

Acquisition of 100% of COPLIFT S.r.l.

On 30 November 2009, MIA S.p.A., a subsidiary of the MFM Group, acquired the entire equity interest in COPLIFT S.r.l. from the four individual quotaholders.

This company has been active since 2001 in the sale, installation and maintenance of passenger and goods lifts, escalators and lifting equipment in general.

This acquisition was part of the "Lift" project, discussed earlier, that was launched with the formation of MIA S.p.A. The purchase price of Euro 526 thousand was paid at the time of acquisition; purchase-related costs amounted to Euro 16 thousand.

Accounting effects of the acquisition

This transaction was a business combination. Accordingly, the purchase method envisaged in IFRS 3 was adopted by the Group to record the transaction.

The value on the acquisition date of the assets and liabilities of the company acquired, the goodwill deriving from the transaction and the net liquidity used for the acquisition are shown in the table below:

(in thousands of Euro)	Amount recognised	Carrying amount
ASSETS		
Property, plant and equipment	14	14
Other intangible assets	2	2
Deferred tax assets	4	4
Inventories	45	45
Trade receivables and advances to suppliers	164	164
Other current receivables	25	25
Cash and cash equivalents	4	4
TOTAL ASSETS	**258**	**258**
LIABILITIES		
Employee severance indemnities - benefits	25	25
Loans - short term	107	107
Trade payables and advances from customers	46	46
Other current payables	68	68
TOTAL LIABILITIES	**246**	**246**
Fair value of net assets	**12**	**12**
Goodwill deriving from combination	**530**	
Total cost of combination	**542**	
TOTAL COST OF COMBINATION:		
Payments to sellers	526	
Ancillary acquisition costs	16	
TOTAL COST OF COMBINATION	**542**	
NET LIQUIDITY USED FOR THE ACQUISITION:		
Cash and cash equivalents of the acquired entity	4	
Ancillary acquisition costs	(16)	
Payments to sellers	(526)	
NET LIQUIDITY USED FOR THE ACQUISITION	**(538)**	

The fair value of the net liabilities acquired via the combination was Euro 12 thousand, while the total cost of the combination was Euro 542 thousand.

The difference between purchase cost and the carrying amount of the net assets deriving from the business combination, Euro 530 thousand, was classified as Goodwill as part of the purchase price allocation process.

The net liquidity used for the combination was Euro 538 thousand.

Acquisition of 100% of M.P.E. S.r.l.

On 4 December 2009, MIA S.p.A., a subsidiary of the MFM Group, acquired 100% of the capital of M.P.E. S.r.l., previously held by Umberto Ferroni (90%) and ETRIER S.r.l. (10%), a small company active in the lift maintenance sector. This acquisition was part of the "Lift" project, discussed earlier, that was launched with the formation of MIA S.p.A. The purchase price was Euro 1,363 thousand, of which Euro 800 thousand was paid at the time of acquisition, while the balance of Euro 563 thousand was settled on 18 January 2010.

Charges related to the acquisition of this investment amounted to Euro 43 thousand.

Accounting effects of the acquisition

This transaction was a business combination. Accordingly, the purchase method envisaged in IFRS 3 was adopted by the Group to record the transaction.

The value on the acquisition date of the assets and liabilities of the company acquired, the goodwill deriving from the transaction and the net liquidity used for the acquisition are shown in the table below:

(in thousands of Euro)	Amount recognised	Carrying amount
ASSETS		
Property, plant and equipment	7	7
Inventories	37	37
Trade receivables and advances to suppliers	194	194
Other current receivables	23	23
Cash and cash equivalents	211	211
TOTAL ASSETS	**472**	**472**
LIABILITIES		
Employee severance indemnities - benefits	103	103
Trade payables and advances from customers	76	76
Other current payables	80	80
TOTAL LIABILITIES	**259**	**259**
Fair value of net assets	**213**	**213**
Goodwill deriving from combination	**1.193**	
Total cost of combination	**1.406**	
TOTAL COST OF COMBINATION:		
Payments to sellers	800	
Due to sellers	563	
Ancillary acquisition costs	43	
TOTAL COST OF COMBINATION	**1.406**	
NET LIQUIDITY USED FOR THE ACQUISITION:		
Cash and cash equivalents of the acquired entity	211	
Ancillary acquisition costs	(43)	
Payments to seller	(800)	
NET LIQUIDITY USED FOR THE ACQUISITION	**(632)**	

The fair value of the assets and liabilities acquired via the combination was Euro 213 thousand, while the total cost of the combination was Euro 1,406 thousand.
The difference between purchase cost and the carrying amount of the net assets, Euro 1,193 thousand, has been classified as Goodwill.
The net liquidity used for the combination was Euro 632 thousand.
As of 31 December 2009, the residual liability to the sellers amounts to Euro 563 thousand.

5. PROPERTY, PLANT AND EQUIPMENT

The following table reports the changes in tangible fixed assets (both owned and held under finance leases) during the year ended 31 December 2009. The historical cost and accumulated depreciation at the start and end of the year are shown at the bottom of the table.

(in thousands of Euro)	Property	Plant and equipment	Leased property	Leased plant and equipment	TOTAL
As of 1 January 2009, net of accumulated depreciation and impairment	**3,835**	**53,893**	**338**	**4,608**	**62,674**
Increases (business combinations)		48			48
Increases (additions)	831	21,052		3,619	25,502
PlImpairment				0	0
Decreases		(2,058)		(50)	(2,108)
Depreciation charge for the year	(218)	(22,025)	(18)	(1,263)	(23,524)
Other	0	383	95	(383)	95
As of 31 December 2009	**4,448**	**51,293**	**415**	**6,531**	**62,687**
As of 1 January 2009					**0**
Cost	4,768	178,818	426	11,233	195,245
Accumulated depreciation and impairment	(933)	(124,925)	(88)	(6,625)	(132,571)
NET CARRYING AMOUNT	**3,835**	**53,893**	**338**	**4,608**	**62,674**
As of 31 December 2009					**0**
Cost	6,691	191,675	521	11,810	210,697
Accumulated depreciation and impairment	(2,243)	(140,382)	(106)	(5,279)	(148,010)
NET CARRYING AMOUNT	**4,448**	**51,293**	**415**	**6,531**	**62,687**

The increases in plant and equipment due to business combinations, Euro 48 thousand, relate to the plant of the companies and lines of business acquired during the year.

Additions to property in 2009 of Euro 831 thousand reflect the leasehold improvements contributed by Altair IFM S.p.A..

Purchases of plant and equipment during 2009 amounted to Euro 21,052 thousand, compared with additions of Euro 19,617 thousand in 2008. They principally included Euro 16,962 thousand in the form of linens used in the laundering business and the purchase of specific plant and equipment for that business, while the balance mainly related to assets under construction and purchases of equipment for the facility management business and hardware for the Group's IT systems. This investment was principally made by Manutencoop Facility Management, Euro 2,204 thousand, companies in the Altair Group, Euro 1,150 thousand, and the Sicura Group, Euro 567 thousand.

Additions to leased plant and equipment during 2009 amounted to Euro 3,619 thousand and mainly, Euro 3,400 thousand, related to long-term rights to use the co-generation plant installed at the hospital in Como.

In particular, under a contract signed with Progetto Nuovo Sant'Anna S.r.l., the associated company that owns this plant, S.AN.GE S.c.a.r.l., a subsidiary, has the right to manage it for the duration of the contract; all the revenues and benefits deriving from plant management will accrue solely to S.AN.GE S.c.a.r.l., in exchange for the obligation to supply electricity and steam to Como Hospital and the payment of an annual fee to Progetto Nuovo Sant'Anna S.r.l..

Decreases in 2009 of Euro 2,058 thousand mainly relate to the disposal by the parent company of its IT line of business to Engineering.it S.p.A., as well as the retirement of linens that are no longer usable totalling Euro 848 thousand.

The other changes principally reflect the redemption of leased plant by Servizi Ospedalieri totalling Euro 383 thousand.

The following table reports the changes in property, plant and equipment (both owned and held under finance leases) during the year ended 31 December 2008. The historical cost and accumulated depreciation at the start and end of the year are shown at the bottom of the table.

(in thousands of Euro)	Property	Plant and equipment	Leased property	Leased plant and equipment	TOTAL
As of 1 January 2008, net of accumulated depreciation and impairment	**0**	**39,141**		**5,829**	**44,970**
Increases (business combinations)	3,835	14,708	338	1,036	19,917
Increases (additions)	0	19,617		239	19,856
Impairment		(7)		0	(7)
Decreases		(744)		0	(744)
Depreciation charge for the year	0	(19,838)	0	(1,431)	(21,269)
Other	0	1,015	0	(1,064)	(49)
As of 31 December 2008	**3,835**	**53,893**	**338**	**4,608**	**62,674**
As of 1 January 2008					**0**
Cost	0	124,366		12,409	136,775
Accumulated depreciation and impairment		(85,225)		(6,580)	(91,806)
NET CARRYING AMOUNT	**0**	**39,141**	**0**	**5,829**	**44,969**
As of 31 December 2008					**0**
Cost	4,768	178,973	426	11,233	195,400
Accumulated depreciation and impairment	(933)	(125,080)	(88)	(6,625)	(132,726)
NET CARRYING AMOUNT	**3,835**	**53,893**	**338**	**4,608**	**62,674**

6. INTANGIBLE ASSETS

The following table reports the changes in intangible assets during the year ended 31 December 2009. The historical cost and accumulated amortisation at the start and end of the year are shown at the bottom of the table.

(in thousands of Euro)	Other intangible assets	Goodwill	Total
Restated cost as of 1 January 2009, net of accumulated amortisation and impairment	**42,305**	**356,409**	**398,714**
Increases (business combinations)	311	28,536	28,847
Increases (additions)	2,664		2,664
Amortisation charge for the year	(14,454)		(14,454)
Impairment			
Other		(40)	(40)
As of 31 December 2009	**30,826**	**384,905**	**415,731**
As of 1 January 2009			
Cost	49,194	356,640	405,834
Accumulated amortisation and impairment	(6,889)	(231)	(7,120)
NET CARRYING AMOUNT	**42,305**	**356,409**	**398,714**
As of 31 December 2009			
Cost	52,169	385,136	428,014
Accumulated amortisation and impairment	(21,343)	(231)	(12,283)
NET CARRYING AMOUNT	**30,826**	**384,905**	**415,731**

The increase in Goodwill attributable to business combinations amounted to Euro 28,536 thousand in 2009, representing the additional cost incurred by the Group with respect to the fair value of the net assets obtained on the acquisition of companies and lines of business during the year; this amount is analysed below (in thousands of Euro):

› Acquisition of Cofam S.r.l.	4,105
› Acquisition of Call Center business	12
› Acquisition of Coplift S.r.l.	530
› Acquisition of M.P.E. S.r.l.	1,193
› Recognition of put option - Sicura S.r.l.	19,731
› Recognition of put option - Cofam S.r.l.	2,965
› **TOTAL BUSINESS COMBINATIONS**	**28,536**

The Group's other intangible assets mainly comprise those deriving from business combinations measured at fair value as part of the PPA process. These total Euro 24,044 thousand at year end and are analysed as follows (in thousands of Euro):

› PPA Altair Group	18,908
› PPA Gestin	2,310
› PPA Delivery	32
› PPA Faceo line	244
› PPA SEC	2,550
› **TOTAL**	**24,044**

The increases in 2009 due to business combinations, Euro 311 thousand, principally related to recognition of the " Alcatel-Lucent" service contracts acquired together with the Faceo line of business.

The other intangible assets not already discussed mostly consist of software, which is amortised on a straight-line basis over its expected useful life.
The increases in 2009 are also almost entirely attributable to the purchase of software.

The amortisation charged in relation to intangible assets in 2009 amounted to Euro 14,454 thousand, compared with Euro 1,433 thousand in the prior year, and mainly comprised the amortisation of intangible assets deriving from the business combinations, Euro 11,619 thousand.

The following table reports the changes in intangible assets during the year ended 31 December 2008. The historical cost and accumulated amortisation at the start and end of the year are shown at the bottom of the table.

(in thousands of Euro)	Other intangible assets	Goodwill	Total
As of 1 January 2008, net of accumulated amortisation and impairment	**5,048**	**112,093**	**117,141**
Increases (business combinations)	35,805	238,838	274,643
Increases (additions)	3,597	6,046	9,643
Amortisation charge for the year	(2,145)		(2,145)
Impairment		(5)	(5)
Other		(563)	(563)
As of 31 December 2008, restated	**42,305**	**356,409**	**398,714**
As of 1 January 2008			
Cost	9,792	112,319	122,111
Accumulated amortisation and impairment	(4,744)	(226)	(4,970)
NET CARRYING AMOUNT	**5,048**	**112,093**	**117,141**
As of 31 December 2008			
Cost	49,194	356,640	405,834
Accumulated amortisation and impairment	(6,889)	(231)	(7,120)
NET CARRYING AMOUNT, RESTATED	**42,305**	**356,409**	**398,714**

7. IMPAIRMENT TESTING OF RECORDED GOODWILL

During 2009, Group management completed major work on the reorganisation of the entire Group, following the substantial acquisitions made at the end of 2008 including, in particular, the acquisition of the Altair group (formerly the Pirelli & C. RE Integrated Facility Management group).
This significant reorganisation has involved all lines of business and all corporate functions with a view to maximising, as early as possible, the synergies released by the recent acquisitions.

Specifically, this reorganisation has involved:
- the absorption by Manutencoop Facility Management S.p.A., from 1 January 2010, of Altair IFM S.p.A., Gestin Facility S.p.A., Integra FM B.V. and Teckal S.p.A.;
- the absorption by MP Facility S.p.A., from 1 January 2010, of MCB S.p.A.;
- the formation of Ma.Co. S.p.A. on 12 November 2009, and the subsequent contribution to this company of MFM's building sector line of business;
- identification of the "Project and Energy" line of business, ahead of a possible spin-off during 2010;
- centralisation within MFM post merger, from 1 January 2010, of various functions, such as: "sales, development and technical sales", certain business support functions and strategy and control functions.

This business reorganisation has been reflected by changes in management control, with the identification of three strategic business areas (ASA).
The following ASA have been identified:

ASA – Facility Management
This ASA includes:
1. MFM, Altair IFM S.p.A., Gestin Facility S.p.A., Integra B.V. (holding company for the Altair subgroup) and Teckal S.p.A. except for the Project and Energy sector;
2. MP Facility S.p.A. and MCB S.p.A., together representing the new, MP Facility S.p.A. following its absorption of MCB S.p.A. with effect from 1 January 2010;
3. Altair France S.A. and Gestin Polska Sp.zo.o., companies operating in the facility management sector abroad;
4. MIA S.p.A., SMAIL S.p.A. and the group reporting to Gruppo Sicura S.r.l., operating in the facility management sector as suppliers of specialist services;
5. Other smaller companies operating in the facility management sector.

ASA - Laundering & Sterilisation
This ASA essentially comprises Servizi Ospedalieri S.p.A. following its absorption of OMASA S.p.A. with effect from 1 July 2009. The two companies, both active in the laundering of linens for hospitals and the sterilisation of linens and surgical instruments, were already grouped in the same CGU throughout 2009 despite being two separate legal entities.

ASA – Other activities
This ASA includes:
1. the Project & Energy sector, comprising project management activities and the construction of cogeneration plant and solar power installations, principally by Altair S.p.A. which was absorbed by MFM with effect from 1 January 2010;
2. Manutencoop Costruzioni S.p.A., a new company to which the Group's building line of business has been contributed.

This new configuration reflects the more evolved vision of the business adopted by the management of the MFM Group, which envisages the offer of an increasingly complete range of services, no longer tied to specific companies or business units.
The process of reducing the number of legal entities via business combinations, consistent with the business model adopted, and the objective of managing and monitoring the services offered without regard for the legal entity concerned, have resulted in the definition of CGUs that are no longer legal-entity based.

With regard to the proper final PPA for the acquisitions made at the end of 2009, MFM decided that the CGUs used for impairment testing purposes should also reflect, consistent with the reference accounting standards, the ASA structure described above.
This allocation to CGUs is in fact fully consistent with the way CGUs are defined in IAS 36, which requires the calculations used when performing impairment tests to be consistent with the reports used by key decision makers when monitoring business performance and determining future development policies.

The carrying amounts of the goodwill reported in the consolidated financial statements as of 31 December 2009 are compared below with the related values as of 31 December 2008, as restated to take account of the final allocation of the purchase price paid for Integra IFM BV (see note 3 in this regard) and the aggregation of the CGUs, previously mainly defined by legal entity, into the ASAs described above:

ARRYING AMOUNT OF CONSOLIDATED GOODWILL

(in thousands of Euro)	31 december 2009	31 december 2008 Restated
Goodwill allocated to the Facility Management CGU	370,224	341,728
Goodwill allocated to the Laundering/Sterilisation CGU	12,810	12,810
Goodwill allocated to the Other CGU	1,871	1,871
TOTAL GOODWILL	**384,905**	**356,409**

Goodwill is subjected to impairment testing on an annual basis.

Impairment is tested by comparing the carrying amounts reported in the consolidated financial statements for the individual CGUs with their value in use, determined by discounting their expected cash flows over a reasonable period (not exceeding four years). These cash flows are taken from the business plans prepared by senior management and approved by the Board of Directors of the Parent Company. Where possible, to assist with impairment testing, the carrying amount of the CGUs has been compared with their fair values estimated with reference to the implicit multiples of competitors listed on regulated markets, and the multiples implicit in recent transactions involved companies operating in the same business sector.
The business plans used for the analyses described in this note were revised in December 2009 and approved by the Management Board of MFM S.p.A. on 22 December 2009.

The prudent assumptions made include steady growth (of between 0% and 2%, being lower than the growth rates forecast by external observers and the average growth in revenues from Group activities generated by the various Group companies in recent years) in the cash flows for the periods subsequent to those for which specific estimates are available.

Goodwill of the facility management CGU

The goodwill allocated to the facility management CGU, Euro 370,224 thousand as of 31 December 2009 (31 December 2008 restated: Euro 341,728 thousand), was recognised following various business combinations, the most important of which are listed below:

- 'Palladio', on 29 December 2003, as a result of which the Group acquired control over the line of business providing technical facility management services that was previously part of Manutencoop Soc. Coop.;
- 'MCB', as a result of which the Group established an initial nucleus of facility management services for so-called network customers (banks, insurance companies etc.);
- 'Teckal', as a result of which the Group strengthened its production of traditional facility management services including, in particular, heat management services;
- 'Altair', the largest acquisition, as a result of which the Group was able to re-balance its customer portfolio towards large private customers, identifying a need to reorganise the entire Group;
- 'Sicura', as a result of which work to expand the range of specialist facility management services has commenced.

The absorption by MFM S.p.A. of Teckal, Altair IFM S.p.A. and Gestin Facility S.p.A. (the principal providers of traditional facility management services) took effect on 1 January 2010, together with the merger of MP Facility S.p.A. and MCB S.p.A., the two Group companies that provide facility management services to network customers.

The recoverable value of the goodwill allocated to the facility management CGU was determined with reference to its value in use. The calculations were performed using the cash flow projection contained in the latest financial plan, which covers a time period of three years. The discounting rate applied to the forecast cash flows was 8.1% (2008: 7.4%) and the cash flows after three years were extrapolated using a constant growth rate of 1% (2008: 2%). This growth rate is deemed to be prudent, considering the much higher growth rates expected by external observers and the average growth in the revenues from facility management services recorded by the Group in recent years.

Goodwill of the Laundering/Sterilisation CGU

The goodwill allocated to the Laundering & Sterilisation CGU was principally recognised on the acquisition of Omasa S.p.A., a company active in the sterilisation of surgical instruments and linens, and also in relation to a number of small acquisitions made by Servizi Ospedalieri, a company active in the laundering and sterilisation sector, as well as on the acquisition of AMG S.r.l., a joint venture.

Omasa and Servizi Ospedalieri, already monitored as a single entity by the Group's senior management from the 4th quarter of 2008, were merged with effect from 1 July 2009.

The total goodwill attributable to the Laundering/Sterilisation CGU, Euro 12,810 thousand as of 31 December 2009 (31 December 2008: Euro 12,810 thousand), has been subjected to impairment testing using the following assumptions:

- Discounting of the cash flows contained in the financial plan approved by senior management, covering a time period of three years,
- Extrapolation of the cash flows beyond the third year using a constant growth rate of 1%,
- Application of a discounting rate to the forecast cash flows of 6.9% (2008: 6.3%).

Goodwill of the Other CGU

The goodwill allocated to the Other CGU relates to the Project & Energy Management sector and was recognised on the acquisition of Altair IFM S.p.A. and Integra Energy S.r.l., which are both subsidiaries. In addition to the supply of facility management services, Altair IFM S.p.A. carries out project and energy management activities, while Integra Energy S.r.l. acts as an intermediary in the purchase and sale of electricity; from 1 January 2010, part of these activities will be performed by MFM S.p.A. following the absorption from that date of Altair IFM S.p.A. by the Parent Company.

The total goodwill attributable to the Other CGU, Euro 1,871 thousand as of 31 December 2009 (unchanged with respect to the restated amount as of 31 December 2008), has been subjected to impairment testing using the following assumptions:

- Discounting of the cash flows contained in the financial plan approved by senior management, covering a time period of three years,
- Extrapolation of the cash flows beyond the third year using a growth rate of zero,
- Application of a discounting rate to the forecast cash flows of 7.8%.

Assumptions used to calculate the value in use of the Group's cash-generating units as of 31 December 2009

The principal assumptions underlying the cash flow projections used by the directors for impairment testing purposes are indicated below:

- Forecast operating profits: determined by projecting forward the current backlog of service contracts and making prudent assumptions about the acquisition of new work, considering the growth of the markets in which the Group operates.
- Changes in net working capital: estimated with reference to the target days for inventory rotation, the settlement of payables and the collection of receivables.

For all three CGUs, analysis has confirmed that their recoverable values considerably exceed the related carrying amounts and that, therefore, no impairment adjustments of any kind are required.

At such a delicate moment for the country's entire economic system, the Group deemed it appropriate to confirm the valuations obtained using the DCF method with a valuation based on implicit market multiples, obtained both by analysing a cluster of competitors listed on regulated markets and by analysing market transactions involving companies operating in the same markets as the Group.

The valuations based on implicit market multiples also confirmed that the recoverable value of the CGUs considerably exceeds their carrying amounts.

8. INVESTMENTS IN JOINT VENTURES

The Group holds 10 investments in joint ventures, which are listed in the consolidation principles section of note 2 above.
These are essentially companies and consortiums not listed on regulated markets whose objects are to govern relations within temporary business associations formed to provide certain facility management services under contract. The ten companies are: Altair Zander Italia S.r.l., A.M.G. S.r.l., Consorzio Leader Soc.Cons. a r.l., Global Maggiore Bellaria Soc.Cons. a r.l., Legnago 2001 Soc.Cons. a r.l., Malaspina Energy Soc.Cons. a r.l., SCAM Soc.Cons. a r.l., Servizi Luce Soc.Cons. a r.l., Servizi Sportivi Brindisi Soc. Cons. a r.l., Duc Gestione Sede Unica Soc. Cons. a r.l.

The Group's interest in the combined value of the assets, liabilities, revenues and results of the above companies as of and for the year ended 31 December 2009, included in the consolidated financial statements, is presented below in comparison with the related amounts as of and for the year ended 31 December 2008:

(in thousands of Euro)	31 December 2009	31 December 2008
Non-current assets	2,553	1,473
Current assets	6,740	6,527
TOTAL	**9,293**	**8,000**
Non-current liabilities	1,744	711
Current liabilities	6,361	6,907
TOTALE	**8,105**	**7,618**

(in thousands of Euro)	2009	2008
Revenues	7,826	6,347
Operating costs	(7,607)	(6,515)
OPERATING RESULTS	219	(168)
Results of financial management	(74)	(14)
PROFIT(LOSS) BEFORE TAXATION	145	(154)
Current and deferred taxation	(69)	34
NET RESULTS FOR THE YEAR	**76**	**(148)**

9. INVESTMENTS IN ASSOCIATES MEASURED USING THE EQUITY METHOD

The Group holds certain investments in associates that, in the consolidated financial statements, are measured using the equity method. These companies are listed in the consolidation principles section of note 2 above.
As of 31 December 2009, the equity investments carried at equity amount to Euro 12,305 thousand, as analysed below:

(in thousands of Euro)	% interest	Net assets 31/12/2008	Purchases / disposals	Dividends	Revaluations	Writedowns	Effect on SE	Net assets 31/12/2009	Value investment 31/12/2009
Global Provincia di Rimini Soc.Cons. a R.L.	42.40%	4						4	4
Bologna Più Soc.Cons. a R.L.	25.68%	77	(72)					5	5
Como Energia Soc.Cons. a R.L.	20.00%	31				(9)		22	22
Global Riviera Soc.Cons. a R.L.	23.11%	9						9	9
P.B.S. Soc.Cons. a R.L.	25.00%	25						25	25
Consorzio Energia Servizi BO	24.25%	3						3	3
Bologna Multiservizi Soc.Cons. a R.L.	39.00%	4						4	4
MCB Emirates LLC	49.00%	-						-	-
Tower Soc.Cons. a r.l.	20.17%	20						20	20
Ser.San. Servizi Sanitari S.p.A.	20.00%	60						60	60
San Martino 2000 Soc.Cons. a r.l.	40.00%	4						4	4
Co.S.I.S. Soc.Cons. a r.l.	26.33%	(4)			4			-	-
GICO Systems Srl	20.00%	30			2			32	32
Newco DUC Bologna S.p.A.	24.90%	1,547				(192)	(400)	955	955
SE.SA.MO. S.p.A.	20.91%	751			42			793	793
F.lli Bernard S.r.l.	20.00%	454			27			481	481
Terzatorre S.p.A.	32.00%	1,469	(1,469)					-	-
ROMA Multiservizi S.p.A.	45.47%	9,651		(3,187)	1,298		(43)	7,719	7,719
Servizi Napoli 5 Soc. Cons. a r.l.	45.00%	5						5	5
Steril Piemonte Soc. Cons. a r.l.	25.00%	993				(2)		991	991
Edex s.r.l.	45.00%	290				(290)		-	-
IPP s.r.l.	25.00%	107	494			(26)		575	575
Global Vicenza	41.25%	4						4	4
Alisei s.rl. in liquidazione	100.00%	(10)				(4)		(14)	-

INVESTMENTS IN ASSOCIATES MEASURED USING THE EQUITY METHOD

(in thousands of Euro) as of 31 December 2009	% interest	Net assets 31/12/2008	Purchases / disposals	Dividends	Revaluations	Writedowns	Effect on SE	Net assets 31/12/2009	Value investment 31/12/2009
Fleur Bruzia s.r.l. in liquidazione	100.00%	-						-	-
Consorzio Polo sterilizzazione Integ.	60.00%	23						23	23
Gymnasium soc. cons. a r.l. in liq.	68.00%	7						7	7
Geslotto 6 soc. cons. a r.l.	55.00%	50						50	50
Legnago 2001 soc. cons. a r.l.	50.00%	5	(5)					-	-
Servizi Sanitari Treviso (SE.SA.TRE)	40.00%	8						8	8
Bologna Gestione Patrimonio	27.58%	6						6	6
Promoz. Impr. e Territ. Soc.Cons.	100.00%	142				(13)		129	129
Progetto Nuovo Sant'Anna	49.50%	(8)				(447)	258	(197)	
Sanco soc. cons. a r.l.	37.50%	-	3					3	3
Headmost division service	25.00%	520				(270)		250	250
Telepost	20.00%	24						24	24
LIVIA SOC CONS R.L.	34.10%	-	3					3	3
Costruzione Manutenzione Immobili	40.00%	2,942		(2,880)	29			91	91
Net carrying amount Inc.:		**19,243**	**(1,046)**	**(6,067)**	**1,402**	**(1,253)**	**(185)**	**12,094**	**12,305**
Value of investments		**19,265**						**12,305**	
Provisions		**(22)**						**(211)**	

The Group's 2009 share of the net profit generated by the above companies carried at equity amounted to Euro 341 thousand, reflecting revaluations of Euro 1,592 thousand and writedowns of Euro 1,251 thousand.

With regard to Terzatorre S.p.A., the Parent Company sold 23% of that company's shares to other shareholders for Euro 1,012 thousand, thus reducing its equity interest to 10%. This investment has therefore been reclassified among the *Other investments* and will no longer be measured using the equity method.

10. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets as of 31 December 2009 and 31 December 2008 are analysed below:

(in thousands of Euro)	31 december 2009	31 december 2008
Other equity investments	3.301	2.836
Non-current receivables and financial assets	15.694	6.708
TOTAL	**18.995**	**9.544**

The financial assets classified as Other equity investments comprise investments in companies that are not subsidiaries or associates, but which are held for strategic-productive reasons. These investments are associated with production sites and, occasionally, laundry centres (small businesses undertaking industrial laundry work, which can operate as sub-contractors to Servizi Ospedalieri if needed).

They principally represent holdings in consortiums formed for the allocation of costs. This caption is measured at purchase or formation cost, since there is no active market in these securities which, in most cases, cannot be freely sold to third parties due to contractual regulations and restrictions that effectively prevent their transfer.

The increase during 2009 was Euro 465 thousand.

Non-current receivables and financial assets, amounting to Euro 15,694 thousand as of 31 December 2009, comprise:

- Non-current loans to associates of Euro 13,492 thousand (2008: Euro 513 thousand). Certain loans to associates are interest-free, having been granted proportionately by each consortium member; accordingly, they have been discounted with reference to the expected residual maturities, applying Eurirs uplifted by 0.5%. The nominal value of these loans is Euro 13,524 thousand (2008: Euro 879 thousand) while the related discounting provision amounts to Euro 32 thousand (2008: 366 thousand).
- Non-current loans to third parties of Euro 2,202 thousand (2008: Euro 6,194 thousand). Non-current loans include Euro 781 thousand arising from the transfer of the IT line of business to Engineering.it S.p.A..

11. OTHER NON-CURRENT ASSETS

The other non-current assets mainly consist of guarantee deposits relating to long-term production contracts and long-term deferrals on certain contracts. These amount to Euro 1,730 thousand as of 31 December 2009, up by Euro 316 thousand since 31 December 2008. This increase is again mostly attributable to the Altair group.

12. INVENTORIES

(in thousands of Euro)	31 december 2009	31 december 2008
Raw, ancillary and consumable materials and goods	7,087	8,454
Work in process and semi-finished products	52	238
Finished products	6	
Allowance for inventories	(6)	(6)
CARRYING AMOUNT	**7,139**	**8,686**

Inventories of raw materials comprise the materials held awaiting use at production sites, stated at weighted-average purchase cost, the goods (mostly safety and fire-prevention devices) held by the Sicura Group, and the fuel held in the tanks of customers who have outsourced their heat management to the Group.
The reduction in total inventories gross of the related allowance by Euro 1,548 since 31 December 2008 was mainly attributable to the Altair group.

13. TRADE RECEIVABLES AND OTHER CURRENT RECEIVABLES

This caption is analysed below as of 31 December 2009 and 31 December 2008:

(in thousands of Euro)	31 december 2009	31 december 2008
Contract work in progress	18,735	16,942
Gross trade receivables	625,863	605,869
Allowance for doubtful accounts	-17,290	-13,186
Provision for discounting of trade receivables	-546	-982
Due from third parties	**626,762**	**608,643**
Due from parent companies	299	727
Due from associates	21,082	23,479
Due from group companies	**21,381**	**24,206**
Advances to suppliers	1,374	1,237
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	**649,517**	**634,086**
Other tax receivables due within 12 months	6,278	4,637
Other current receivables due from third parties	5,810	7,774
Due from social security institutions - short term	883	1,225
Due from employees - short term	289	298
Other current operating receivables due from third parties	**13,260**	**13,934**
Other current receivables due from MNTC Soc. Coop.	18	1,416
Other current operating receivables due from group companies	**18**	**1,416**
Accrued income	1	12
Prepaid expenses	1,479	1,712
Accrued income and prepaid expenses	**1,480**	**1,724**
OTHER CURRENT OPERATING RECEIVABLES	**14,758**	**17,074**

The terms and conditions applying to the amounts due from related parties are discussed in note 36.

Trade receivables and advances to suppliers have increased from Euro 634,086 thousand to Euro 649,517 thousand. They comprise receivables that do not earn interest which, in general, are contractually collectible between 30 and 90 days.
This increase (Euro 15,431 thousand) reflects higher revenues deriving from growth in the volume of business.
Since the Group's customers include numerous public entities, which notoriously pay very late, the trade receivables due from third parties have been discounted to their present value.
The changes in the provision for discounting of trade receivables during 2009 are analysed below:

(in thousands of Euro)	31 December 2008	Increases	Releases	Other	31 December 2009
Provision for discounting of trade receivables	982	197	(520)	(113)	546

The overall reduction in the provision for the discounting of trade receivables was principally due to the fall in market interest rates.

Doubtful receivables that may not be fully recoverable are covered by a specific allowance for doubtful accounts, Euro 17,290 thousand as of 31 December 2009 (Euro 13,186 thousand as of 31 December 2008), which is deemed adequate with respect to known disputes at year end.

The changes in the allowance for doubtful accounts during the year ended 31 December 2009 are reported below:

(in thousands of Euro)	31 December 2008	Increases	Utilisations	Releases	Business combinations	31 December 2009
Allowance for doubtful accounts	13,186	4,954	(772)	(371)	293	17,290

The trade receivables which were overdue but not written down or in dispute as of 31 December 2009 are analysed below on a comparative basis:

in thousands of Euro)			Overdue but not written down				
	Total	Not overdue or or written down	< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	beyond 120 days
31 December 2009	608,573	419,902	49,757	27,953	15,639	18,217	77,105
31 December 2008	592,710	447,180	27,601	31,041	16,137	7,362	63,389

The above balances are stated net of written-down receivables but gross of the discounting effect referred to above.

The assignment of trade receivables to Calyon S.A. Corporate & Investment Bank continued during 2009, under the contract signed in 2007 which was renewed in 2009 (the contract is renewable for 5 years). This contract envisages the factoring of receivables on a quarterly basis under a revolving facility. The receivables are sold without recourse during the last ten days of each quarter and the total nominal

value assigned during 2009 was Euro 313,755 thousand (2008: Euro 289,773 thousand). Given the characteristics of the operation, the assigned receivables have been derecognised and the costs of the credit discount (see note 28), Euro 1,029 thousand (2008: Euro 957 thousand) and the interest discount, Euro 3,236 thousand (2008: Euro 8,084 thousand), totalling Euro 4,265 thousand (2008: Euro 9,042 thousand), were charged to the income statement.
As of 31 December 2009, the receivables assigned by the Group but not yet collected by Calyon amount to Euro 108,872 thousand.
Considering historical experience with the debtors concerned, the credit collection risk is extremely low while the risk of late payment is more significant given that the amounts are due from public bodies.
As part of the factoring operation, the Group has given two guarantees for a total nominal amount of Euro 14,986 thousand; in view of the characteristics of the operation and the available impediments to collection against these guarantees, the fair value of the underlying financial guarantees is estimated to be Euro 117 thousand (31 December 2008: Euro 99 thousand). This amount has been classified among the *Loans and other current financial liabilities*. The difference with respect to their fair value as of 31 December 2008 has been recognised as financial expense.

Contract work in progress, which has increased from Euro 16,942 thousand to Euro 18,735 thousand, mainly relates to contracts for the construction or restructuring of buildings, and to contracts for the upgrading of installations, which are increasingly included in the long-term contracts for the provision of integrated or global services.

Other current receivables have decreased from Euro 17,074 thousand in 2008 to Euro 14,758 thousand in 2009. In particular:
- Tax receivables totalling Euro 6,278 thousand (2008: Euro 4,637 thousand), principally comprise the VAT recoverable by certain Group companies.
- Other receivables of Euro 2,178 thousand (31 December 2008: Euro 2,176 thousand) represent current account balances held with Banca di Roma and managed for and in the name of INPDAP, as envisaged in the property management contract signed with that entity. These accounts are currently frozen by the Court, following a dispute that arose with INPDAP. The classification of these amounts as Other current receivables is deemed to be fair, not least because they directly relate to the "Other amounts due to INPDAP" caption (see note 21).

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

The balances as of 31 December 2009 and 31 December 2008 are analysed below:

CASH AND CASH EQUIVALENTS, RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS

(in thousands of Euro)	31 december 2009	31 december 2008
Bank and postal current accounts and deposits	75,890	91,247
Cash and instruments on hand	649	669
Deposits with consortiums	3,263	6,011
CASH AND CASH EQUIVALENTS	**79,802**	**97,927**
Loans to third parties - current portion	1,790	1,023
Loans to MNTC Group - current portion	170	197
CURRENT FINANCIAL RECEIVABLES	**1,960**	**1,220**

Cash and cash equivalents have decreased from Euro 97,927 thousand as of 31 December 2008 to Euro 79,802 thousand as of 31 December 2009 (down by Euro 18,125 thousand).

Bank deposits earn interest at the respective short-term rates.
The amounts deposited with Consorzio Cooperativo Finanziario per lo Sviluppo (C.C.F.S.) and Consorzio Cooperative Costruzioni (C.C.C.), comprising the deposits with consortiums, are readily available and earn interest. These amounts have decreased by Euro 2,748 thousand since 31 December 2008.

The Parent Company has unused lines of credit totalling Euro 76,036 thousand as of 31 December 2009 (2008: Euro 121,676 thousand).

Current financial receivables amount to Euro 1,960 thousand as of 31 December 2009, including Euro 1,790 thousand due from third parties, while Euro 170 thousand relates to short-term loans to associates.
Current financial receivables due from third parties as of 31 December 2009 include Euro 1,023 thousand claimed from the seller of SMAIL. This balance was already outstanding as of 31 December 2008.

15. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

As of 31 December 2008, *Non-current assets held for sale* and *Liabilities associated with assets held for sale* related to owned and leased property obtained on the acquisition of the Sicura Group on 30 December 2008. The disposal of this property at predetermined prices in early 2009 had already been contractually agreed prior to that date.
The non-current assets held for sale, recognised at their agreed disposal value at the time of the acquisition, amounted to Euro 6,959 thousand, while the associated liabilities totalled Euro 5,345 thousand. In early 2009, these assets were sold at the previously agreed prices without generating any gains or losses.

As of 31 December 2009, *Non-current assets held for sale* and the associated liabilities relate to Bresso Energia s.r.l., 50% held by the Altair group, which was sold in January 2010 on the basis of an agreement signed on 22 December 2009.
Non-current assets held for sale amount to Euro 98 thousand, while the associated liabilities total Euro 3 thousand. The assets and liabilities of the company held for sale are analysed below:

BRESSO ENERGIA (50% BASIS)

	31 december 2009
ASSETS	
Cash and cash equivalents	98
TOTAL ASSETS	**98**
LIABILITIES	
Trade payables and advances from customers	3
TOTAL LIABILITIES	**3**

The loss generated by this company during 2009, Euro 6 thousand, is classified in the Results from discontinued activities caption.

16. SHARE CAPITAL AND RESERVES

(share capital in thousands of Euro)	31 december 2009	31 december 2008
Ordinary shares, par value Euro 1 each	109,150	109,150

The ordinary shares have a par value of Euro 1.

There are 109,149,600 issued and fully-paid ordinary shares as of 31 December 2009.
The Parent Company does not hold any treasury shares.

Retained earnings (losses)

The following table shows the recent changes in equity reserves:

(in thousands of Euro)	Share premium reserve	Legal reserve	Valuation effects recognised in equity	Other reserves	Total reserves
1 January 2008	**0**	**3,731**	**(4,607)**	**(46,276)**	**(47,152)**
Capital increase	148,814				148,814
Capital increase expenses	(5,129)				(5,129)
Allocation of prior-year results		10,585	797		11,382
Change in scope of consolidation				(366)	(366)
Valuation effects recognised in equity			3,306		3,306
31 December 2008	**143,685**	**14,316**	**(504)**	**(46,642)**	**110,855**
Capital increase					-
Capital increase expenses	1,051				1,051
Allocation of prior-year results		750	(1,743)	10,205	9,212
Change in scope of consolidation				0	-
Valuation effects recognised in equity			(2,085)		(2,085)
31 December 2009	**144,736**	**15,066**	**(4,332)**	**(36,437)**	**119,033**

The *Other reserves* comprise the following items:

- The *IFRS transition reserve* of the Parent Company, net of the related tax effect, with a net negative balance as of 31 December 2009 of Euro 1 thousand;
- *The reserve deriving from the recognition of transactions under common control*, which comprises the differences between purchase cost and the net carrying amount of the activities acquired on the business combination of entities under common control, with a negative balance of Euro 46,641 thousand as of 31 December 2009 that principally (Euro 46,276 thousand) derives from the acquisition in 2007 of the investment in Servizi Ospedalieri S.p.A. from Manutencoop Soc. Coop.;
- The *extraordinary reserve* to which MFM S.p.A. has allocated the net profit reported in its separate financial statements as of 31 December 2008 of Euro 10,205 thousand.

The *Share premium reserve* increased during 2009 by Euro 1,051 thousand to match recognition of the IRES recoverable from the tax authorities in relation to the capital increase expenses charged directly against this reserve in 2008.
Previously, the Group had prudently not recognised the tax effect (lower taxation) of the costs associated with the capital increase that took place on 23 December 2008. During 2009, the tax authorities were asked to clarify the proper treatment of these costs for fiscal purposes. Following approval from the tax authorities, the tax credit has been recognised in the reserve against which the related charges were deducted.

The following table shows the recent changes in *retained earnings (losses)*:

	Retained earnings (losses) of Parent Company	Consolidation reserve	Total retained earnings (losses)
1 January 2008	**1,326**	**8,970**	**10,296**
Allocation of prior-year results	2,483	(2,213)	270
31 December 2008	**3,809**	**6,757**	**10,566**
Allocation of prior-year results		7,345	7,345
31 December 2009	**3,809**	**14,102**	**17,911**

17. EMPLOYEE BENEFITS AND PENSION FUNDS

The Group has no defined benefit pension plans, in the strict sense.
However, the employee severance indemnities (TFR) envisaged by art. 2120 of the Italian Civil Code fall into this category for reporting purposes and, accordingly, have been recorded as such on the basis described in the accounting policies.
Commencing from 2008 the Group has elected to recognise directly in equity, rather than through the income statement, the actuarial gains and losses deriving from application of the projected unit credit method (PUCM).
The net cost of the benefits earned is analysed below.

(in thousands of Euro)	Year ended 31 December 2009	Year ended 31 December 2008
Curtailment	(778)	
Cost of benefits earned (service cost)	438	
Financial charges on obligations	2,072	727
Actuarial (gains)/losses (in equity)	1,444	(2,916)
NET COST OF BENEFITS	**3,176**	**(2,189)**

The financial charges associated with the obligation, as well as the service cost and the curtailment (where applicable), are recorded as payroll costs while, as mentioned, the actuarial gains and losses are recognised directly in equity.
The cost of curtailment is principally attributable to the effects of measuring the long-service bonuses payable to employees and the bonuses deriving from the restructuring plan implemented by the Group, which is described in note 18.
As part of the acquisition of the Sicura group, the Group acquired a defined benefits obligation towards certain directors of companies in that group (end-of-mandate indemnity). In order to ensure that this liability is fully covered on the date that settlement falls due, specific insurance policies have been arranged with leading institutions. This means that there is no residual liability to be borne by the Group.

The changes in the present value of the defined benefit obligation (Employee severance indemnities - TFR) are analysed below:

(in thousands of Euro)	**2009**	**2008**
Provision as of 1 January (present value)	**37,309**	**26,454**
Increases due to business combinations	261	17,543
Benefits paid	(4,564)	(4,500)
Curtailment (past service cost)	(778)	
Cost of benefits earned (service cost)	438	
Financial charges on outstanding obligations	2,072	728
Actuarial (gains)/losses on obligations	1,444	(2,916)
Reclassifications	(537)	
As of 31 December	**35,645**	**37,309**

The principal assumptions used to measure the obligation for employee severance indemnities are described below:

(percentages)	**31 december 2009**	**31 december 2008**
Discount rate	5.0%	5.7%
Inflation rate	2.0%	2.0%
Estimated employee turnover	Dal 3% al 11.50%	Dal 5% al 10%

The estimated rate of turnover is presented as a range of values, since it varies considerably from one Group company to another. The actuary appointed to make the recalculations used different estimated turnovers for each company.

The average number of Group employees is analysed below, together with those on secondment to the Group from Manutencoop Società Cooperativa:

	2009	**2008**
Executives	78	75
Clerical staff	1,745	1,870
Manual workers	10,343	9,889
TOTAL EMPLOYEES	**12,166**	**11,834**

In the above table, the average number of employees shown for 2008 considers the Altair group and the Sicura group as if they had been acquired at the start of 2008, so that the average number of employees in 2009 can be compared with the prior year.
The average number of employees on secondment in 2009, included in the above table, was 636 (2008: 632).

18. PROVISIONS FOR RISKS AND CHARGES

The changes in the provisions for risks and charges during 2009 are detailed below:

(in thousands of Euro)	**Risks in relation to equity investments**	**Risks in relation to testing and work performed**	**Litigation in progress**	**Fiscal disputes**	**Agents' termination indemnity**	**Restructuring charges**	**Employee bonuses**	**Total**
As of 1 January 2009	**37**	**1,020**	**3,170**	**0**	**55**	**3,839**	**306**	**8,427**
Increases due to business combinations								0
Provisions	174	778	1,802	1,245	20	7,250	860	12,129
Utilisations		(566)	(693)			(3,839)	(587)	(5,685)
Releases			(404)					(404)
Other							555	555
As of 31 December 2009	**211**	**1,232**	**3,875**	**1,245**	**75**	**7,250**	**1,134**	**15,022**
Short term 31 December 2009	17	382	71			7,250	178	7,898
Long term 31 December 2009	194	850	3,804	1,245	75		956	7,124
Short term 31 December 2008	14	120	36			3,839	306	4,315
Long term 31 December 2008	23	900	3,134		55			4,112

Provision for risks in relation to equity investments

This caption mainly comprises the "provision for future losses" recorded in relation to Progetto Nuovo Sant'Anna S.r.l., an associate.

Provision for risks in relation to testing and work performed

This provision covers risks relating to possible disputes with customers about the reporting of work performed, principally overtime, that must be approved by them before invoices are issued. During 2009, Euro 566 thousand was utilised from this provision, while new provisions totalled Euro 778 thousand.

Provision for litigation in progress

The risk of having to make settlements in relation to the litigation in progress with customers, suppliers and employees is assessed when preparing the financial statements. New provisions made during 2009 amounted to Euro 1,802 thousand. Decreases during the year, Euro 1,097 thousand, mainly reflected utilisation of the provision recorded in the prior year in relation to a dispute involving Gestin Facility S.p.A., as well as amounts released on conclusion of the disputes for which the related provisions were made.

Provision for tax disputes

This caption was created in 2009, principally in relation to the provisions recorded by Altair IFM S.p.A. and Gestin Facility S.p.A. totalling Euro 1,245 thousand, in relation to disputes with the tax authorities regarding the payment of concession taxes on the consumption of electricity.

Provision for benefits due on the termination of employment

This provision, covering leaving incentives and redundancy costs, amounted to Euro 3,839 thousand as of 31 December 2008 due, in the main, to the redundancy provisions recorded in 2008 by MP Facility S.p.A.
The provision as of 31 December 2008 was utilised in full during 2009 and a further provision of Euro 7,250 thousand was recorded in relation to the reorganisation of the Group.
In particular, following the acquisition by Manutencoop Facility Management S.p.A. of the Altair group on 23 December 2008, the management of the Parent Company immediately launched a project for the early integration of the new business, given the scale of the acquisition made, in order to release the available synergies as soon as possible.
Following the start of work to merge a number of the Group's principal companies (MFM S.p.A., Altair IFM S.p.A., Gestin Facility S.p.A. and Teckal S.p.A. in particular) and the centralisation of certain strategic functions within one operational holding company, further major synergies were identified in terms of the elimination of duplicated organisations and functions, and the optimisation of the management structure via the reduction of employment levels.
The restructuring plan was implemented during the second half of 2009 via the start of assisted redundancy procedures, negotiations with the trade unions and individual negotiations with a certain number of employees. This plan involved recognising provisions for restructuring totalling Euro 7,250 thousand.

Employee bonuses

The changes in 2009 comprise utilisations of Euro 587 thousand, new provisions for employee bonuses of Euro 860 thousand, mainly reflecting an estimate of the amount payable based on the results achieved by management, and a reclassification of Euro 555 thousand.

19. LOANS AND OTHER CURRENT FINANCIAL LIABILITIES

The *Non-current loans* and *Loans and other current financial liabilities* captions reflect borrowing from banks and financial institutions, as well as from consortium partners, and the amounts due from other providers of finance that have been recorded in the consolidated financial statements in accordance with lease accounting methodology, as well as other current financial payables that do not incur interest charges, such as amounts due for the purchase of equity investments and lines of business, and dividends payable.

Loans are analysed below:

(in thousands of Euro)			31 december 2009		
SHORT AND LONG TERM	**Effective rate %**	**Expiry date**	**within 1 year**	**between 1 and 5 years**	**beyond 5 years**
BNP loan - MFM	Euribor 3m +spread	23/12/2014	21,000	82,987	
BNP loan - Altair group	Euribor 3m +spread	23/12/2014	11,901	48,388	
C.C.F.S. loan - MFM	Euribor 3m +spread	29/07/2013		30,000	
Unicredit loan - Teckal	Euribor 3m +spread	31/12/2013	4,715	15,784	
Banco S.Geminiano e S.Prospero loan - SO	Euribor 3m+spread	30/06/2013	11,264	18,946	
Investire Partecipazioni mortgage - SO	4%	31/12/2010	140		
Unicredit loan - Cofam	1,63%	31/12/2010	64		
B.Pop. VR mortgage - Sicura group	Euribor 3m +spread	22/10/2012	29	60	
Bank loans - Sicura group	Euribor 3m +spread	15/04/2013	273	443	
Banca Bo - solar panels - DUC Gestione	5,50%	16/12/2028	15	70	410
Finance lease obligations	Euribor 3m +spread	2009-2015	1,040	1,762	53
Overdrafts, advances and hot money	Euribor 3m +spread	A richiesta	81,099		
Loans from consortium members	Euribor 3m +spread		81	202	
Manutencoop intercompany account	Euribor 3m +spread	A richiesta	476		
Commercial paper	4,05-5,60%	mar-2010	3,850		
Loan from Calyon		31/03/2010	8,334		
Amounts collected for Calyon		15/01/2010	6,968		
Due to factoring companies			1,565		
Due on the purchase of investments/lines of business			4,960		
Contingent payables following the purchase of investments/lines of business			14,135	10,105	
Financial liabilities at fair value through the income statement			117		
TOTAL LOANS AND OTHER CURRENT FINANCIAL LIABILITIES			**172,026**	**208,747**	**463**

(in thousands of Euro)			31 december 2008		
SHORT AND LONG TERM	**Effective rate %**	**Expiry date**	**within 1 year**	**between 1 and 5 years**	**beyond 5 years**
BNL/BNP loan - MFM	Euribor 3m +spread	23/12/2014		59,024	14,756
BNL/BNP loan - Altair group	Euribor 3m +spread	23/12/2014	(30)	62,796	11,950
C.C.F.S. loan - MFM	Euribor 3m +spread	29/07/2013		30,000	
S.Geminiano e S.Prospero loan - SO	Euribor 3m +spread	30/06/2013	3,439	26,561	
Unicredit loan - Teckal	Euribor 3m +spread	31/12/2013	4,460	20,531	
Investire Partecipazioni mortgage - SO	4%	31/12/2010	134	140	
B.Pop. VR mortgage - Sicura group	Euribor 3m +spread	22/10/2012	26	91	
Bank loans - Sicura group	Euribor 3m +spread	15/04/2013	300	714	
Banca Bo - solar panels - DUC Gestione	5,50%	16/12/2028		81	429
Finance lease obligations	Euribor 3m +spread	2009-2015	1,588	2,221	221
Overdrafts, advances and hot money	Euribor 3m +spread	A richiesta	64,745		
Non-current liabilities	4,50%			2	
Loans from consortium members	Euribor 3m +spread		1,029	191	
Consortium treasury accounts		A richiesta	189		
Manutencoop intercompany account	Euribor 3m +spread	A richiesta	1,193		
Commercial paper	4,05-5,60%	mar-09	10,250		
Loan from Calyon		31/03/2009	4,047		
Amounts collected for Calyon		15/01/2009	8,945		
Due to factoring companies			1,297		
Due on the purchase of investments/lines of business			8,805		
Dividends due to shareholders			15		
Financial liabilities at fair value through the income statement			99		
TOTAL LOANS OBTAINED			**110,531**	**202,352**	**27,356**

BNL/BNP loan – MFM/Altair group

Following the acquisition of Integra FM BV (formerly Pirelli & C. FM BV) on 23 December 2008, the MFM Group arranged a syndicated loan for Euro 180 million with Banca Nazionale del Lavoro, acting as agent bank. This loan, designed to consolidate the Group's borrowing and rationalise that of the newly-acquired Altair Group, is sub-divided into various lines of credit:

- Euro 60 million reserved for Altair IFM S.p.A.;
- Euro 90 million reserved for MFM S.p.A.;
- Euro 30 million utilisable by either company.

The loan bears interest on the various lines of credit at floating rates linked to 3-month Euribor, plus a spread that depends on changes in certain financial parameters.

(*) The spread applied on the BNL/BNP loan to MFM S.p.A. and the Altair group depends on the level of financial parameters that are checked every 6 months.

As of 31 December 2009, the Group has drawn down a total of Euro 165 million, of which Euro 105 million by MFM S.p.A. and a further Euro 60 million by Altair IFM S.p.A.
The loan contract also requires compliance with a series of financial covenants based on parameters calculated with reference to the consolidated financial statements, as adjusted to take account of new acquisitions and all other non-recurring items, and restricts the payment of dividends.
Failure to comply with the above covenants would, under the terms of the contract, mean loss of the right to enjoy extended payment terms for the loans obtained.

The parameters were met at both the half-yearly check points that have occurred to date.
The above financial parameters are also met as of 31 December 2009.

As required by the loan contract, during 2009 the Group arranged IRS contracts with a total notional of Euro 105,000 thousand to hedge the rate risk associated with the loan. The fair (marked to market) value of the related liability as of 31 December 2009, Euro 1,065 thousand, is classified among the *Financial liabilities from non-current derivatives* (see note 20).

CCFS loan - MFM

During 2008, as part of a broad rationalisation of borrowing by the MFM Group, MFM obtained a loan expiring on 29 July 2013 from Consorzio Cooperativo Finanziario per lo Sviluppo (CCFS) for Euro 30,000 thousand.

Banco S.Geminiano e S.Prospero loan - Servizi Ospedalieri

This unsecured loan from Banco San Geminiano e San Prospero was granted to Servizi Ospedalieri S.p.A. on 13 March 2008. The loan is repayable by 30 June 2013 in 8 six-monthly instalments, commencing with a 12-month interest-only period. Interest is payable in arrears at 3-month Euribor plus a spread, with the possibility of hedging rate fluctuations via an IRS to a fixed rate plus the spread envisaged.

UniCredit loan - Teckal

At the time of acquiring Teckal in 2007, the Group repaid a previous UniCredit loan to the company of Euro 18,437 thousand, as well as an outstanding vendor loan of Euro 11,438 thousand. These loans were replaced by a new loan from UniCredit amounting to Euro 25,000 thousand. The carrying amount of this loan as of 31 December 2009 is Euro 20,499 thousand.

Overdrafts, advances and hot money

The overdrafts, advances and hot money are all unsecured.

Commercial paper

The commercial paper outstanding as of 31 December 2009, Euro 3,850 thousand, fell due in early 2010 and was repaid on time.

Manutencoop Soc.Coop. intercompany account

This intercompany current account is used to settle transactions with Manutencoop Società Cooperativa, the parent company. The balance on the account as of 31 December 2009 is Euro 476 thousand. This balance bears interest at 3-month Euribor plus a spread and is repayable on demand. The contract for this intercompany current account expires on 31 December 2010, unless automatically renewed.

Finance lease obligations

Lease contracts, all unsecured, have been arranged by Manutencoop Facility Management S.p.A., Servizi Ospedalieri, the Altair IFM group and the Sicura group. Certain contracts relate to the vehicles, plant and equipment used by Servizi Ospedalieri in the laundering and sterilisation processes.

Loans from consortium members

These comprise loans from consortium members outside of the Group to consortiums that have been consolidated since they are subsidiaries or 50% joint ventures. In certain cases these are interest-free loans repayable upon demand, while other loans have contractually-agreed repayment dates. A number of loans do not have a contractual repayment date (formally repayable upon demand) but, in substance, will be repaid at the end of the long-term service contract underlying the reason for which the consortium was formed.

Loan from Calyon – assignment of receivables

This caption reports the non-consolidated portion of the trade amounts due to the Parent Company by MP Facility S.p.A., Euro 8,334 thousand (31 December 2008: Euro 4,047 thousand), which as of 31 December 2009 are included in the receivables assigned to Calyon S.A. Corporate & Investment Bank. This loan is repayable on the contractual due dates of the factored receivables, which is 90 days from the end of the invoicing month.

Amounts collected for Calyon

The amount due to Calyon S.A. Corporate & Investment Bank (collected on behalf of Calyon), Euro 6,968 thousand as of 31 December 2009 (2008: Euro 8,945 thousand), relates to receivables assigned as part of the factoring arrangements described in note 13. This amount was collected by the Group on behalf of the factor in the final few days of 2009 and not yet paid over as of 31 December 2009.

Due to factoring companies

The amounts due to factoring companies, Euro 1,565 thousand, were recorded to match the re-recognition in the financial statements of SMAIL S.p.A. of certain trade receivables previously sold without recourse to a factoring company. The re-recognition of these receivables to match the recognition of a financial liability to the factor follows complaints from the customers concerned regarding the supply of services to them by SMAIL prior to its acquisition by the MFM Group. These receivables have been partially written down by SMAIL and are the subject of a claim for recovery under the acquisition contract, which had already been presented as of 31 December 2008.

Due on the purchase of investments/lines of business

The amounts due on the purchase of equity investments and lines of business, totalling Euro 4,960 thousand, mainly comprise:

> acquisition of the SEC line of business for Euro 2,989 thousand;
> the purchase by MIA S.p.A. of the investment in MPE for Euro 563 thousand;
> acquisition by the Altair group in the investment in Delivery s.r.l. for Euro 531 thousand;
> acquisition of equity interests in associates by Servizi Ospedalieri for Euro 871 thousand.

Contingent payables following the purchase of investments/lines of business

Contingent payables following the purchase of equity investments and lines of business comprise:

> the estimated present value of the additional price payable (earn-out) in relation to the Sicura group, Euro 14,135 thousand, which is recognised as a financial liability in these financial statements since management believes it likely that the earn-out condition will be met. The financial charges contributing to the determination of this present value, Euro 653 thousand, have also been recognised.
> the estimated present value of the put option held by the minority shareholders in the Sicura group, Euro 7,115 thousand, in relation to the 20% of capital still held by them. The related financial charges have also been recognised, Euro
> the estimated present value of the put option held by the minority shareholder in Cofam (acquired at the start of 2009, see note 4 in this regard), Euro 2,990 thousand, in relation to the 40% of capital still held.

20. NON-CURRENT FINANCIAL LIABILITIES FROM HEDGING DERIVATIVES

As stated in the previous note, the contract for the BNL/BNP loan (see note 19) envisaged the arrangement, by 23 June 2009, of one or more derivatives to hedge the risk of fluctuations in the floating rate of interest charge on the loan, nominal value Euro 165,000 thousand. The derivative had to hedge at least 50% of the drawdown against this loan. In this regard, the Group arranged 3 different interest rate swaps with a total hedged notional of Euro 105,000 thousand, paying a fixed rate and collecting the floating rate paid on the loan. The fair (marked to market) value of the related liability as of 31 December 2009 is Euro 1,065 thousand. The derivative was designated as a hedge from the start and the tests performed have confirmed its effectiveness both as of 31 December 2009 and on a prospective basis. For this reason, the changes in the fair value of this derivative are recognised directly in equity, net of the related tax effect.

21. TRADE PAYABLES AND OTHER CURRENT PAYABLES

This caption is analysed below as of 31 December 2009 and 31 December 2008:

(in thousands of Euro)	31 december 2009	31 december 2008
Trade payables	393,197	445,228
Trade payables to third parties	**393,197**	**445,228**
Trade payables to MNTC Soc,Coop,	8,829	10,989
Trade payables to associates - within 12 months	24,084	30,885
Trade payables - intercompany	**32,913**	**41,874**
Advances from customers and work to be performed	4,993	2,947
Trade payables and advances from customers	**431,103**	**490,049**
Remuneration due to directors/statutory auditors	572	497
Due to tax authorities	50,098	50,517
Due to social security institutions within 12 months	11,023	11,103
Collections for temp, associations	6,407	8,965
Due to employees within 12 months	44,060	34,775
Other payables within 12 months	17,545	4,220
Property collections for customers	2,178	2,176
Other current operating payables - third parties	**131,883**	**111,756**
Due to associates within 12 months - other payables		5
Other current operating payables - group		**5**
Accrued expenses	512	982
Deferred income	1,219	1,271
Accrued expenses and deferred income	**1,731**	**2,253**
ther current operating payables	**133,614**	**114,014**

Terms and conditions relating to the above liabilities:

The terms and conditions governing transactions with related parties are described in note 36.
Trade payables do not bear interest and are generally settled 90/120 days from the invoice date.
Other payables do not bear interest and are generally settled after 30 days, except for the amounts due to employees for 14th-month wages and salaries and untaken holidays, which are settled after 6 months on average, and for the VAT payable to the tax authorities on deferred terms, which is settled when the related amounts are collected from customers.
Trade payables and advances from customers as of 31 December 2009 have decreased by Euro 58,946 thousand since 31 December 2008.

22. SEGMENT REPORTING

Operating Segments

The risks and profitability of the Group are mainly affected by differences between the types of service provided; accordingly, the segment information provided by the Group makes reference to the strategic business areas (ASA) described in paragraph 1.1.

Segment information for the years ended 31 December 2009 and 2008 is presented below:

SEGMENT REVENUES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

31 DECEMBER 2009 *(in thousands of Euro)*	Facility Management	Laundering Sterilization	Other	Eliminations	Consolidated
Revenues and results for the year ended 31 December 2009					
Segment revenues	956,312	116,961	81,183	(3,033)	1,150,977
Segment costs	(906,466)	(106,009)	(83,793)	3,033	(1,092,788)
SEGMENT OPERATING RESULTS	**49,846**	**10,952**	**(2,609)**		**58,188**
Income (charges) from associates carried at equity	418	(2)			416
Net financial income and charges					(15,368)
RESULTS BEFORE TAXATION					**43,236**
Income taxes					(27,892)
Results from discontinued activities	(6)				(6)
NET PROFIT FOR THE YEAR ENDED 31 DECEMBER 2009					**15,338**

SEGMENT ASSETS AND LIABILITIES AS OF 31 DECEMBER 2009

31 DECEMBER 2009 *(in thousands of Euro)*	Facility Management	Laundering Sterilization	Other	Eliminations	Consolidated
Assets and liabilities as of 31 December 2009					
Segment assets	655,340	79,129	33,608	(1,421)	766,656
Goodwill	370,224	12,810	1,871		384,905
Investments carried at equity	10,137	2,147	20		12,304
Assets held for sale	98				98
Financial and tax assets					120,456
ASSETS	**1,035,799**	**94,086**	**35,499**	**(1,421)**	**1,284,419**
Segment liabilities	527,822	53,203	35,781	(1,421)	615,385
Liabilities held for sale	3				3
Financial and tax liabilities					407,153
LIABILITIES	**527,825**	**53,203**	**35,781**	**(1,421)**	**1,022,541**

OTHER SEGMENT INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2009

31 DECEMBER 2009 *(in thousands of Euro)*	Facility Management	Laundering Sterilization	Other	Consolidated
Other segment information as of 31 December 2009				
Investment in segment assets	11,039	17,098	29	28,166
Depreciation, amortisation and writedowns of segment assets	22,347	17,978	2,983	43,308

SEGMENT REVENUES AND RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

31 DECEMBER 2008 *(in thousands of Euro)*	Facility Management	Laundering Sterilization	Other	Eliminations	Consolidated
Revenues and results for the year ended 31 December 2008					
Segment revenues	550,980	111,331	29,518	(1,233)	690,596
Segment costs	(501,746)	(108,677)	(28,146)	1,232	(637,336)
SEGMENT OPERATING RESULTS	**49,234**	**2,655**	**1,372**	**(0)**	**53,260**
Income (charges) from associates carried at equity	2,942	(25)	25		2,942
Net financial income and charges					(17,547)
RESULTS BEFORE TAXATION					**38,655**
Income taxes					(17,756)
NET PROFIT FOR THE YEAR ENDED 31 DECEMBER 2008					**20,899**

SEGMENT ASSETS AND LIABILITIES AS OF 31 DECEMBER 2008 RESTATED

31 DECEMBER 2008 *(in thousands of Euro)*	Facility Management	Laundering Sterilization	Other	Eliminations	Consolidated
Assets and liabilities as of 31 December 2008 restated					
Segment assets	632,793	9,507	113,803	(15,913)	740,190
Goodwill	361,573		14,681		376,254
Investments carried at equity	14,365	3,253	1,647		19,265
Assets held for sale	6,959				6,959
Financial and tax assets					113,668
ASSETS	**1,015,690**	**12,760**	**130,131**	**(15,913)**	**1,256,336**
Segment liabilities	578,085	5,848	83,763	(17,885)	649,811
Liabilities held for sale	5,345				5,345
Financial and tax liabilities					348,958
LIABILITIES	**583,430**	**5,848**	**83,763**	**(17,885)**	**1,004,114**

OTHER SEGMENT INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2008

31 DECEMBER 2008 *(in thousands of Euro)*	Facility Management	Laundering Sterilization	Other	Consolidato
Other segment information as of 31 December 2008				
Investment in segment assets	6,755	16,665	33	23,453
Depreciation, amortisation and writedowns of segment assets	4,484	19,314	38	23,836

Geographical areas
With regard to the information about geographical areas, the Group operated solely in Italy until the purchase at the end of 2008 of the Altair group, which includes companies operating in a number of European countries (Poland and France in particular).
Accordingly, the economic information provided by geographical area relates solely to 2009.

The analysis of information by geographical area required by IFRS 8 is provided below for the years ended 31 December 2009 and 2008:

INFORMATION BY GEOGRAPHICAL AREA AS OF 31 DECEMBER 2009

(in thousands of Euro)	Italy	Abroad	Eliminations	Consolidated
Revenues	1,111,722	39,318	(63)	1,150,977
Non-current operating assets	479,472	676		480,148

INFORMATION BY GEOGRAPHICAL AREA AS OF 31 DECEMBER 2008

(in thousands of Euro)	Italy	Abroad	Eliminations	Consolidated
Non-current operating assets	462,084	718		462,802

23. REVENUES FROM SALES AND SERVICES

This caption is analysed below for the years ended 31 December 2009 and 2008:

REVENUES FROM SALES AND SERVICES

(in thousands of Euro)	2009	2008
Revenues from sales of products	19,834	19
Revenues from provision of services	1,046,066	611,537
Revenues from construction and plant manufacture	61,176	62,810
Other revenues from sales	19,503	14,459
TOTAL	**1,146,579**	**688,824**

Revenues from sales and services totalled Euro 1,146,579 thousand in the year ended 31 December 2009, up by Euro 457,755 thousand with respect to 2008 (Euro 688,824 thousand). This increase reflects the full-year contribution made by the companies acquired at the end of December 2008 belonging to the Integra FM BV group, formerly Pirelli RE Integrated Facility Management B.V., and the Sicura group.

24. OTHER REVENUES AND INCOME

This caption is analysed below for the years ended 31 December 2009 and 2008:

OTHER OPERATING REVENUES

(in thousands of Euro)	2009	2008
Grants	40	67
Capital gains on tangible fixed assets	433	387
Recovery of cost of seconded personnel	359	197
Recovery of other costs	2,471	23
Loss reimbursements	421	307
Revenues from leases and rentals	455	
Other revenues	219	790
TOTAL	**4,398**	**1,772**

Other revenues and income for the year ended 31 December 2009 were Euro 2,626 thousand greater than in the prior year. The 2009 total, Euro 4,398 thousand, compares with Euro 1,772 thousand for 2008, not including the amounts relating to the companies acquired at the end of the prior year.
The Recovery of other costs caption, Euro 2,471 thousand in 2009, mainly relates to the recharge of costs paid on behalf of third parties by companies in the Integra FM BV group acquired at the end of 2008.
The capital gains were mainly realised by Servizi Ospedalieri on the disposal of linens no longer usable in its laundering business.

25. RAW MATERIALS AND CONSUMABLES

This caption is analysed below for the years ended 31 December 2009 and 2008:

RAW MATERIALS AND CONSUMABLES

(in thousands of Euro)	2009	2008
Change in inventories of fuel and raw materials	2,204	235
Fuel	52,318	49,505
Raw materials and consumables	36,728	33,272
Semi-finished and finished products	5,533	
Ancillary and consumable materials	12,583	10,499
Packaging	1,841	1,879
Other purchases	2,805	3,089
TOTAL	**114,012**	**98,479**

The 2009 total, Euro 114,012 thousand, compared with Euro 98,479 thousand in 2008, has increased by Euro 15,335 thousand due to the rise in revenues following the acquisition of the Altair group at the end of the prior year.

26. SERVICES, LEASES AND RENTALS

This caption is analysed below for the years ended 31 December 2009 and 2008

ERVICES, LEASES AND RENTALS

(in thousands of Euro)	2009	2008
Services received	336,460	204,669
Consortium services	40,848	7,632
Maintenance and repair of equipment	47,290	3,754
Professional services	44,202	21,480
Transport	8,597	8,069
Advertising and promotion	1,333	1,488
Rebates and commissions	1,697	323
Insurance and guarantees	3,461	2,596
Banking services	232	157
Utilities	32,090	7,300
Emoluments of directors and statutory auditors	4,173	1,660
Travel and expense reimbursements	5,118	2,755
Personnel services	9,736	4,787
Other services	18,246	9,441
Services	**553,483**	**276,111**
Rental expense	22,732	9,301
Hire and other charges	4,260	1,544
Leases and rentals	**26,992**	**10,845**
TOTAL	**580,475**	**286,956**

The 2009 total for services, leases and rentals, Euro 580,475 thousand, is Euro 293,519 thousand more than in 2008 due to the expansion of Group activities following the purchase of the Altair group at the end of the prior year.

27. PAYROLL COSTS

This caption is analysed below for the years ended 31 December 2009 and 2008:

PAYROLL COSTS

(in thousands of Euro)	2009	2008
Wages and salaries	209,593	133,149
Social security charges	67,995	41,495
Secondment costs	35,883	33,848
Severance indemnities paid to INPS and other funds	12,329	9,294
Other payroll costs	1,372	246
Current benefits	**327,172**	**218,032**
Provision for severance indemnities	2,788	727
Future benefits	**2,788**	**727**
Termination benefits	7,259	734
Termination benefits	**7,259**	**734**
TOTAL	**337,219**	**219,493**

Payroll costs increased by Euro 117,726 thousand during the year ended 31 December 2009, from Euro 219,493 thousand to Euro 337,219 thousand.
This rise in payroll costs was, as already mentioned, due to the expansion of Group activities following the purchase of the Altair group at the end of the prior year.

In particular:

› among the current benefits, wages and salaries have increased by Euro 76,444 thousand, social security charges by Euro 26,500 thousand, secondment costs by Euro 2,035 thousand, severance indemnities paid to INPS and other funds by Euro 3,035 thousand, and other costs by Euro 1,126 thousand;

› among the future benefits, termination indemnities have increased by Euro 2,061 thousand; further information is provided in the note on Employee benefits and pension funds.

28. OTHER OPERATING COSTS

This caption is analysed below for the years ended 31 December 2009 and 2008

OTHER OPERATING COSTS

(in thousands of Euro)	2009	2008
Losses on disposal of fixed assets	202	194
Losses on receivables	5	
Other taxes	1,555	328
Fines and penalties	461	430
Credit discount securitisation	1,043	957
Other operating charges	2,934	3,389
TOTAL OTHER OPERATING COSTS	**6,200**	**5,298**

Other operating costs amounted to Euro 6,200 thousand in the year ended 31 December 2009, up by Euro 902 thousand compared with the prior year.
This increase is mainly attributable to the Other taxes caption for the acquisition of the companies in the Integra FM BV group.
The 2009 total of the Credit discount securitisation caption, Euro 1,043 thousand, is in line with the prior year.

29. DEPRECIATION, AMORTISATION, WRITE-DOWNS AND WRITE-BACKS

This caption is analysed below for the years ended 31 December 2009 and 2008:

DEPRECIATION, AMORTISATION, WRITE-DOWNS AND WRITE-BACKS

(in thousands of Euro)	2009	2008
Amortisation of intangible assets	14,454	2,155
Depreciation of property, plant and equipment	23,524	21,324
Write-back of assets	(18)	(200)
Impairment of goodwill		5
Write-down of receivables	4,954	551
Write-down of equity investments	316	1
Other write-downs	78	
TOTAL	**43,308**	**23,836**

Depreciation, amortisation, write-downs and write-backs has increased from Euro 23,836 thousand in the year ended 31 December 2008 to Euro 43,308 thousand in 2009. The amortisation charge on intangible assets in 2009, Euro 14,454 thousand, was up by Euro 12,299 thousand compared with 2008. This mainly comprises, Euro 11,619 thousand, the amortisation charged on intangible assets deriving from business combinations measured at fair value as part of the PPA process, following the acquisitions made by the Group and the strengthening of its position in the facility management market.
The increased write-down of receivables by Euro 4,403 thousand follows the acquisition of companies at the end of the prior year, with a consequent rise in the number of customers in the private facility management sector.

30. DIVIDENDS, INCOME AND CHARGES FROM EQUITY INVESTMENTS

This caption is analysed below for the years ended 31 December 2009 and 2008:

DIVIDENDS, INCOME AND CHARGES FROM EQUITY INVESTMENTS

(in thousands of Euro)	2009	2008
Dividends	206	182
Gains on disposal of equity investments	3	
TOTAL	**209**	**182**

Compared with 2008, dividend income increased by Euro 24 thousand in 2009 to Euro 206 thousand.

31. FINANCIAL INCOME

This caption is analysed below for the years ended 31 December 2009 and 2008:

FINANCIAL INCOME

(in thousands of Euro)	2009	2008
Bank interest	240	221
Interest on I/C and settlement accounts	359	395
Interest on trade receivables	752	1,221
Discounting interest on interest-free loans	1,188	1,941
Income from derivatives		6
Other financial income	175	20
TOTAL FINANCIAL INCOME	**2,714**	**3,802**

Financial income for the year ended 31 December 2009 was Euro 1,088 thousand lower than in the prior year due, in the main, to reductions in the interest from trade receivables and in the implicit interest from the discounting of interest-free loans.

32. FINANCIAL CHARGES

This caption is analysed below for the years ended 31 December 2009 and 2008:

FINANCIAL CHARGES

(in thousands of Euro)	2009	2008
Bank loans and current account overdrafts	4,523	7,031
Other loans	6,664	4,019
Financial charges on finance leases	179	211
Financial charges on Group treasury accounts	88	1,950
Interest discount securitisation	3,324	8,084
Interest on trade payables	24	
Charges from derivatives	18	4
Other financial charges	3,368	228
TOTAL FINANCIAL CHARGES	**18,188**	**21,527**

Financial charges were Euro 3,339 thousand lower in 2009 than in the prior year. The increase in interest on Other loans by Euro 2,645 thousand is more than offset by the reduction in financial charges on bank loans and overdrafts, Euro 2,508 thousand, due in part to the general decline in interest rates during 2009, and the reduction in the interest discount on the assignment of trade receivables to Calyon, Euro 4,760 thousand.

33. TAXATION

This caption is analysed below for the years ended 31 December 2009 and 2008:

(in thousands of Euro)	2009	2008
Current IRES	20,016	10,180
Current IRAP	13,626	8,887
Corporate tax foreign companies	964	1,926
(Income) charges from tax group	(564)	(4,091)
Adjustments to current taxation in relation to prior years	(352)	(309)
Current taxes	**33,690**	**16,593**
Change in IRES d.t. assets/liabilities	(4,593)	(3,095)
Change in IRAP d.t. assets/liabilities	(474)	(173)
Adjustments to deferred taxation in relation to prior years	(731)	4,431
Change in deferred taxation	**(5,798)**	**1,163**
Current and deferred taxation	**27,892**	**17,756**

The Group's total tax charge for 2009 was Euro 27,892 thousand, Euro 10,136 thousand higher than in 2008.

The main changes were as follows:

› Increase in IRES by Euro 9,836 thousand;
› Increase in IRAP by Euro 4,739 thousand;
› Decrease of Euro 962 thousand in the corporate tax charge of foreign companies;
› Decrease of Euro 3,527 thousand in income from the tax group;
› Recognition of net income of Euro 5,798 thousand, reflecting the overall change in deferred tax assets and liabilities, compared with a net charge of Euro 1,163 thousand in the prior year. This income principally comprises:
› Recognition of deferred tax assets in relation to provisions for risks and charges, Euro 1,569 thousand;
› Recognition of deferred tax assets in relation to asset write-downs, Euro 1,969 thousand;
› Release of deferred tax assets on the deduction of interest charges relating to prior years, Euro 2,560 thousand;
› Release of deferred tax liabilities in relation to the amortisation of intangible assets recorded on final allocation of the purchase price paid for the Altair group, Euro 3,436 thousand.

The increase in taxation compared with the prior year was mainly due to the acquisition of the Altair group at the end of December 2008, with a consequent rise in the taxable income of the MFM Group.

Reported current income taxes are reconciled below with the theoretical taxes calculated by applying the IRES rate in force for the years ended 31 December 2009 and 2008 to the related profit before taxation:

RECONCILIATION OF THEORETICAL IRES RATE WITH EFFECTIVE RATE

(in thousands of Euro)	31 december 2009		31 december 2008	
	(in thousands of Euro)	%	(in thousands of Euro)	%
Profit before taxation	**39,049**		**38,655**	
Standard tax rate		27.5%		27.5%
Effect of tax disallowances (allowances):				
> Temporary differences	51,716	36.42%	(4,859)	(3.45%)
> Permanent differences	(20,032)	(14.11%)	3,353	2.38%
IRES taxable income	**70,733**		**37,149**	
Tax / Effective tax rate	**19,452**	**49.81%**	**10,216**	**26.43%**

The actual effective IRES current tax charge (Euro 19,452 thousand) comprises the current IRES charge shown in the above table, Euro 20,016 thousand, net of tax group income of Euro 564 thousand.

The effective rate of 49.81% reflects the effect on current IRES/taxable income of the consolidation adjustments, the tax effect of which is recorded among the deferred tax liabilities.

In particular, the increase in the effective IRES rate from 26.43% in the prior year to 49.81% in 2009 was largely due to the amortisation recorded in the consolidated financial statements of the intangible assets recognised as part of the PPA process. More specifically, amortisation of the PPA reduces consolidated income before taxation without any effect on current taxation, thereby causing the effective rate to increase. For comparative purposes, the effective IRES rate for 2009 would have been 38.8% without the effect of PPA amortisation.

The effective and theoretical IRAP rates are reconciled below:

RECONCILIATION OF THEORETICAL IRAP RATE WITH EFFECTIVE RATE

(in thousands of Euro)	31 december 2009		31 december 2008	
	(in thousands of Euro)	%	(in thousands of Euro)	%
Results before taxation	**39,049**		**38,655**	
Standard tax rate		3.90%		3.90%
		4.73%		4.73%
		4.82%		4.82%
Effect of tax disallowances (allowances):				
> Payroll costs	334,900		219,493	
> Results of financial management	14,961		14,605	
> Other differences between taxable income and pre-tax profits	(62,560)		(53,615)	
IRAP taxable income	**326,350**		**219,138**	
> inc. at 3.90%	228,123		182,063	
> inc. at 4.73%	5,329		847	
> inc. at 4.82%	92,898		36,228	
Tax / Effective tax rate	**13,626**	**34.90%**	**8,887**	**22.99%**

As with the reconciliation of the effective IRES rate, the increase in the effective IRAP rate from 22.99% to 34.40% reflects the effect on current IRAP/taxable income of the consolidation adjustments, the tax effect of which is recorded among the deferred tax liabilities. The effective IRAP rate for 2009 would have been 27.22% without the effect at consolidated level of recognising PPA amortisation.

The following table reconciles the theoretical and effective rates applying to the foreign companies in the MFM group that were acquired at the end of the prior year:

RECONCILIATION OF THEORETICAL CORPORATE TAX RATE OF FOREIGN CO.S WITH EFFECTIVE RATE

	31 december 2009	
	(in thousands of Euro)	%
Results before taxation	**4,187**	
Standard tax rate		19.0%
		33.33%
Effect of tax disallowances (allowances):		
> Temporary differences	851	
> Permanent differences	(512)	
RIRAP taxable income	**4,526**	
> inc. at 19.0% (*)	3,796	
> dinc. at 33.33% (**)	729	
Tax / Effective tax rate	**964**	**23.03%**

* Gestin Polska Sp.zo.o.

** Altair IFM France S.a.S.

Deferred taxation

As of 31 December 2009, net deferred tax liabilities amount to Euro 2,534 thousand, comprising liabilities of Euro 12,830 thousand net of assets totalling Euro 10,296 thousand, as analysed below:

ANALYSIS OF DEFERRED TAX ASSETS AND LIABILITIES

(in thousands of Euro)

Deferred tax liabilities:	
Tax depreciation	(3,184)
IFRS measurement of work in progress	(258)
Leasing for fiscal purposes	(1,665)
Discounting of employee benefits	(1,446)
Amortisation of goodwill	(6,879)
Purchase Price Allocation (PPA)	(6,672)
Other consolidation adjustments	35
Other temporary differences	(231)
Offset of deferred tax assets/liabilities at legal entity level	7,470
TOTAL DEFERRED TAX LIABILITIES	**(12,830)**
Deferred tax assets:	
Deferred charges	179
Finance leases	1,362
Maintenance in excess of the tax-deductible amount	53
Deferred tax effect of fair value adjustment	293
Provisions for risks and charges	3,766
Write-downs of assets	2,942
Discounting of receivables	43
Remuneration of directors, statutory auditors and auditing firm	341
Services not completed	1,144
Depreciation and amortisation	3,690
Adjustment of contract margins	538
Interest expense	42
Employee benefits and long-service awards	50
Flat tax	1,401
Employee incentives	730
Capital increase expenses deducted from SE	846
Irap reclaimed	195
Consolidation adjustment “Cross” business	95
Other temporary differences	57
Offset of deferred tax assets/liabilities at legal entity level	(7,470)
TOTAL DEFERRED TAX ASSETS	**10,296**
DEFERRED TAX ASSETS (LIABILITIES), NET	**(2,534)**
Temporary differences excluded from calculation of deferred tax assets (liabilities):	
> Tax losses carried forward	9
> Provisions for risks and charges	76
TOTAL EXCLUDED TEMPORARY DIFFERENCES	**85**

34. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the consolidated net profit for the year attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.
The diluted earnings per share of the Manutencoop Facility Management Group are equal to the basic earnings per share, since the parent company has not issued any convertible bonds or stock options.
The profits and share information used to calculate the consolidated basic earnings per share are provided below:

	Year ended 31 December	
	2009	**2008**
Net profit attributable to the shareholders *(in thousands of Euro)*	15,117	20,595
Number of ordinary shares (excluding treasury shares) used to calculate basic earnings per share	109,149,600	78,732,960
BASIC EARNINGS PER SHARE (IN EURO)	**0,138**	**0,262**
Net profit from continuing activities		
(in thousands of Euro)	15,344	20,899
Net loss / (profit) from continuing activities attributable to third parties *(in thousands of Euro)*	(221)	(304)
Group interest in net profit from continuing activities *(in thousands of Euro)*	15,123	20,595
Number of ordinary shares used to calculate basic earnings per share	109,149,600	78,732,960
BASIC EARNINGS PER SHARE FROM CONTINUING ACTIVITIES (IN EURO)	**0,139**	**0,262**

There were no transactions in ordinary shares or potential ordinary shares between the accounting reference date and the time of preparing the financial statements.

Dividends

(in thousands of Euro)	**2009**	**2008**
Proposals for approval at the shareholders' meeting (not recorded as a liability as of 31 December)		
Dividends on ordinary shares *(in thousands of Euro)*	0	4,039
Dividends per share *(in Eurocents)*	0	3.7

35. COMMITMENTS AND CONTINGENCIES

Finance leases

The Group has entered into finance leases for plant and machinery used in the production processes of ASA Laundering/Sterilisation and for motor vehicles. The finance lease commitments are detailed in the following table together with the present value of the future instalments:

(in thousands of Euro)	31 December 2009		31 December 2008	
	Instalments	**Present value of instalments**	**Instalments**	**Present value of instalments**
Within one year	1,120	1,030	1,702	1,588
Beyond one year, but within five years	1,833	1,690	2,398	2,221
Beyond five years	133	122	232	221
TOTAL LEASE INSTALMENTS	**3,086**	**2,842**	**4,332**	**4,030**
Financial charges	(244)		(302)	
Present value of lease instalments	**2,842**	**2,842**	**4,030**	**4,030**

Guarantees given

As of 31 December 2009, the Group has given sureties to third parties as follows:

- › guarantees in favour of associates totalling Euro 27,588 thousand (2008: Euro 10,782 thousand);
- › other sureties given to third parties: i) to guarantee the proper performance of commercial contracts with customers; ii) in lieu of deposits payable for the activation of utilities or on the signature of rental contracts, and to obtain VAT refunds from the Tax Authorities, totalling Euro 153,527 thousand (2008: Euro 100,048 thousand);
- › sureties in favour of Calyon S.A. Corporate & Investment Bank to guarantee proper performance of the contract for the assignment of trade receivables totalling Euro 14,079 thousand (2008: Euro 14,986 thousand).

The sureties issued to Calyon cover risks of a financial nature. The fair value of this risk has therefore been calculated, Euro 117 thousand, and recorded as a financial liability (see notes 13 and 19).
The loan of Euro 25,000 thousand granted to Teckal by Unicredit (see note 19) is guaranteed by a pledge of company's shares that does not confer voting rights.
A building owned by one of the companies in the Sicura Group is mortgaged for Euro 350 thousand to secure a loan recorded among the financial liabilities.

Contingent liabilities

On 26 November 2009, a Group company – MCB S.p.A. (a sole shareholder company) – was notified of the minutes of a tax inspection. These minutes related to direct taxes for the 2007 tax year and, in particular, refer to an alleged improper tax declaration due to a deduction made in violation of art. 109 of the Consolidated Income Tax Law - TUIR.
The Tax Authorities claim that the deduction did not relate to the 2007 tax year or comply with the requirements of certainty, relevance and determinability established in art. 109 of Decree 917/86.
With regard to the contested violations, any penalties will be levied by the Tax Authorities via the issue of a dispute notice pursuant to art. 16 of Decree 472/1997, or a combined dispute notice and assessment.

36. RELATIONS WITH RELATED PARTIES

The tables below analyse the balances deriving from transactions between the Parent Company and related parties:

PARENT COMPANY

	Period	Revenues	Costs	Fin. inc.	Fin. exp.	Period	Trade rec. and other	Fin. rec.	Trade pay.	Fin. pay. and other
Manutencoop Soc. Coop.	31-Dec.-08	4,845	28,926	51	1,846	31-Dec.-08	744	4,027	8,036	66,025
	31-Dec.-09	482	33,941	-	89	31-Dec.-09	299	507	9,199	8,244

ASSOCIATES

	Year	Revenues	Costs	Fin. inc.	Fin. exp.	Period	Trade rec. and other	Fin. rec.	Trade pay.	Fin. pay. and other
Roma Multiservizi S.p.A.	31-Dec.-08	1,088	3,699	-	-	31-Dec.-08	827	-	3,213	-
	31-Dec.-09	1,706	3,223	-	-	31-Dec.-09	829	-	2,460	-
Gico Systems S.r.l.	31-Dec.-08	4	252	-	-	31-Dec.-08	2	20	109	-
	31-Dec.-09	10	210	-	-	31-Dec.-09	3	20	122	-
Se.Sa.Mo. S.p.A.	31-Dec.-08	4,457	8	- 46	-	31-Dec.-08	6,990	606	2	-
	31-Dec.-09	-	-	-	-	31-Dec.-09	-	-	-	-
Bologna Global Service Soc. Cons.a r.l.	31-Dec.-08	-	5	-	-	31-Dec.-08	257	-	5	-
	31-Dec.-09	-	-	-	-	31-Dec.-09	-	-	-	-
Bologna Più Soc.Cons.a r.l.	31-Dec.-08	6,651	577	-	-	31-Dec.-08	1,507	193	323	-
	31-Dec.-09	3	-	-	-	31-Dec.-09	- 2	90	3	-
Global Riviera Soc.Cons.a r.l.	31-Dec.-08	1,092	4,248	-	-	31-Dec.-08	2,448	-	4,840	-
	31-Dec.-09	1,596	5,573	-	-	31-Dec.-09	975	-	4,088	-
Como Energia Soc.Cons.a r.l.	31-Dec.-08	23	741	-	-	31-Dec.-08	-	-	371	-
	31-Dec.-09	-	794	-	-	31-Dec.-09	17	-	773	-
NEW DUC Soc.Cons.a r.l.	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	15	879	-	-	31-Dec.-09	4	1,705	657	-
Cons.Energia Servizi Bologna Soc.Cons. a r.l.	31-Dec.-08	308	-	-	-	31-Dec.-08	197	-	-	-
	31-Dec.-09	-	-	-	-	31-Dec.-09	-	-	-	-
P.B.S. Soc.Cons. a r.l.	31-Dec.-08	-	2,624	-	-	31-Dec.-08	-	-	1,504	-
	31-Dec.-09	3	2,051	-	-	31-Dec.-09	3	-	1,443	-
Tower Soc.Cons. a r.l.	31-Dec.-08	46	111	-	-	31-Dec.-08	46	-	111	-
	31-Dec.-09	79	3,081	-	-	31-Dec.-09	13	-	54	-
Bologna Multiservizi Soc.Cons. a r.l.	31-Dec.-08	1,113	3,638	-	-	31-Dec.-08	1,139	-	2,817	-
	31-Dec.-09	1,193	4,929	-	-	31-Dec.-09	974	-	3,281	-

ASSOCIATES

	Year	Revenues	Costs	Fin. inc.	Fin. exp.	Period	Trade rec. and other	Fin. rec.	Trade pay.	Fin. pay. and other
Global Vicenza Soc.Cons. a r.l.	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	403	2,131	-	-	31-Dec.-09	58	-	805	-
Bologna Gestione Patrimonio Soc.Cons. a r.l.	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	380	299	-	-	31-Dec.-09	189	-	160	-
Progetto Sant'Anna	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	562	-	123	-	31-Dec.-09	-	-	-	-
Telepost	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	839	-	-	-	31-Dec.-09	1,006	-	-	-
SANCO	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	31,890	29,762	-	-	31-Dec.-09	8,886	1,500	-	-
Headmost division	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	1,846	-	-	-	31-Dec.-09	2,203	-	-	-
Iniziative Produttive Piemontesi srl	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	2	-	-	-	31-Dec.-09	2	-	-	371
Alisei s.r.l. in liquidation	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	-	1	-	-	31-Dec.-09	-	-	2	-
Livia Soc. cons. a r.l.	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	231	1,029	-	-	31-Dec.-09	197	-	864	-
Gymnasium Soc. cons. a r.l	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	1,977	1,548	-	-	31-Dec.-09	1,841	8	760	5
Geslotto 6 Soc. cons. a r.l	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	-	4	-	-	31-Dec.-09	6	20	22	-
Fr.lli Bernard s.r.l.	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	36	-	-	-	31-Dec.-09	36	-	-	-
SESATRE	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	11	3,554	141	150	31-Dec.-09	264	5,253	1,089	-
Napoli 5 Soc.Cons. a r.l.	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	-	5	-	-	31-Dec.-09	-	-	-	-

SUBSIDIARIES OF MANUTENCOOP SOC. COOP.

	Year	Revenues	Costs	Fin. inc.	Fin. exp.	Period	Trade rec. and other	Fin. rec.	Trade pay.	Fin. pay. and other
Manutencoop Immobiliare S.p.A.	31-Dec.-08	6,840	1,471	-	-	31-Dec.-08	602	-	187	-
	31-Dec.-09	2,211	1,961	-	-	31-Dec.-09	941	-	301	-
Manutencoop Servizi Ambientali S.p.A.	31-Dec.-08	987	423	-	-	31-Dec.-08	807	-	192	-
	31-Dec.-09	1,042	497	-	-	31-Dec.-09	1,248	-	417	-
Sies S.r.l.	31-Dec.-08	2,398	-	-	-	31-Dec.-08	2,487	-	-	-
	31-Dec.-09	3,539	-	-	-	31-Dec.-09	1,656	-	-	-
Cavarzere	31-Dec.-08					31-Dec.-08				
	31-Dec.-09	2	-	-	-	31-Dec.-09	-	-	-	-
Cerpac S.r.l.	31-Dec.-08	2	-	-	-	31-Dec.-08	1	-	-	-
	31-Dec.-09	1	-	-	-	31-Dec.-09	1	-	-	-

ASSOCIATES OF MANUTENCOOP SOC. COOP. OR OTHER GROUP COMPANIES

	Year	Revenues	Costs	Fin. inc.	Fin. exp.	Period	Trade rec. and other	Fin. rec.	Trade pay.	Fin. pay. and other
Consorzio Cooperativo Karabak Soc.a r.l.	31-Dec.-08	44	-	-36	-	31-Dec.-08	22	-	2	1
	31-Dec.-09	51	-	-	-	31-Dec.-09	14	-	2	-
Consorzio Segantini	31-Dec.-08	11	-	-	-	31-Dec.-08	5	-	-	-
	31-Dec.-09	-	-	-	-	31-Dec.-09	-	-	-	-
Bar.S.A. S.p.A.	31-Dec.-08	126	-	-	-	31-Dec.-08	126	-	-	-
	31-Dec.-09	-	-	-	-	30-giu-09	-	-	-	-
Codiser Società Cooperativa	31-Dec.-08	72	197	-	-	31-Dec.-08	86	-	152	-
	31-Dec.-09	107	410	-	-	31-Dec.-09	7	-	359	-
San Martino 2000 Soc.Cons. r.l.	31-Dec.-08	1,577	2,826	-	-	31-Dec.-08	780	-	671	-
	31-Dec.-09	1,727	3,022	-	-	31-Dec.-09	1,194	-	1,046	-

GRAND TOTAL

	Year	Revenues	Costs	Fin. inc.	Fin. exp.	Period	Trade rec. and other	Fin. rec.	Trade pay.	Fin. pay. and other
TOTALE	**31-Dec.-08**	**31,684**	**49,746**	**-31**	**1,846**	**31-Dec.-08**	**19,073**	**4,846**	**22,535**	**66,026**
	31-Dec.-09	**51,944**	**98,904**	**264**	**239**	**31-Dec.-09**	**22,864**	**9,103**	**27,907**	**8.620**

Terms and conditions applying to transactions with related parties

These transactions were carried out on normal market terms i.e. those that would have been applied between independent parties. Market prices are applied for both commercial and financial transactions; interest-free loans are only made in the case of proportional lending by consortium members to their consortiums, where any interest charges would only be charged back to the members by the consortiums concerned. Such loans are stated at their present value in the financial statements of MFM S.p.A. In addition to technical and productive services relating to its core businesses, the Parent Company also provides administrative and IT services to certain Group companies. No guarantees have been given or received in relation to the amounts due to or from related parties. The Group has not recorded any allowances for doubtful accounts regarding amounts due from related parties in the years under review. The situation is reviewed at each year end by examining both the financial position of the related parties concerned and conditions in the markets in which they operate.

The principal contracts with other companies in the Manutencoop Group, controlled by Manutencoop Società Cooperativa, are analysed below:

- Manutencoop Facility Management and Manutencoop Società Cooperativa have signed an agreement whereby the former agrees to supply IT services to the latter. This contract came into effect on 1 January 2005 and will terminate on 31 December 2009 or on the later date that coincides with the date of termination of the investment agreements between the shareholders of Manutencoop Facility Management, which were entered into on 23 December 2003 and 23 December 2004. Manutencoop Società Cooperativa will pay Euro 286 thousand to Manutencoop Facility Management in 2009 for the above services.
  Manutencoop Facility Management also provided IT services to Manutencoop Servizi Ambientali S.p.A. in 2009, for which it earned income of Euro 435 thousand.
- On 1 August 2008, Manutencoop Facility Management and Roma Multiservizi S.p.A. signed a contract for the provision by Manutencoop Facility Management of IT services to Roma Multiservizi S.p.A. This contract came into force on 1 September 2008 and will expire on 30 August 2011. The annual consideration payable is Euro 1,250 thousand.
- Manutencoop Società Cooperativa has sub-let to MFM S.p.A. a portion of the building at via Poli 4, Zola Predosa (Bologna), covering a total area of more than 10,000 sq.m., for use as office space. The duration of this contract is from 1 January 2005 to 31 December 2010, with automatic renewal if neither party informs the other, by registered letter sent at least 12 months prior to the expiry date, that it does not wish to renew. The annual rental is Euro 1,622 thousand, payable in 12 monthly instalments.
- On 6 July 2007, MFM S.p.A. entered into a framework agreement with Manutencoop Società Cooperativa, governing the key terms for the subsequent secondment of personnel from Manutencoop Società Cooperativa to the Parent Company, pursuant to Chapter III, Section I of Decree 276/2003. This five-year agreement will be renewed automatically unless formally terminated at least 18 months prior to the end of the first five-year period. Legally, this agreement is a regulatory contract that does not grant rights to third parties. Under its terms, the Parent Company and Manutencoop Società Cooperativa - which manages and coordinates the Parent Company's activities - specify the conditions governing any contracts for the future secondment of member employees of Manutencoop Società Cooperativa, and the operational basis for entering into and terminating such contracts.

As already stated, the Parent Company is subject to management and coordination by Manutencoop Società Cooperativa and, pursuant to para. 4 of art. 2497-bis of the Italian Civil Code, the key information reported in the latter's latest approved financial statements is presented below:

MANUTENCOOP SOC. COOP.VA FINANCIAL STATEMENTS AS OF 31/12/2008

(in thousands of Euro)	2008	2007 Restated
BALANCE SHEET		
ASSETS		
A) Unpaid capital due from shareholders	299	349
B) Fixed assets	300,382	204,634
C) Current assets	36,974	97,344
D) Accrued income and prepaid expenses	3,464	1,271
TOTAL ASSETS	**341,119**	**303,598**
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) Shareholders' equity:		
Share capital	15,038	14,722
Reserves	252,261	203,513
Net profit (loss) for the year	(597)	46,885
B) Provisions for risks and charges	2,568	1,421
C) Employee severance indemnities	4,436	4,583
D) Payables	66,526	31,681
E) Accrued expenses and deferred income	887	793
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**341,119**	**303,598**
MEMORANDUM ACCOUNTS	**124,784**	**152,585**
INCOME STATEMENT		
A) Value of production	45,059	35,546
B) Cost of production	(48,179)	(37,729)
C) Financial income and charges	5,199	5,182
D) Adjustments to financial assets	(3,710)	(2,018)
E) Extraordinary income and expense	1,074	39,086
Income taxes for the year	(41)	6,818
Net profit (loss) for the year	(598)	46,885

Remuneration of the Board of Directors, other executives with strategic responsibilities and the Board of Statutory Auditors

The remuneration paid to members of the Parent Company's administrative and control bodies, and to executives with strategic responsibilities, including that for any work performed for other Group companies, is set out below:

(in thousands of Euro)	31 december 2009	31 december 2008
Board of Directors/Management Board		
Short-term benefits	1.148	1.052
Future benefits (severance indemnities)		5
TOTAL BOARDS	**1.148**	**1.057**
Other executives with strategic responsibilities		
Short-term benefits	733	522
Future benefits (severance indemnities)	49	32
TOTAL OTHER EXECUTIVES	**782**	**554**
Board of Statutory Auditors / Supervisory Board		
Short-term benefits	441	317
TOTAL BOARD OF STATUTORY AUDITORS / SUPERVISORY BOARD	**441**	**317**

During 2008, MFM S.p.A. implemented a dual-board governance system which replaced the Board of Directors and the Board of Statutory Auditors with a Management Board and a Supervisory Board.
The fees of the Group's independent auditors, recorded in the consolidated income statement for 2009, totalled Euro 710 thousand.

37. MANAGEMENT OF FINANCIAL RISKS: OBJECTIVES AND CRITERIA

Financing requirements and the related risks (mainly interest-rate risk and liquidity risk) are managed on a centralised basis by the Group Treasury, following guidelines approved by the Parent Company's Management Board which are reviewed periodically. The main purpose of these guidelines is to ensure that the structure of liabilities matches that of the assets reported in the financial statements, with a view to maintaining a high degree of financial strength.
The main financial instruments used comprise:

› short-term loans and a revolving factoring facility that involves the sale of receivables without recourse in order to finance working capital;
› medium/long-term loans repayable in instalments, to finance the investment in fixed assets and the purchase of companies and lines of business.

The Group also uses the trade payables deriving from operating activities as financial instruments.
It is Group policy not to trade in financial instruments. This policy was followed during the year just ended.

Categories of financial assets and liabilities defined in IAS 32

As required by IFRS 7, the following table presents the financial assets and liabilities reported in the consolidated financial statements of the MFM Group in accordance with classification defined in IAS 32, together with the related economic effects for the year ended 31 December 2009:

FINANCIAL ASSETS: 2009

(in thousands of Euro)	31 december 2009	Available-for-sale financial assets	Loans and receivables
Non-current financial assets			
Other equity investments	3,301	3,301	
CNon-current financial receivables	15,694		15,694
Other non-current assets	1,730		1,730
Total non-current financial assets	**20,725**	**3,301**	**17,424**
Current financial assets			
Trade receivables and advances to suppliers	649,517		649,517
Current tax receivables	9,401		9,401
Other current operating receivables	14,758		14,758
Receivables and other current financial assets	1,960		1,960
Cash and cash equivalents	79,802		
Total current financial assets	**755,438**	**-**	**675,636**
TOTAL FINANCIAL ASSETS	**776,163**	**3,301**	**693,060**
Financial income (charges)	**2,923**	**209**	**2,714**

FINANCIAL LIABILITIES: 2009

(in thousands of Euro)	31 december 2009	Financial liabilities at fair value through the income statement	Financial liabilities at amortised cost
Non-current financial liabilities			
Loans - non-current portion	209,210		209,210
Non-current financial liabilities from hedging derivatives	1,065		1,065
Other non-current liabilities	2		2
Non-current financial liabilities	**210,277**	**-**	**210,277**
Current financial liabilities			
Trade payables and advances from customers	431,103		431,103
Current income taxes	12,022		12,022
Other current operating payables	133,614		133,614
Loans and other current financial liabilities	172,026	117	171,989
Total current financial liabilities	**748,765**	**117**	**748,648**
TOTAL FINANCIAL LIABILITIES	**959,042**	**117**	**958,925**
Financial income (charges)	**(14,864)**	**(18)**	**(14,846)**

The same information for the year ended 31 December 2008 is presented below:

FINANCIAL ASSETS: 2008

(in thousands of Euro)	31 december 2008	Available-for-sale financial assets	Loans and receivables
Non-current financial assets			
Other equity investments	2,836	2,836	
Non-current financial receivables	6,708		6,708
Other non-current assets	1,414		1,414
Total non-current financial assets	**10,958**	**2,836**	**8,122**
Current financial assets			
Trade receivables and advances to suppliers	634,777		634,777
Current tax receivables	234		234
Other current operating receivables	17,076		17,076
Receivables and other current financial assets	1,220		1,220
Cash and cash equivalents	97,927		
Total current financial assets	**751,234**	**-**	**653,307**
TOTAL FINANCIAL ASSETS	**762,192**	**2,836**	**661,429**
Financial income (charges)	**3,979**	**182**	**3,797**

FINANCIAL LIABILITIES: 2008

(in thousands of Euro)	31 december 2008	Financial liabilities at fair value through the income statement	Financial liabilities at amortised cost
Non-current financial liabilities			
Loans - non-current portion	229,708		229,708
Other non-current liabilities	12		12
Non-current financial liabilities	**229,720**	**-**	**229,720**
Current financial liabilities			
Trade payables and advances from customers	490,049		490,049
Other current operating payables	114,014		114,014
Current loans	91,371		91,371
Other current financial liabilities	19,160	99	19,061
Total current financial liabilities	**714,594**	**99**	**714,495**
TOTAL FINANCIAL LIABILITIES	**944,314**	**99**	**944,215**
Financial income (charges)	**(13,147)**	**2**	**(13,149)**

Liquidity risk

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

Risk of changes in the prices of raw materials

The Group's exposure to price risk solely relates to the purchase cost of petroleum products, which represent more than 45% of the total purchase cost of raw materials and consumables. This commodity, which is a primary factor of production for heat management contracts, is highly susceptible to price fluctuations due to political events and seasonal climatic variations.

The following table shows the sensitivity of fuel consumption costs (amounts preceded by a plus sign indicate potential cost increases and vice versa), assuming constant volume, to reasonably foreseeable changes in the price of fuel. These fluctuations are largely absorbed by the contracts in force with customers, because price revisions are covered both contractually and pursuant to art. 115 of Decree 163 dated 12 April 2006. As such, the effect on Group profit for the year would have been largely insignificant and, in any event, considerably less than that indicated in the table

	Percentage increase/decrease	Effect on fuel consumption / in thousands of Euro
31 december 2009		
	+20%	10,464
	-5%	(2,616)
31 december 2008		
	+20%	9,901
	-5%	(2,475)

Credit risk

Following the latest acquisitions, the Group has diversified its portfolio which, in the past, mainly consisted of contracts with the Public Administration. These are not subject to insolvency problems, but do however require continual contact with the customers concerned, in order to minimise bureaucratic delays and resolve together the related financial management issues.
The new acquisitions have shifted the customer mix towards major Italian industrial groups in the private sector (especially following the purchase of the Altair group) and, to a lesser extent, towards the SME sector (via purchase of the Sicura group).
There are no significant risks associated with the concentration of receivables, which are closely monitored by the Group.

Fair value

The carrying amount of the financial instruments recorded in the consolidated financial statements does not differ from their fair value, including those classified as assets held for sale. The interest rates applied in relation to the financial assets and liabilities outstanding at year end are considered to reflect market rates.
A comparison of the carrying amount and fair value of the principal financial assets and liabilities is set out below

(in thousands of Euro)	CARRYING AMOUNT		FAIR VALUE	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
FINANCIAL ASSETS				
Cash and cash equivalents	79,802	97,927	79,802	97,927
Receivables and other current financial assets	1,960	1,220	1,960	1,220
Other minority equity investments	3,301	2,836	3,301	2,836
Non-current financial receivables	15,694	6,708	15,694	6,708
FINANCIAL LIABILITIES				
Loans:				
> Floating-rate loans	341,461	320,293	341,461	320,293
> Fixed-rate loans	635	786	635	786
Other current financial liabilities	39,140	19,160	39,140	19,160
Non-current financial liabilities from hedging derivatives	1,065		1,065	

Interest-rate risk

Current Group policy gives preference to floating-rate loans for the management of financial charges, with a very limited value of loans arranged at fixed rates.
During 2008, the management of the MFM Group decided to rationalise the Group's borrowing following the acquisitions made in 2007 and, especially, at the end of 2008, with a view to re-balancing the mix of short-term and long-term loans.
In order to hedge the risk of interest-rate fluctuations, MFM S.p.A. entered into the following IRS contracts on 19 June 2009:

HEDGING CONTRACT CONDITIONS

(in thousands of Euro)	UNICREDIT CORPORATE BANKING	BNP PARIBAS	BANCA AKROS
Notional from 23/12/2009 to 23/6/2010	40,000,000	45,000,000	20,000,000
Start date	23/6/2009	23/6/2009	23/6/2009
End date	23/12/2014	23/12/2014	23/12/2014
Floating rate	Euribor 6 mesi	Euribor 6 mesi	Euribor 6 mesi
Fixed rate	2.65%	2.65%	2.65%

The value of the notional relates to the 2nd six-month hedge period

The financial instruments exposed to interest-rate risk comprise those listed as Loans in note 19, as well as those included in the following balance sheet captions:

› Cash and cash equivalents, receivables and other current financial assets (note 14)
› Non-current financial assets (note 10)

Analysis of sensitivity to interest-rate risk

The following table shows the sensitivity of pre-tax profit for the year to reasonably foreseeable changes in interest rates, holding constant all other variables.

(in thousands of Euro)	Increase/decrease	Effect on pre-tax profit (in thousands of Euro)
Year ended 31 December 2009	+50 bps	(3,101)
	-30 bps	1,930
Year ended 31 December 2008	+80 bps	(2,890)
	-30 bps	1,085

Exchange-rate risk

The Group is mostly active in Italy, where it is not subject to exchange-rate risk.
As a consequence of acquiring the Altair group, the MFM Group now includes a Polish company active in the provision of facility management services. This exposes the Group to a moderate translation risk deriving from the consolidation of assets and liabilities denominated in zloty. The Group has elected not to hedge this limited risk for the moment.

Management of capital structure

The Parent Company's primary objective for the management of its capital structure is to maintain a sound credit rating and appropriate capital ratios, in order to facilitate operations and maximise shareholder value. The Group manages its capital structure, taking account of changes in economic conditions. In order to maintain or adjust its capital structure, the Group can modify the dividends paid to shareholders, repay capital or issue new shares. The Group calculates its debt ratio by dividing net borrowing by the total of shareholders' equity plus net borrowing. The Group includes the following within net borrowing: interest-bearing loans, trade and other payables, tax payables, employee severance indemnities, and cash and cash equivalents.

(in thousands of Euro)	31 December 2009	31 December 2008 restated
Employee severance indemnities (TFR)	35,645	37,309
Interest-bearing loans	342,096	321,079
Trade payables and advances from customers	431,103	490,049
Other current payables	133,614	114,014
Other current financial liabilities	39,140	19,160
Cash and cash equivalents	(79,802)	(97,927)
Other current financial assets	(1,960)	(1,220)
Net borrowing	899,836	882,464
Group shareholders' equity	261,211	251,166
Undistributed net profit	(15,117)	(20,595)
TOTAL EQUITY	**246,315**	**230,571**
Equity plus net borrowing	**1,146,151**	**1,113,035**
DEBT/EQUITY RATIO	**0.78**	**0.79**

The debt/equity ratio has not changed significantly since 31 December 2008.

38. SUBSEQUENT EVENTS

The absorption of Integra FM BV, Altair IFM S.p.A., Gestin Facility S.p.A. and Teckal S.p.A. by MFM S.p.A. took effect on 1 January 2010.
On the same date, the absorption of MCB S.p.A. by MP Facility S.p.A. also took effect.
The operational phase of the integration process has continued in early 2010 and should be completed later in the year, when the new organisational structure will become fully effective.

The Chairman of the Management Board
Claudio Levorato

MANUTENCOOP

REPORT OF THE
INDIPENDENT AUDITORS

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Relazione della società di revisione
ai sensi dell'art. 2409-ter del Codice Civile

Agli Azionisti della
Manutencoop Facilty Management S.p.A.

1. Abbiamo svolto la revisione contabile del bilancio consolidato, costituito dalla situazione patrimoniale-finanziaria, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, della Manutencoop Facilty Management S.p.A. e sue controllate ("Gruppo Manutencoop Facilty Management") chiuso al 31 dicembre 2009. La responsabilità della redazione del bilancio in conformità agli International Financial Reporting Standards adottati dall'Unione Europea, compete ai consiglieri di gestione della Manutencoop Facilty Management S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.

2. Il nostro esame è stato condotto secondo i principi di revisione emanati dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili e raccomandati dalla Consob. In conformità ai predetti principi, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dai consiglieri di gestione. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

   La responsabilità del lavoro di revisione contabile del bilancio della collegata Roma Multiservizi S.p.A., valutata con il metodo del patrimonio netto, che rappresenta circa l'1% dell'attivo consolidato e la cui quota di provento rappresenta circa il 9% del risultato netto di Gruppo, è di altro revisore.

   Il bilancio consolidato presenta ai fini comparativi i dati dell'esercizio precedente. Come illustrato nelle note esplicative, i consiglieri di gestione hanno riesposto alcuni dati comparativi relativi all'esercizio precedente, rispetto ai dati precedentemente presentati e da noi assoggettati a revisione contabile, sui quali avevamo emesso la relazione di revisione in data 14 aprile 2009. Tale riesposizione è stata effettuata a seguito del completamento della contabilizzazione iniziale dell'acquisizione del gruppo controllato da Integra IFM B.V., determinata solo provvisoriamente in sede di redazione del bilancio chiuso al 31 dicembre 2008, al fine di presentare le informazioni comparative come se la contabilizzazione iniziale fosse stata completata dalla data di acquisizione. Le modalità di rideterminazione dei dati comparativi e la relativa informativa presentata nelle note esplicative, sono state da noi esaminate ai fini dell'espressione del giudizio sul bilancio consolidato chiuso al 31 dicembre 2009.

3. A nostro giudizio, il bilancio consolidato del Gruppo Manutencoop Facilty Management al 31 dicembre 2009 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa del Gruppo Manutencoop Facilty Management per l'esercizio chiuso a tale data.

4. Come descritto nelle note esplicative e nella relazione sulla gestione, in data 10 dicembre 2009 è stato stipulato l'atto di fusione per incorporazione delle controllate Integra FM B.V., Altair IFM S.p.A., Gestin Facility S.p.A. e Teckal S.p.A. nella Manutencoop Facility Management S.p.A., con decorrenza degli effetti giuridici dal 1 gennaio 2010. La data a partire dalla quale i valori contabili

delle società incorporate confluiscono nella società incorporante è stata identificata nel 1 gennaio 2010.

5. La responsabilità della redazione della relazione sulla gestione, in conformità a quanto previsto dalle norme di legge, compete ai consiglieri di gestione della Manutencoop Facilty Management S.p.A.. E' di nostra competenza l'espressione del giudizio sulla coerenza della relazione sulla gestione con il bilancio, come richiesto dalla legge. A tal fine, abbiamo svolto le procedure indicate dal principio di revisione 001 emanato dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili. A nostro giudizio la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Manutencoop Facilty Management al 31 dicembre 2009.

Bologna, 6 aprile 2010

Reconta Ernst & Young S.p.A.

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