



CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of Euro)</i>	NOTES	31 DECEMBER 2013	31 DECEMBER 2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	80,059	80,276
Property, plant and equipment under lease	4	3,598	5,996
Goodwill	5-6	416,141	418,724
Other intangible assets	5	29,064	26,919
Investments accounted for under the equity method	8	29,660	27,881
Other investments	8	3,038	3,041
Non-current financial assets	9	10,668	11,455
Other non-current assets	9	1,653	1,746
Deferred tax assets	31	24,129	23,550
TOTAL NON-CURRENT ASSETS		598,010	599,588
CURRENT ASSETS			
Inventories	10	6,194	11,240
Trade receivables and advances to suppliers	11	696,677	655,497
Current tax receivables	31	16,548	24,747
Other current assets	11	29,650	23,690
Current financial assets	12	13,208	11,202
Cash and cash equivalents	12	185,293	51,987
TOTAL CURRENT ASSETS		947,570	778,363
Assets classified as held for sale	13	7,868	130
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE		7,868	130
TOTAL ASSETS		1,553,448	1,378,081

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)

	NOTES	31 DECEMBER 2013	31 DECEMBER 2012
SHAREHOLDERS' EQUITY			
Share capital		109,150	109,150
Reserves		167,797	144,221
Retained earnings		33,606	23,540
Profit for the year attributable to equity holders of the parent		13,747	32,574
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		324,300	309,485
Capital and reserves attributable to non-controlling interests		1,611	1,772
Profit for the period attributable to non-controlling interests		344	728
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		1,955	2,500
TOTAL SHAREHOLDERS' EQUITY	14	326,255	311,985
NON-CURRENT LIABILITIES			
Employee termination indemnity	15	27,785	31,321
Provisions for risks and charges, non-current	16	11,715	11,797
Derivatives	17	0	1,222
Long-term debt	18	457,074	119,213
Deferred tax liabilities	31	12,156	12,006
Other non-current liabilities		8	7
TOTAL NON-CURRENT LIABILITIES		508,738	175,566
CURRENT LIABILITIES			
Provisions for risks and charges, current	16	24,973	29,297
Trade payables and advances from customers	19	456,420	441,551
Current tax payables	31	227	2,922
Other current liabilities	19	148,535	148,362
Bank borrowings, including current portion of long-term debt, and other financial liabilities	18	85,880	268,334
TOTAL CURRENT LIABILITIES		716,035	890,466
Liabilities directly associated with non-current assets classified as held for sale	13	2,420	64
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		2,420	64
TOTAL LIABILITIES		1,553,448	1,378,081

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>(in thousands of Euro)</i>	NOTES	31 DECEMBER 2013	31 DECEMBER 2012
REVENUE			
Revenue from sales and services	21	1,077,932	1,070,328
Other revenue	22	2,665	2,301
TOTAL REVENUE		1,080,597	1,072,629
OPERATING COSTS			
Costs of raw materials and consumables	23	(173,711)	(163,168)
Costs for services and use of third party assets	24	(394,229)	(419,981)
Personnel costs	25	(387,757)	(365,285)
Other operating costs	26	(8,353)	(10,313)
Capitalized internal construction costs		1,838	531
Amortization, depreciation, write-downs and write-backs of assets	27	(43,205)	(44,388)
Accrual of provisions for risks and charges	28	(11,105)	(10,390)
TOTAL OPERATING COSTS		(1,016,522)	(1,012,994)
OPERATING INCOME	20	64,075	59,635
FINANCIAL INCOME AND EXPENSES			
Share of net profit of associates	8	2,592	3,251
Dividend and income (loss) from sale of investments	28	665	669
Financial income	29	2,713	3,280
Financial charges	30	(32,318)	(23,700)
Gains / (losses) on exchange rate		0	(4)
PROFIT (LOSS) BEFORE TAXES		37,727	43,131
Income taxes	31	(23,211)	(9,823)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		14,516	33,308
Profit (loss) from discontinued operations	13	(425)	(6)
NET PROFIT (LOSS) FOR THE YEAR		14,091	33,302
Net profit (loss) for the year attributable to non-controlling interests		(344)	(728)
NET PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		13,747	32,574

<i>(amounts in Euro)</i>	31 DECEMBER 2013	31 DECEMBER 2012
Basic earnings per share	0.126	0.298
Diluted earnings per share	0.126	0.298
Basic earnings per share from continuing operations	0.130	0.298
Diluted earnings per share from continuing operations	0.130	0.298

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (*)

(in thousands of Euro)	NOTES	31 DECEMBER 2013	31 DECEMBER 2012
NET PROFIT FOR THE YEAR		14,091	33,302
Other components of the comprehensive income, which will be subsequently reclassified under profit/loss for the year:			
Differences arising from translation of financial statements in foreign currency		0	0
Net gain/(loss) on Cash Flow Hedge		1,222	207
Income taxes on Cash Flow Hedge		(336)	(57)
Net effect on gains (losses) of cash flow hedge	14	886	150
Share of other comprehensive income of entities accounted for using the equity method, which will be subsequently reclassified under profit/loss for the year	14	668	(639)
Other components of the comprehensive income for the YEAR, which will be subsequently reclassified under profit/loss for the year		1,554	(489)
Other components of the comprehensive income, which will not be subsequently reclassified under profit/ loss for the year:			
Actuarial gains (losses) on defined benefit plans		1,273	(3,294)
Income taxes		(350)	906
Net effect of actuarial gains/(losses)	14	923	(2,388)
Share of other comprehensive income of entities accounted for using the equity method, which will not be subsequently reclassified under profit/loss for the year		59	(182)
Other components of the comprehensive income for the YEAR, which will not be subsequently reclassified under profit/loss for the year		982	(2,570)
TOTAL PROFIT (LOSS) IN THE STATEMENT OF COMPREHENSIVE INCOME, NET OF TAXES		2,536	(3,059)
TOTAL COMPREHENSIVE INCOME (LOSS), NET OF TAXES		16,627	30,243
Attributable to:			
Equity holders of the Parent		16,283	29,515
Non-controlling interests		344	728

(*) With effect from the financial years beginning on 1st January 2013 or later, the statement of comprehensive income is required to identify and group any items which, upon the occurrence of specific conditions, will be subsequently reclassified to the income statement and, separately, any items which will not be reclassified to the income statement. Accordingly, the MFM Group has recognized, for the first time in 2013, the items of the statement of comprehensive income in the two abovementioned subgroups.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	NOTES	31 DECEMBER 2013	31 DECEMBER 2012
Profit before taxes		37,727	43,131
Amortization, depreciation, write-downs and (write-backs) of assets		43,205	45,649
Accrual to provisions for risks and charges		11,105	10,390
Employee termination indemnity provision		1,788	1,996
Share of net profit of associates		(855)	(1,268)
Income tax paid		(20,608)	(29,935)
Cash flow from current operations		72,362	69,963
Decrease (increase) of inventories		4,964	1,349
Decrease (increase) of trade receivables and advances to suppliers		(48,588)	16,048
Decrease (increase) of other current assets		(6,236)	(5,225)
Increase (decrease) of trade payables and advances from customers		12,113	(22,302)
Increase (decrease) of other current liabilities		789	580
Payments of employee termination indemnity		(4,247)	(5,564)
Utilization of provisions		(14,780)	(13,151)
Change in operating assets and liabilities		(55,984)	(28,265)
Net cash flow from operating activities		16,378	41,698
Purchase of intangible assets, net of sales	5	(10,430)	(8,197)
Purchase of property, plant and equipment	4	(25,259)	(35,728)
Proceeds from sales of property, plant and equipment	4	673	1,020
Acquisition of investments		(194)	(22,974)
(Decrease) increase of financial assets		1,167	(110)
Net cash used in business combinations	3	(854)	(6,796)
Gain/(loss) from sales of assets classified as held for sale	13	(8)	(72)
Net cash flow used in investing activities		(34,905)	(72,857)
Proceeds from/reimbursement borrowings		155,365	40,845
Dividends paid		(565)	(812)
Acquisition/ transfer of minority interests in subsidiaries		(1,792)	458
Reclassification of discontinued operations	13	(1,175)	0
Net cash flow from / (used in) financing activities		151,833	40,491
Changes in cash and cash equivalents		133,306	9,331
Cash and cash equivalents at the beginning of the year		51,987	42,656
Changes in cash and cash equivalents		133,306	9,331
Cash and cash equivalents at the end of the year		185,293	51,987
Details of cash and cash equivalents:			
Cash and bank accounts		185,293	51,987
TOTAL CASH AND CASH EQUIVALENTS		185,293	51,987

Supplementary information	NOTES	31 DECEMBER 2013	31 DECEMBER 2012
(in thousands of Euro)			
Interest paid		(16,079)	(22,769)
Interest received		1,973	1,883
Dividends received		2,402	1,983

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>(in thousands of Euro)</i>	Share capital	Reserves	Retained earnings	Result of the year	Total Shareholders' equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total shareholder s' equity
1 January 2013	109,150	144,221	23,540	32,574	309,485	2,500	311,985
Dividends distribution					0	(566)	(566)
Allocation of previous year result		21,040	11,533	(32,574)	0	0	0
Acquisition/ transfer of minority interests in subsidiaries			(1,467)		(1,467)	(325)	(1,792)
Total comprehensive income		2,536		13,747	16,283	344	16,627
31 December 2013	109,150	167,797	33,606	13,747	324,300	1,955	326,255

<i>(in thousands of Euro)</i>	Share capital	Reserves	Retained earnings	Result of the year	Total Shareholders' equity attributable to equity holders of the parent	Equity attributable to non-controlling interests	Total shareholder s' equity
1 January 2012	109,150	139,053	20,185	11,124	279,512	13,242	292,754
Dividends distribution					0	(812)	(812)
Allocation of previous year result		8,227	2,897	(11,124)	0	0	0
Acquisition/ transfer of minority interests in subsidiaries			458		458	(10,658)	(10,200)
Total comprehensive income		(3,059)		32,574	29,515	728	30,243
31 December 2012	109,150	144,221	23,540	32,574	309,485	2,500	311,985

EXPLANATORY NOTES

1. GENERAL INFORMATION

The publication of the consolidated Financial Statements of Manutencoop Facility Management S.p.A. Group (the “MFM Group” or the “Group”) for the year ended 31 December 2013 was authorized by resolution of the Management Board of 24 March 2014.

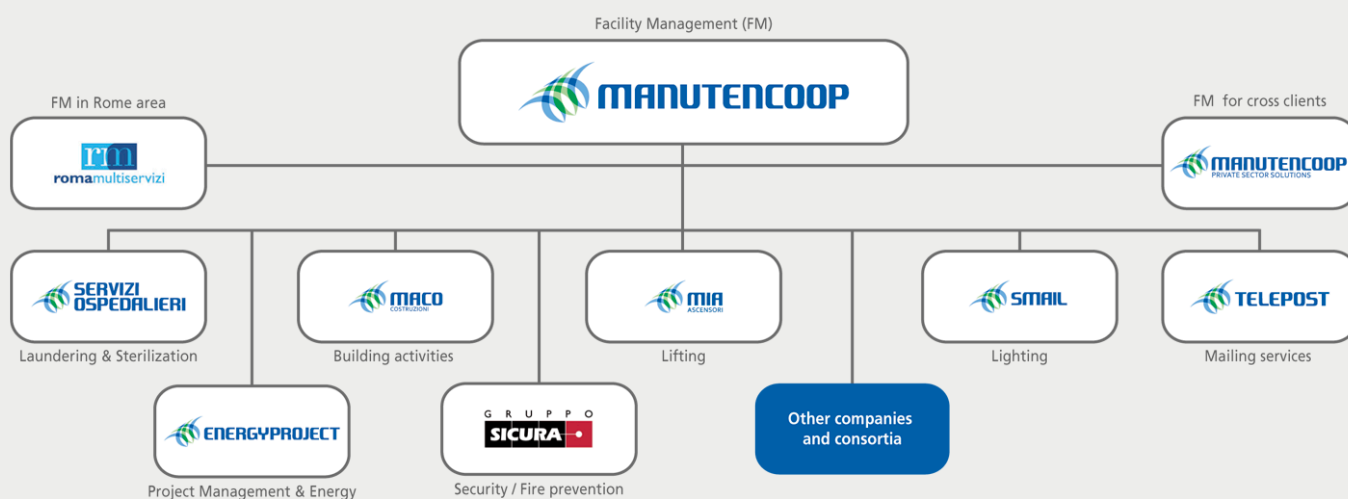
The Group is 71.89% owned by Manutencoop Società Cooperativa, with registered office in Zola Predosa (BO), which in turn exercises management and coordination activities over the Group. On 1 July 2013 the company acquired an additional stake of 7.028% with retention of title (“riserva di proprietà”), whereby it is vested with related financial and administrative rights, pursuant to and for the purposes of article 1523 of the Italian Civil Code.

1.1 The business

The Group is active in the management and provision of integrated services, to public and private customers, targeted at properties, the area and to support so-called “Integrated Facility Management” health care activities. In particular, the MFM Group provides a wide and coordinated range of integrated services throughout Italy, aimed at rationalising and improving the quality of the non-strategic and auxiliary activities of major private groups, public authorities and health care facilities.

At present the MFM Group is structured around a single operating holding company which combines so-called “traditional” facility management production resources with those related to supporting the whole Group’s business. At the same time a diversification strategy has been pursued which, through a series of acquisitions, has placed some “specialist” facility management services beside the historical core business (hygiene services, green spaces and technical and maintenance services): these services involve fire prevention and safety products and systems, maintenance services for lifting equipment (lifts and hoists), building activities and operating lighting systems, in addition to linen rental and industrial laundering services and surgical instrument sterilization at healthcare facilities.

The Group now operates throughout the whole country through specific companies for each sector:



The *Facility Management* segment offers a collection of logistic and organizational support services targeted at users of properties and aimed at optimizing the management of property-related activities. The so-called “traditional” *Facility Management* services provided by the MFM Group include the following activities:

- › Cleaning;
- › Technical Services;
- › Landscaping.

Cleaning activity includes cleaning and hygiene services, sanitation, disinfection, pest control and rat extermination, collection, transport and disposal of hospital waste and employs the highest number of Group employees.

The so-called *Technical Services* encompass the management, running and maintenance services of property-related systems (including heating and air conditioning systems, electrical systems, lifts, fire prevention and safety systems), including therein:

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

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

Starting from 2008, as a consequence of the diversification and horizontal integration strategy, the Group expanded its range of services through a series of acquisitions, providing certain specialist facility management services alongside its “traditional” Facility Management services, such as:

- › installation and maintenance services of elevating systems;
- › services related to building security;
- › public lighting services;
- › mail services;
- › document management.

The so-called *Laundering/Sterilization* is an industrial activity given in support of health care activities. The activity, provided by the MFM Group, in particular through Servizi Ospedalieri S.p.A. and its subsidiaries, mainly involves (i) the rental and industrial laundering of bed linens, packaged linen and mattress provider (linen rental and industrial laundering), (ii) Sterilization of linen and (iii) Sterilization of surgical equipment.

Laundering/Sterilization services provided by the Group also include the following activities:

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

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

The *Building* activities consist of construction projects, which are not particularly significant in respect of total Group production and which are also carried out on behalf of other Manutencoop Group companies, as well as, on occasion, to support facility management activities where, as part of non-ordinary maintenance works, small building works are also necessary.

It should be noted that the Management does not consider the *Energy Management*, *Project Management* and *Building* activities to be strategic any longer. The Group has therefore decided not to develop those areas of business any further, and it will just manage, in the near future, the commitments it has already taken on with respect to ongoing contracts with customers until they will be completed.

2. ACCOUNTING STANDARDS AND BASIS OF PRESENTATION

The consolidated Financial Statements at 31 December 2013 comprise the Consolidated Statement of financial position, the Consolidated Statement of profit or loss, the Consolidated Statement of other comprehensive income, the Consolidated Statement of Cash flows, the Consolidated Statement of changes in Shareholders' Equity and the related Explanatory Notes.

The consolidated Financial Statements at 31 December 2013 were prepared on a historical cost basis, except for the derivative financial instruments that have been measured at fair value.

The consolidated Statement of Financial Position sets forth assets and liabilities distinguishing between current and non-current. The consolidated Statement of profit or loss classifies costs by nature, while the consolidated Statement of other comprehensive income sets forth the result for the period added with income and expenses, that in accordance with IFRS, are directly recognized in the Shareholders' Equity. The consolidated Statement of Cash flows has been prepared on the basis of the indirect method and presented in accordance with IAS 7, distinguishing between cash flow from operating, investing and financing activities.

The consolidated Financial Statements at 31 December 2013 have been presented in Euro, which is the Group's functional currency. All values showed in the statements and in the explanatory notes are in thousands of Euro, unless otherwise stated.

2.2 Statement of compliance with international accounting standards (IFRS)

The consolidated Financial Statements at 31 December 2013 have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

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

2.3 Changes in accounting standards and disclosures

The criteria adopted for the preparation of the consolidated Financial Statements are consistent with those used to prepare the consolidated Financial Statements of the previous year, with the exception of the aspects detailed below for the standards and interpretations which are newly issued and applicable from 1 January 2013.

New or revised IFRS and interpretations applicable as from 1 January 2013

A number of other new standards and amendments came into force in the 2013 financial year. These include IAS 19 - *Employee Benefits*, IFRS 13 - *Fair Value Measurement* and the amendments to IAS 1 - *Presentation of Financial Statements*, but they have had no significant impact on the Group's consolidated Financial Statements. The nature and impact of all new standards/amendments are listed below.

IAS 1 Presentation of Financial Statements – Presentation of items of other comprehensive income (OCI).

The amendment to IAS introduces the grouping together of the items presented in items of other comprehensive income. The items that might be reclassified in the income statement in future (e.g. net profit on hedges of net investments, differences arising from translation of financial statements in foreign currency, net profit on cash flow hedges and net profit/loss from financial assets available for sale) must now be presented separately from the items that will never be reclassified (e.g. actuarial gains/losses from defined-benefit plans and the revaluation of land and buildings). The amendment only regards the method of presentation and has had no impact on the Group's financial position or results.

IAS 12 Deferred Tax: Recovery of Underlying Assets. This amendment clarifies the calculation of deferred tax on investment property measured at fair value. It introduces the rebuttable presumption that the carrying amount of an investment property measured using the fair value model set out in IAS 40 must be recovered through sale and, consequently, that the relative deferred tax should be calculated on a sale basis. The presumption is rebutted if the investment property is depreciable and is held with the aim of consuming all the rewards deriving from the investment itself over time instead of recovering these rewards through sale. The amendment has had no impact on the Group's financial position, its results or its disclosures.

IFRS 7 Disclosures – Offsetting financial assets and liabilities – Amendments to IFRS 7. These amendments require the entity to disclose information regarding rights of set-off and related agreements (e.g. security). The information will give the reader of the financial statements the necessary information for assessing the effect of offsetting agreements on the entity's financial position. The new disclosures are required for all financial instruments subject to offsetting in accordance with IAS 32, *Financial Instruments: Presentation*. These disclosures are also required for financial instruments that are subject to master netting agreements or similar arrangements regardless of whether they are or are not offset in accordance with IAS 32. These amendments have had no impact on the Group's financial position or results.

IAS 19 (revised) – Employee Benefits. IAS 19 (revised) contains substantial amendments to accounting for defined-benefit plans, including actuarial gains and losses, which are now obligatorily recognized under items of other comprehensive income and are permanently excluded from the income statement. The expected return on plan assets is no longer recognized in the income statement, while it is necessary to

recognize interest on the net liabilities (assets) of the plan (interest that is to be calculated using the same rate of interest as that applied to discount the obligation) and past-service cost, which is now recognized in the income statement on the earlier of (i) the date on which the plan is subject to amendments or curtailments; or (ii) the date on which the related costs for the restructuring or termination of the employment relationship are recognized. Other amendments include new disclosures, such as those regarding sensitive qualitative information.

The change to IAS 19 (revised) has had no impact on the net obligation of the defined-benefit plan arising from the difference in accounting for interest on the plan assets and past service cost inasmuch as, in the past, the MFM Group already chose the option of accounting for actuarial gains and losses under items of other comprehensive income.

IFRS 13 Fair Value Measurement. IFRS 13 introduces unequivocal guidance for all fair value measurements under IFRS. IFRS 13 does not affect cases in which the utilisation of fair value is required, but provides guidance on how to measure fair value in the context of IFRS when the application of fair value is required or allowed by these international accounting standards. The application of IFRS 13 has not had any material impact on the fair value measurements carried out by the Group. IFRS 13 also requires specific disclosures regarding fair value, some of which replace the information requirements at present envisaged by other standards, including IFRS 7, Financial Instruments: Disclosures.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. This interpretation applies to stripping costs in the production phase of a surface mine. The interpretation regards accounting for the benefits arising from stripping activities. The new interpretation has not had any impact on the Group's consolidated Financial Statements.

Finally, in December 2013, the IASB issued two series of amendments to IFRS (series 2010-2012 and series 2011-2013). The Annual improvement of international standards is the instrument by which the IASB introduces amendments or improvements to the standards that are already being applied, thus promoting the ongoing review of the accounting policies of the IAS adopters. Some amendments will be immediately applicable and, in particular, those regarding *IFRS 1 First-time Adoption of International Financial Reporting Standards* and, partly, *IFRS13 Fair Value Measurement*. The remaining improvements will be applicable as from 1 June 2014 and concern *IFRS2 Share-based Payment*, *IFRS3 Business Combinations*, *IFRS8 Operating Segments*, *IFRS13 Fair Value Measurement*, *IAS16 Property, Plant and Equipment*, *IAS24 Related Party Disclosures*, *IAS38 Intangible Assets* and *IAS40 Investment Property*.

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

The Group did not provide for the early adoption of any standard, interpretation or improvement issued but still not obligatorily in force. More specifically, the following accounting standards must be applied starting from 1 January 2014, but on a voluntary basis starting from 1 January 2013:

- › *IFRS 10 – Consolidated Financial Statements.* The new accounting standard redefines the concept of control, expanding its scope and introducing new application rules for the identification of companies that must be consolidated. New accounting rules are also established for the drafting of the consolidated financial statements, replacing the so-called “proportional method”.
- › *IFRS 11 – Joint Arrangements.* The new standard requires an evaluation of the substance of entities that were “jointly-controlled entities” according to IAS 31 and provides operating guidelines for

performing said valuation. The accounting method used for the consolidation of joint-ventures is the equity method.

- › *IFRS 12 - Disclosure of Interests in Other Entities*. The new standard provides a general overview of the information relating to interests in other entities, such as joint arrangements, equity investments in subsidiaries, associates and other interests not falling within the consolidation area.

Following the introduction of the new IFRS11 and IFRS12, IAS 28 has been renamed *Investments in Associates and Joint Ventures* and describes the application of the equity method to investments in joint ventures in addition to associates. The Group is currently analysing the standards listed above and assessing their impact on its Consolidated Financial Statements. Finally, note the amendments to *IAS 32 Offsetting financial assets and liabilities*. The amendments clarify the meaning of “currently has a legally enforceable right of set-off”, as well as the application of the IAS 32 offsetting criteria to settlement systems (e.g. central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments should not have any impact on the Group’s financial position or results.

2.4 Discretionary assessments and significant accounting assumptions

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

Discretionary assessments

The main decisions taken by the Directors, on the basis of discretionary assessments (excluding those relating to accounting estimates), in the application of the accounting standards of the Group, with a significant effect on the values recognized in the accounts are the following:

- › The adoption, starting from 2007, of the continuity of values principle for the recognition of business combinations under common control.
- › Application of this principle gives rise to the recognition in the statement of financial position of values equal to those that would be recorded if the companies involved in the business combination had always been combined. The net assets of the acquiree and of the acquiring entity are therefore recorded on the basis of the carrying amounts included in their respective accounts before the transaction.
- › The application, starting from 2005 which was the first year in which the Group drafted consolidated financial statements in compliance with IAS/IFRS, of the proportional consolidation method to companies held under joint ventures with other shareholders, in accordance with IAS 31.

Uncertainty of estimates

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

Impairment test

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

(cash-generating unit) to which the goodwill is allocated, in turn based on an estimate of expected cash flows from the CGU and their discounting on the basis of a suitable discount rate.

At 31 December 2013, the carrying amount of the goodwill stood at € 416,141 thousand (31 December 2012: € 418,724 thousand). More details are given in note 5.

Recognition of the present value of liabilities for Put Options on minority shares of subsidiaries and of the present value of liabilities for Earn-outs on acquisitions made

The Group holds majority interests in subsidiaries in relation to which the minority shareholders hold PUT options, which can be exercised in the future at prices determined on the basis of certain parameters that require estimates from management for the purposes of reliable valuation.

Similarly, the contract for the purchase of certain majority interests in subsidiaries provides for the transferors, i.e. the current minority shareholders, to be granted an earn-out upon the fulfilment of given conditions on a certain future date. In this case, the correct recognition in the financial statements of the related liability requires management to make some estimates to determine the expected relevant parameters.

Other financial position items

Management also needed to use estimates in determining:

- › Deferred tax assets, in particular relating to the likelihood of these being reversed in the future;
- › Accruals to bad debt provision and provisions for risks and charges;
- › main assumptions applied to the actuarial valuation of the TFR (employee termination indemnity), such as the future turnover rate and discount financial rates;
- › Inventories of contract work in progress, particularly in relation to the total amount of estimated final costs to be used to determine the percentage of completion.

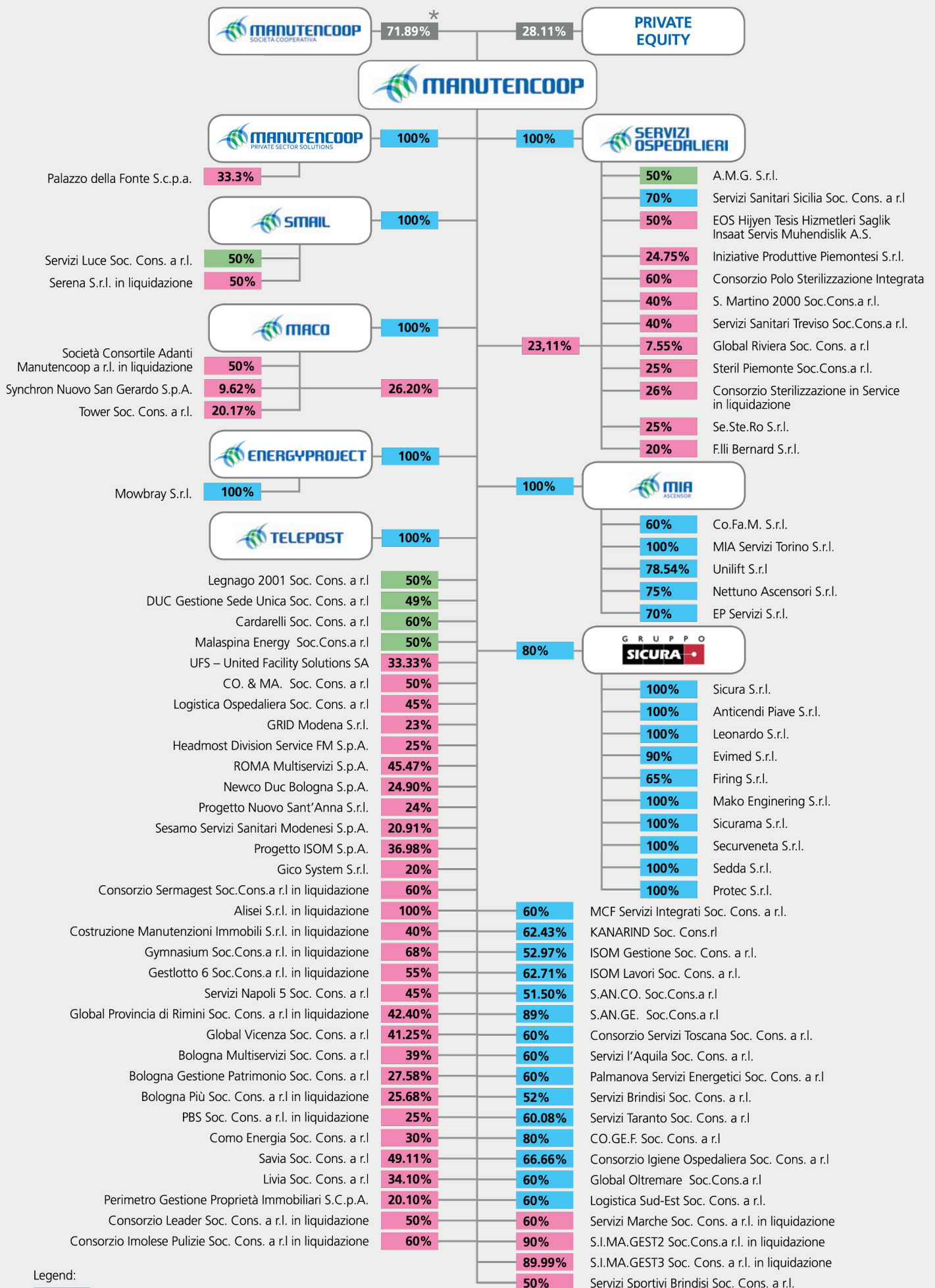
Consolidation principles

The Consolidated Financial Statements include the financial statements of Manutencoop Facility Management S.p.A. (the "Parent Company, "MFM S.p.A." or simply "MFM") and its subsidiaries, prepared as at 31 December 2013. The financial statements of the subsidiaries have been prepared by adopting for each closing date the same accounting standards as those applied for the parent company. All Intra-Group balances and intercompany transactions, including unrealized profits and losses arising from intra-Group transactions, which are recognized under assets, are eliminated in full.

Subsidiaries are consolidated on a line-by-line basis starting from the acquisition date, i.e. the date on which the Group acquires control, and are deconsolidated on the date in which control is transferred out of the Group. Acquisitions of subsidiaries, with the exception of those deriving from combinations of entities subject to joint control, are accounted for using the purchase method. This involves the allocation of the cost of the business combination to the fair values of assets, liabilities and contingent liabilities acquired at the acquisition date and the inclusion of the result of the acquiree starting from the date of acquisition until the end of the fiscal year. Joint-ventures with other shareholders are consolidated on a proportional basis, whereas associates are accounted for under equity method.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Minority interests represent the portion of profits or losses and net assets not held by the Group and are disclosed under a separate item in the consolidated Statement of profit or loss and in the Consolidated Statement of Financial Position under Equity items, separately from the Group's Equity.

The consolidation area as at 30 December 2013 is shown below.



Legend:

- Subsidiaries consolidated by full consolidation method
- Subsidiaries consolidated by full proportional method
- Subsidiaries consolidated by equity method

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

Below are reported the most significant changes within the Group:

- › On 6 April 2013, the quotaholders' meeting of MIA Servizi Torino S.r.l. (a single quotaholder company) resolved to change its company name to MIA Elevatori S.r.l. and moved its registered office from Turin (TO) to Modena (MO).
- › On 12 April 2013 the shareholders' meeting of Energyproject S.p.A. (a sole-shareholder company) resolved to transform the company into a Limited Liability Company ("*Società a responsabilità limitata*"). The resolution became effective on 26 April 2013. On 5 July 2013 Energyproject S.r.l. also acquired from Verde Vivo S.a.r.l. (a company incorporated under Luxembourg law) the total quota in Mowbray S.r.l., a company incorporated under Italian law and with registered office in Milan, which is active in the construction and operation of photovoltaic projects and plants. Currently this company is the sole owner of the photovoltaic plant named "Modena Fiere Pensiline", which is operated by the same and which has been built and developed by Energyproject in its capacity as an EPC contractor. The transfer of the quotas took place at an overall price of € 705 thousand.
- › 5 July 2013 saw the incorporation of United Facility Solutions S.a., based in Brussels, of which MFM S.p.A. as founder shareholder, together with its French partner Atalian Holding Development and Strategy S.a.r.l. and its Spanish partner Clece S.a.. The aim of this special purpose vehicle is to foster a European alliance among leading companies in their respective national facility management markets that can capture market shares by acquiring customers with cross-border distribution businesses, at the moment out of reach of single members or associates. The main commercial targets are multinationals and transnational public customers (e.g. the European Community, the United Nations, etc.).
- › On 24 July 2013 the subsidiary MIA S.p.A. signed a deed of sale with the minority shareholders of Lenzi S.p.A. for all the shares they held, partially amending and supplementing the investment agreement executed during 2010. The new agreement set the price for the transfer of the shares at € 8.6 million, bearing interest at a rate of 7.9%. On 15 November, it was also agreed to provide for a partial payment of € 962 thousand, plus interest of € 210 thousand, which accrued from the date of execution of the agreement dated July 2013. After the execution of this agreement, MIA S.p.A. acquired total control over Lenzi S.p.A.. Again on 24 July, 2013 MIA S.p.A. also signed a preliminary agreement for the purchase of a business unit organised and managed by Lenzi Impianti S.r.l., a company which manufactures, installs and sells elevators and hoists. The effective date of the transfer was set as 1 August 2013. The price was initially set at € 820 thousand, subject to adjustments, and it is to be paid within October 2014.
- › 29 July 2013 saw the incorporation of EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S., a company incorporated under Turkish law, with a share capital of 250,000 Turkish Liras, of which the subsidiary Servizi Ospedalieri S.p.A. holds a stake of 50%. This project envisages a partnership with a Turkish operator also working in the local healthcare sector in order to take part in two projects for the construction and operation of hospital sterilization systems, with the prospect of possible further activities in the Turkish public and private healthcare sterilization sector.
- › On 11 October 2013 the subsidiary Gruppo Sicura S.r.l. acquired the minority interests held in the direct subsidiaries Sedda S.r.l., Securveneta S.r.l., Mako Engineering S.r.l., Antincendi Piave S.r.l. and Sicurama S.r.l., thus becoming the sole quotaholder. The transaction, which entailed the Group's commitment to a total outlay of € 1.8 million (€ 358 thousand of which already paid to the respective sellers), took its place in the broader-based corporate simplification project that will involve the Sicura sub-group companies in the coming months.

Lastly, mergers within the Group took place during the financial year, with a view to corporate streamlining. In particular:

- › On 13 December the merger of PIB S.r.l. by incorporation into Manutencoop Private Sector Solutions S.p.A. became effective.
- › On 31 December the merger of Lenzi S.p.A. by incorporation into MIA S.p.A. became effective.
- › The month of December saw the filing of the deeds of merger of the companies Sedda S.r.l., Securveneta S.r.l., Mako Engineering S.r.l., Antincendi Piave S.r.l. and Sicurama S.r.l. by incorporation into Sicura S.r.l., the effective date of which is set at 1 January 2014.

2.5 Summary of the main accounting criteria

Equity investments in joint ventures

The Group participates in numerous joint ventures classified as companies under joint control. A joint venture is a contractual agreement whereby two or more parties undertake an economic activity subject to joint control; a jointly controlled company is a joint venture that involves the setting up of a separate company in which each participant holds interests.

Joint control is deemed to exist when 50% is held.

The Group consolidates its equity investments in joint ventures using the proportional method, adding on a line by line basis its share in each asset, liability, revenues and costs of the jointly controlled company to the respective items in the consolidated financial statements. Joint ventures draft financial statements for the same financial year as the Parent Company and apply the same accounting standards. Any inconsistencies between the accounting standards applied are corrected through adjustments.

When the Group contributes or sells assets to the joint venture, the recognition of profits or losses deriving from the transaction reflects the content of the transaction itself. When the Group purchases goods or services from the joint venture, it does not record its share of profit deriving from the transaction until it resells said good or service to an independent third party.

Proportional consolidation of the joint venture is ended on the date on which the Group ceases to have joint control over said entity.

Conversion of foreign currency items

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

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

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

Property, plant and equipment

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

Depreciation is calculated on a straight line basis in line with the estimated useful life of the asset, starting from the date the asset becomes available for use, until the date it is sold or disposed of.

The carrying amount of the properties, plant and machinery is subject to impairment testing when events or changes suggest that the carrying amount may not be recoverable.

A tangible asset is eliminated from the financial statements at the moment of sale or when no future economic benefits are expected from its use or disposal. Any profits or losses (calculated as the difference between net income from the sale and the carrying amount) are included in the income statement in the year of the aforementioned elimination.

The residual value of the asset, useful life and method applied are reviewed annually and adjusted, if necessary, at the end of each financial year.

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

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

The plant and machinery category includes not only plant and machinery in the strictest sense, but also equipment, motor vehicles, office machines and furniture.

Financial charges deriving from the purchase is booked to the income statement except in the case in which it is directly attributable to the acquisition, construction or production of an asset which justifies their capitalisation (qualifying asset), in which case they are capitalised.

A qualifying asset is an asset that requires a certain period of time to be ready for use.

The capitalisation of financial charges ceases when all the activities needed to make the qualifying asset ready for use have been completed.

Extraordinary maintenance expenses are only included in the carrying amount of the asset when the company is likely to receive the associated economic benefits in the future and the cost can be reliably measured. The costs of repairs, maintenance or other operations to ensure the functioning of the assets are charged to the income statement in the year in which they are incurred.

Improvements to third party assets are classified, on the basis of the nature of the cost incurred, under tangible fixed assets when they meet the capitalisation criteria set forth by IAS 16. The depreciation period corresponds to the lower of the residual useful life of the tangible fixed asset and the residual duration of lease.

Goodwill

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

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

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

Impairment is determined by defining the recoverable value of the cash-generating unit (or group of units) to which goodwill is allocated. When the recoverable value of the cash-generating unit (or group of units) is lower than the carrying amount, an impairment loss is recorded.

The value of goodwill previously written down cannot be restored.

Other intangible assets

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

The useful life of the intangible assets is finite or indefinite.

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

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

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

	Concessions, licences, trademarks and similar	Other intangible assets
Detail	Software and Trademarks	Contractual relations with customers
Useful Life	Finite	Finite

	Concessions, licences, trademarks and similar	Other intangible assets
Method used	Amortisation in a straight line basis over the shortest time span between: legal duration of the right expected period of use.	Amortisation in proportion to consumption of backlog.
Produced internally or purchased	Purchased	Acquired in business combination.
Impairment tests / tests on recoverable value	Yearly or more frequently when there are signs of impairment.	Yearly or more frequently when there are signs of impairment.

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

Equity investments in associates

The Group's equity investments in associates are valued using the equity method. An associate is a company over which the Group exercises a significant influence and is not classified as a subsidiary or joint venture.

An associate is a company in which a shareholding of 20% or more is held.

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

In the majority of cases, the end of the associate's financial year is the same as that of the Group. Where this does not occur, in most cases, the associates prepare accounting statements at the close of the Group's financial year.

The accounting standards used conform to those used by the Group, for transactions and events of the same nature and in similar circumstances.

Impairment of assets

At the close of each financial year, the Group assesses whether there are any indicators of impairment of assets. In this case, or in the event an annual impairment test is required, the Group prepares an estimate of the recoverable value. The recoverable value is the higher of the fair value of an asset or cash-generating unit net of sales costs and its value in use is determined per individual asset, except when said asset does not generate cash flows that are fully independent from those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable value, said asset has been impaired and is subsequently written down to its recoverable value. In calculating the value in use, the Group discounts estimated future cash flows at the current value by using a pre-tax

discount rate which reflects the market valuations on the time value of money and the specific risks of the asset.

Impairment losses of operating assets are recorded in the income statement under the category 'amortisation, write-downs and write-backs of assets'.

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

Financial assets

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

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

All financial assets are initially recorded at fair value, increased, in the event of assets other than those at fair value in the income statement, by accessory charges. Following the initial recognition, the Group determines the classification of its financial assets and, where appropriate and permitted, reviews said classification at the close of each financial year.

The financial assets held by the Group in the year just closed, equal to those held in the previous year, relate exclusively to the two categories 'loans and receivables' and 'available-for-sale financial assets'.

The valuation criteria applied by the Group are the following:

Loans and receivables

Loans and receivables are recorded according to the amortised cost criterion using the effective discount rate method. Profits and losses are booked to the income statement when the loans and receivables are eliminated for accounting purposes or when impairment losses occur, plus through the amortisation process.

Available-for-sale financial assets

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

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

Inventories

Inventories are valued at cost and the net presumed realisable value, whichever is the lower.

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

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

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

Trade receivables and other receivables

Trade receivables, which generally have contractual maturities of between 30-90 days, are recorded at nominal value, stated in the invoice net of the bad debt provision. This allocation is made in the presence of objective evidence that the Group will not be able to collect the receivable. Uncollectible receivables are written down when they are identified.

The Group's customers are largely made up of public authorities and health care facilities, whose payment times greatly exceed the contractual maturities.

For this reason, trade receivables due from third parties are discounted at a risk-free discount rate (given that the risks of non-collectability are already considered in the determination of the bad debt provision), for the period running between the presumed collection date (calculated on the basis of the average weighted payment delay of the Group's customers taken from historical data) and the average payment extension granted to customers by similar companies that operate in the same market as the Group.

Receivables and payables in a foreign currency other than the functional currency of the individual entities are adjusted at the year-end exchange rates.

Contracts for construction work and plant building

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

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

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

Cash and cash equivalents

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

Loans

All loans are initially recorded at the fair value of the consideration received net of accessory charges involved in acquiring the loan.

After initial recognition, loans are valued according to the amortised cost criterion using the effective interest rate method.

All profits or losses are recognised in the income statement when the liability is extinguished, plus through the amortisation process.

Elimination of financial assets and liabilities

Financial assets

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

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

If, as a result of the transfer, a financial asset is completely eliminated, but the result is that the Group obtains a new financial asset or assumes a new financial liability, the Group records the new financial asset, financial liability or liability originating from service at fair value.

Financial liabilities

A financial liability is derecognised from the financial statements when the obligation underlying the liability is extinguished, cancelled or fulfilled.

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

Impairment of financial assets

At the end of each financial year, the Group assesses whether a financial asset or group of financial assets has incurred any impairment loss.

Assets valued according to the amortised cost criteria

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

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

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

Assets recognised at cost

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

Available-for-sale financial assets

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

Provisions for risks and charges

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

When the Group believes an allocation to the provision for risks and charges will be partially or fully reimbursed, e.g. in the event of risks covered by insurance policies, the compensation is recorded separately under assets only if it is virtually certain. In said case, the cost is stated in the income statement of the associated allocation net of the amount recorded for the compensation.

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

Provision for employee termination benefits

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

Employee benefits

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

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

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

The Group records actuarial gains or losses in the accounts deriving from the application of the aforementioned method (Projected Unit Credit Method), in an appropriate shareholders’ equity reserve according to the provisions of IAS 19 par. 120 and 128.

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

The Group has no other significant defined benefit pension plans.

Leasing

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

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

- (a) there is a change in the contractual conditions, other than a contract renewal or extension;
- (b) a renewal option is exercised or an extension granted, provided that the terms of the renewal or extension were not initially included in the terms of the leasing transaction;
- (c) there is a change in conditions according to which fulfilment of the contract depends on a specific asset; or
- (d) there is a substantial change in the asset.

Where a review is carried out, accounting of the leasing will start or end from the date on which the circumstances change which gave rise to the revision for cases a), c) or d) and on the renewal or extension date for scenario b).

For contracts signed prior to 1 January 2005, the start date is considered 1 January 2005, in line with the transitional provisions of IFRIC 4.

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

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

Operating lease rental fees are recorded as costs in the income statement on a straight line basis over the duration of the contract.

Revenue recognition

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

Provision of services

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

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

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

The provision of services, which are still not complete at the balance sheet date, constitute *contract work in progress* and are classified under trade receivables.

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

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

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

Building activity

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

Sale of assets

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

Interest

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

Dividends

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

Government grants

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

Income taxes

Current taxes

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

Deferred taxes

Deferred taxes are calculated on the temporary differences recorded at the balance sheet date between the tax values taken as a reference for assets and liabilities and the values stated in the financial statements.

Deferred tax liabilities are recorded against all temporary taxable differences, except:

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

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

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

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

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

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

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

VAT

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

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

Derivative financial instruments and cash flow hedges

At the moment of initial recognition, then subsequently, derivative instruments are booked at fair value, changes in fair value are recorded in the income statement, with the exception of cash flow hedges (as per IAS 39), whose fair value changes are charged to shareholders' equity.

In particular, the transaction is considered a hedge if documentation exists on the relationship between the hedging instrument and the liability hedged that shows risk management objectives, the hedging strategy and methods used to verify the effectiveness of the hedge. A transaction is considered a hedge if the effectiveness is verified at the moment it starts and, going forward, confirmed during its entire life. Within the scope of the International Accounting Standards (IFRS), these instruments are viewed as derivative financial instruments.

These derivative financial instruments are initially recorded at fair value at the date they are stipulated; subsequently, said fair value is periodically re-measured. They are accounted as assets when the fair value is positive and liabilities in the case of a negative fair value.

Any profits or losses resulting from changes in the fair value of derivatives that do not qualify for hedge accounting are booked directly to the income statement in the year.

Service concession arrangements

The Group is the holder of concession agreements in which certain companies manage activities in the public interest, provided that the grantor (i) controls/regulates, by determining the price, which public services must be offered by the concessionary companies through the infrastructures that the concessionary company obtains under management or constructs and (ii) maintains, through ownership or by other means, the authorisation granted and any other interest in the infrastructures upon expiry of the concession agreement.

The concessionary company shall not carry infrastructure under tangible assets as it does not hold "control", as set forth in IFRIC 12. The asset to be recognised is the right to use the infrastructure for providing the service, to be classified as a financial asset in the presence of an unconditional right to receive future compensation regardless of actual use of the infrastructure, charging users based on use of the service. Provision is also made for a "mixed" accounting model if the concessionary company is the holder of both a financial asset and an intangible right, where it is necessary to separate the component of remuneration as provided for under the agreement relating to the financial asset, determining the amount of the intangible asset as a secondary activity (with respect to the value of the construction services provided).

The concessionary company also recognises revenues for the services it provides, in compliance with IAS 11 and IAS 18 and, therefore, the consideration envisaged in the agreement must be allocated with reference to the fair value of the associated services provided (construction, improvements and management respectively). Pursuant to IAS 23, financial charges attributable to the agreement must be recognised as costs in the year in which they are incurred, unless the concession holder has recognised an intangible asset, for which said costs are capitalised during the phase of drafting of the agreement. Otherwise, if the concession holder has recorded a financial asset, IAS 39 requires financial income calculated on the basis of the effective interest method to be recognised in the income statement.

Earnings per share

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

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

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

Operating segments

An operating segment is a clearly identifiable component of an entity which provides a collection of related products and services, subject to different risks and awards from those of other Group business sectors. For operational purposes, the Group is structured into business areas that coincide with the "strategic business units" in which the Group operates, as defined in paragraph 1.1.

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

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

Methods of calculation of the costs allocated to the segments

The Group includes direct and indirect production costs relating to the business sector in the costs attributed to the segments.

Starting from the consolidated financial statements for the year ended 31 December 2007, it was deemed appropriate to allocate to the segments also commercial costs and other general overheads on the basis of the appropriate conventional allocation drivers. By contrast, income and charges generated by financial management and current and deferred taxes remain unallocated to the segments, while income from equity investments valued using the equity method is attributed to the segments.

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

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

3. BUSINESS COMBINATIONS

Acquisition of the “Auchan” business unit

On 30 May 2013 the Group acquired from Auchan S.p.A. a business unit providing maintenance services for the Italian Auchan retail network. This business unit was transferred with effect from 1 June 2013 and consists of materials used for the business activities, the employees’ employment contracts and valid contracts related to its business.

This transaction was carried out against a consideration of € 70 thousand, fully paid up after completion. There was also provision for future adjustments related to the interim period of management of the business unit.

Accounting effects of the acquisition

The acquisition had the nature of a business combination and the Group therefore applied IFRS 3 in accounting for it.

The value of the assets and liabilities acquired on the acquisition date, the difference between purchase value and carrying amount and the net cash flow for the acquisition are presented in the table below:

	Recognized value	Book value
ASSETS		
Current financial assets	422	422
TOTAL ASSETS	422	422
LIABILITIES		
Employee termination indemnity	146	146
Payables to employees	206	206
TOTAL LIABILITIES	352	352
Fair value of net assets	70	70
Goodwill arising from the combination	0	
TOTAL VALUE OF BUSINESS COMBINATION		
Consideration paid to the transferor	70	
TOTAL VALUE OF BUSINESS COMBINATION	70	
Net cash flow used in the transaction		
Consideration paid to the transferor	(70)	
NET CASH FLOW USED IN THE TRANSACTION	(70)	

The fair value of the assets and liabilities acquired through the business combination was determined as € 70 thousand and the total consideration for the combination is € 70 thousand. The net liquidity used in the combination is € 70 thousand.

Acquisition of Mowbray S.r.l.

On 5 July 2013 the subsidiary Energyproject S.r.l. acquired from Verde Vivo S.a.r.l. (a company incorporated under Luxembourg law) the total quota in Mowbray S.r.l., a company incorporated under Italian law and with registered office in Milan, which is active in the construction and operation of photovoltaic projects and plants. Currently this company is the sole owner of the photovoltaic plant named “Modena Fiere Pensiline”, which is operated by the same and which has been built by

Energyproject in its capacity as an EPC contractor. The transfer of the quotas took place at an overall price of € 705 thousand.

Accounting effects of the acquisition

The acquisition had the nature of a business combination and the Group therefore applied IFRS 3 in accounting for it.

The transaction was carried out against an overall consideration of € 705 thousand, € 605 thousand of which fully paid up after completion and € 100 thousand paid out in escrow.

The value of the assets and liabilities acquired on the acquisition date, the difference between purchase value and carrying amount and the net cash flow generated with the acquisition are presented in the table below:

	Recognized value	Book value
ASSETS		
Non-current financial assets	27	27
Inventories	3,306	3,306
Trade receivables and advances to suppliers	230	230
Current tax receivables	12	12
Other current assets	90	90
Cash and cash equivalents	741	741
TOTAL ASSETS	4,406	4,406
LIABILITIES		
Trade payables and advances from customers	2,565	2,565
Other financial liabilities	222	222
TOTAL LIABILITIES	2,787	2,787
Fair value of net assets	1,619	1,619
"Badwill"	(914)	
TOTAL VALUE OF BUSINESS COMBINATION:		
Consideration paid to the transferor	705	
TOTAL VALUE OF BUSINESS COMBINATION	705	
Net cash flow used in the transaction		
Cash and cash equivalents of the acquired entity	741	
Consideration paid to the transferor	(705)	
NET CASH FLOW USED IN THE TRANSACTION	36	

The fair value of the assets and liabilities acquired through the business combination was set at € 1,619 thousand, while the total consideration for the combination was € 705 thousand. The negative difference between the acquisition cost and the carrying amount of net assets arising from the business combination, equal to € 914 thousand, was recognized as income in the consolidated income statement. The net cash flow generated by the combination was equal to € 36 thousand.

Acquisition of the “Lenzi Impianti” business unit

On 24 July 2013 the subsidiary MIA S.p.A. acquired a business unit organised and managed by Lenzi Impianti S.r.l., concerning services for the installation and sale of elevators and hoists. The effective date of the transfer was set as 1 August 2013.

Accounting effects of the acquisition

The acquisition had the nature of a business combination and the Group therefore applied IFRS 3 in accounting for it. The transaction was carried out against an overall consideration of € 820 thousand, fully paid up.

The value of the assets and liabilities acquired on the acquisition date, the difference between purchase value and carrying amount and the net cash flow for the acquisition are presented in the table below:

	Recognized value	Book value
ASSETS		
Property, plant and equipment	28	28
Other intangible assets	680	0
Trade receivables and advances to suppliers	495	495
Other current receivables	258	258
TOTAL ASSETS	1,461	781
LIABILITIES		
Employee termination indemnity	52	52
Trade payables and advances from customers	520	520
Payables to employees	69	69
TOTAL LIABILITIES	641	641
Fair value of net assets	820	140
Goodwill	0	
TOTAL VALUE OF BUSINESS COMBINATION		
Consideration paid to the transferor	820	
TOTAL VALUE OF BUSINESS COMBINATION	820	
Net cash flow used in the transaction		
Consideration paid to the transferor	(820)	
NET CASH FLOW USED IN THE TRANSACTION	(820)	

The fair value of the assets and liabilities acquired through the business combination was set at € 820 thousand, equal to the total consideration for the combination.

The net cash flow used in the combination was equal to € 820 thousand.

4. PROPERTY, PLANT AND EQUIPMENT

The table below shows the changes in property, plant and equipment (owned and under a financial lease) in the year ended 31 December 2013.

	Properties	Plant and equipment	Properties under lease	Plant and equipment under lease	Total
At 1 January 2013, net of accumulated depreciation and impairment	5,249	75,027	243	5,753	86,272
Additions due to business combinations	0	28	0	0	28
Additions from acquisitions	781	22,450	0	2,028	25,259
Impairment losses	0	(1,048)	0	(138)	(1,186)
Disposals	(15)	(658)	0	0	(673)
Amortization	(286)	(24,868)	(21)	(832)	(26,007)
Others	(486)	3,885	0	(3,435)	(36)
At 31 December 2013	5,243	74,816	222	3,376	83,657
At 1 January 2013					
Cost	7,409	277,833	375	9,969	295,586
Accumulated amortization and impairment losses	(2,160)	(202,806)	(132)	(4,216)	(209,314)
NET BOOK VALUE	5,249	75,027	243	5,753	86,272
At 31 December 2013					
Cost	7,296	299,938	375	6,215	313,824
Accumulated amortization and impairment losses	(2,053)	(225,122)	(153)	(2,839)	(230,167)
NET BOOK VALUE	5,243	74,816	222	3,376	83,657

The additions from acquisitions for the year relate for € 22,949 thousand to investments made by companies operating in the *Laundering & Sterilization* segment, mainly due to the purchase of linen (€ 13,015 thousand) and to the purchases of plant, machinery and specific equipment (€ 6,275 thousand). Furthermore, during the year the construction and restructuring activities continued, for a total amount of € 781 thousand, at the laundering and sterilization site in Lucca, connected to the linen rental and industrial laundering services provided in the territory and acquired in the previous financial year. Finally, € 1,810 thousand was specifically invested in surgical instrumentation sterilization activities. The residual amount mainly refers to the purchase of machinery and equipment used in the *Facility Management* services.

The year saw the recognition of impairment losses of € 1,186 thousand, mainly linked to the process started to close the industrial laundering plant, which entailed a write-down of part of the systems and equipment owned by the Group and under leases, to adjust their book value at the market value or to write-off the same against the expected failure to reuse the same in future production activities.

Other changes are mainly made of reclassifications from one class of assets to another, first of all after the purchase of leased goods and equipment. For greater clarity, items previously reported as “plant under lease”- cogeneration plants used in project financing - were reclassified among the Group’s own plant and machinery. Furthermore, after the completion of enlargement works at the Lucca industrial site, used for sterilization and laundering, some of the new additions previously reported as properties were put in a more correct depreciation class. Finally, there were also other minor changes arising from the deconsolidation of consortia controlled during 2013.

The table below shows the movements in tangible fixed assets (owned and under a financial lease) in the year ended 31 December 2012.

	Properties	Plant and equipment	Properties under lease	Plant and equipment under lease	Total
At 1 January 2012, net of accumulated depreciation and impairment	1,494	66,962	254	6,658	75,368
Additions due to business combinations	0	140	0	0	140
Additions from acquisitions	4,022	31,790	0	0	35,812
Impairment losses	0	0	0	0	0
Disposals	0	(1,020)	0	0	(1,020)
Amortization	(267)	(22,792)	(11)	(874)	(23,944)
Others	0	(53)	0	(31)	(84)
At 31 December 2012	5,249	75,027	243	5,753	86,272
At 1 January 2012					
Cost	3,387	248,688	375	11,208	263,658
Accumulated amortization and impairment losses	(1,893)	(181,726)	(121)	(4,550)	(188,290)
NET BOOK VALUE	1,494	66,962	254	6,658	75,368
At 31 December 2012					
Cost	7,409	277,833	375	9,969	295,586
Accumulated amortization and impairment losses	(2,160)	(202,806)	(132)	(4,216)	(209,314)
NET BOOK VALUE	5,249	75,027	243	5,753	86,272

5. OTHER INTANGIBLE ASSETS

The table below shows the changes in intangible assets in the year ended 31 December 2013.

	Other intangible assets	Goodwill	Total
Re-stated as at 1 January 2013, net of accumulated amortization and impairment	26,919	418,724	445,643
Additions due to business combinations	680	0	680
Additions from acquisitions	10,987	0	10,987
Disposals	(66)	(490)	(556)
Depreciation	(8,767)	0	(8,767)
Impairment losses	(685)	0	(685)
Other	(4)	(2,093)	(2,097)
At 31 December 2013	29,064	416,141	445,205
At 1 January 2013			
Cost	73,069	421,117	494,186
Accumulated depreciation and impairment losses	(46,150)	(2,393)	(48,543)
NET BOOK VALUE	26,919	418,724	445,643
At 31 December 2013			
Cost	85,585	418,534	504,119
Accumulated depreciation and impairment losses	(56,521)	(2,393)	(58,914)
NET BOOK VALUE	29,064	416,141	445,205

Goodwill is tested annually for impairment; for more details please refer to note 6.

No additions were reported in the year as a result of business combinations, while the disposal in the related item relates to the sale of a business unit, previously managed by MIA Servizi Torino S.r.l. to Kone S.p.A.. There were also other movements recorded during the year following the recognition of liabilities measured at fair value for earn-outs, recorded as part of the business combinations made in previous years, for € 2,093 thousand.

Other intangible assets, amounting to € 29,064 thousand at 31 December 2013, mainly consist of investments in software carried out as part of the projects aimed at upgrading and enhancing the corporate information systems. The additions from acquisitions made in the year (€ 10,987 thousand) were attributable almost entirely to the investments in software used in the corporate IT systems within the Facility Management SBU (€ 9,574 thousand).

The amortisation charges of intangible fixed assets amounted to € 8,767 thousand in 2013, compared to € 8,724 thousand in the previous year. Amortization of backlog came to € 2,530 thousand, of which € 482 thousand relating to MIA S.p.A..

Finally, the year saw the recognition of impairment losses of € 685 thousand, mainly linked to the write-off of the residual net value of specific software used in the facility management activities performed on the network of Telecom Italia according to contract requests submitted prior to the renewal of the contract signed with the same in the course of the financial year.

The table below shows the movements in intangible fixed assets in the year ended 31 December 2012.

	Other intangible assets	Goodwill	Total
Re-stated as at 1 January 2012, net of accumulated amortization and impairment	26,622	411,995	438,617
Additions due to business combinations	430	7,887	8,317
Additions from acquisitions	8,537	0	8,537
Depreciation	(8,724)	0	(8,724)
Impairment losses	(27)	(16)	(43)
Other	81	(1,142)	(1,061)
At 31 December 2012	26,919	418,724	445,643
At 1 January 2012			
Cost	62,702	414,372	477,074
Accumulated depreciation and impairment losses	(36,080)	(2,377)	(38,457)
NET BOOK VALUE	26,622	411,995	438,617
At 31 December 2012			
Cost	73,069	421,117	494,186
Accumulated depreciation and impairment losses	(46,150)	(2,393)	(48,543)
NET BOOK VALUE	26,919	418,724	445,643

6. IMPAIRMENT TEST OF GOODWILL

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

ASA – Facility Management

The SBU is identified with:

- › Manutencoop Facility Management S.p.A.
- › Manutencoop Private Sector Solutions S.p.A.
- › SMAIL S.p.A. and the groups controlled by Gruppo Sicura S.r.l. and by MIA S.p.A., operating in the facility management segment as suppliers of more specialist services
- › Telepost S.p.A. which provides internal mailing services for the Telecom Italia Group
- › other minor investee companies operating in the same segment.

ASA – Laundering & Sterilization

The SBU is identified with:

- › Servizi Ospedalieri S.p.A., operating in the linen rental and industrial laundering segment for hospitals and the sterilization of linen and surgical instruments
- › A.M.G. S.r.l., held under a joint venture (50%) with Servizi Ospedalieri S.p.A.
- › other minor investee companies operating in the same segment.

ASA – Other

The SBU is identified with:

- › Energyproject S.r.l., which manufactures and sells photovoltaic plants; this business has been progressively wound down starting from 2011
- › MACO S.p.A., to which the business unit relating to Group “building” activities was conferred in 2009; this company has also been the object of assessments by the Management as to the exit from the market of this business, since Management does not consider it to be strategic any longer
- › Other minor investee companies operating in the same segment.

The table below sets forth the carrying amounts of the goodwill recognized in the consolidated Financial Statements at 31 December 2013, relating to the different CGUs, compared with the figures for the year ended 31 December 2012.

	31 December 2013	31 December 2012
Goodwill allocated to Facility Management CGU	403,331	405,914
Goodwill allocated to Laundering/Sterilization CGU	12,810	12,810
TOTAL GOODWILL	416,141	418,724

Facility Management CGU goodwill

The goodwill allocated to the *Facility Management* CGU, which amounted to € 403,331 thousand as at 31 December 2013, was recorded as a result of various business combinations from 2004 to date, the most important of which are listed below:

- › Operation 'Palladio', which took place on 29 December 2003, involved the Group acquiring control of the business unit relating to facility management technical services previously managed by the parent company Manutencoop Società Cooperativa.
- › Acquisition of MCB S.p.A., a company through which the Group established the first facility management unit for "network" customers (banks, insurance companies, etc.). In 2010, MCB S.p.A. was merged by incorporation into MP Facility S.p.A. (now Manutencoop Private Sector Solutions S.p.A.).
- › Acquisition of Teckal S.p.A., which was merged by incorporation into Manutencoop Facility Management S.p.A. in 2010, through which the Group strengthened the production structure of traditional facility management, in particular in the heat management service.
- › Acquisition of Altair IFM S.p.A. (the most significant transaction to date), which enabled the Group to gear the customer portfolio towards large private customers. In 2010 the larger companies in the Altair sub-group were merged by incorporation into Manutencoop Facility Management S.p.A..
- › Acquisition of Gruppo Sicura S.r.l., which paved the way for an expansion in the range of specialist facility management services in the fire prevention and accident prevention market.
- › Acquisitions made by MIA S.p.A., the launch pad for a network of companies operating throughout Italy which covers elevating system (goods lifts and lifts) installation and maintenance services.

In 2013 the value of goodwill pertaining to the *Facility Management* CGU decreased by € 2,583 thousand, as described in note 5.

Laundering & Sterilisation CGU goodwill

The goodwill allocated to the *Laundering & Sterilization* CGU emerged as a result of the acquisition of Omasa S.p.A. in 2007, a company operating in the market for the sterilization of surgical instruments and linen, as well as after the acquisition of an interest in the joint-venture in AMG S.r.l., but following further minor acquisitions, all made by Servizi Ospedalieri S.p.A., a company operating in the linen rental and industrial laundering and sterilisation market. Omasa S.p.A was then merged by incorporation into Servizi Ospedalieri S.p.A. on 1 July 2009.

Total goodwill attributable to the *Laundering & Sterilization* CGU, unchanged with respect to the previous year, amounted to € 12,810 thousand as at 31 December 2013.

Impairment Test

Pursuant to IAS 36, goodwill is not amortised, but is tested for any possible impairment on an annual basis, or more frequently, should specific events or circumstances arise which provide evidence of an impairment loss. The impairment test was carried out through the comparison between the net book value and the recoverable value of the individual CGUs/SBUs to which goodwill had been allocated, as determined on the basis of the discounting-back of expected future cash flows relating to the period 2014-2016 extrapolated from the Business Plan of the Manutencoop Group.

The business plan used for the analyses described in these notes was approved by the Management Board of Manutencoop Facility Management S.p.A. on 18 December 2013.

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

- › The expected future cash flows for the period 2014-2016 were extrapolated from the Business Plan. The main assumptions on which Management based cash flow projections for the purpose of impairment test of goodwill are:
 - Determination of the value of the forecast gross margins according to the projection of the backlog of existing service contracts, augmented by the assumption of new portfolio acquisitions.
 - Changes in net working capital estimated on the basis of the target days of stock rotation, the payment of amounts due and collection of receivables.
- › A terminal value used to estimate future results beyond the time horizon expressly considered. The terminal value was determined by applying a NOPAT based on 2014 EBIT, net of a nominal tax rate. As regards long-term growth rates, an assumption of 1% was considered for the Facility Management SBU and of 0.5% for the Laundering & Sterilization SBU.
- › The expected future cash flows were discounted back at a discount rate (WACC) of 7.92% for the Facility Management SBU (2012: 7.46%) and at a discount rate (WACC) of 7.66% (2012: 6.19%) for the Laundering & Sterilization SBU. The WACC was determined by using the Capital Asset Pricing Model (“CAPM”), by which the risk-free rate was calculated with reference to the curve of the rates of return of Italian long-term government bonds, while the non-diversifiable systematic risk ratio (*beta*) and the debt/equity ratio were extrapolated from the analysis of a group of comparable companies operating in the European facility management and laundering sector. In addition, in order to reflect the uncertainty of the current economy and the future market conditions, the cost of the equity component of the WACC rate was increased with a risk premium of 100 basis points in each period of time.

For all CGUs/SBUs analysed, the analysis confirmed that the recoverable value of the same exceeds the associated carrying amount, therefore not requiring any write-downs. On a prudential basis, a “Worst Case” was outlined with reference to the WACC and to the growth rates applied. However, in simulating nil growth rates (equal to 0%), also in combination with a WACC exceeding those applied by a percentage point (and, then, equal to 8.92% for Facility Management and to 8.66% for Laundering & Sterilization, respectively), there would be no need to make write-downs in both CGUs/SBUs, as the recoverable value would exceed the related book value.

7. INVESTMENTS IN JOINT VENTURES

As at 31 December 2013, the Group holds 6 equity investments in joint-ventures.

These relate mostly to consortium companies and companies not quoted on regulated capital markets and established for the purpose of regulating relations under temporary associations of companies set up for the operational management of certain facility management and industrial laundering service contracts.

The total values for assets and liabilities, revenues and results pertaining to the Group’s share are shown below for the year ended 31 December 2013, as included in the consolidated financial statements of said Companies, compared with the same figures for the year ended 31 December 2012:

	31 December 2013	31 December 2012
Non-current assets	2,759	2,420
Current assets	8,771	8,657
TOTAL ASSETS	11,530	11,077
Non-current liabilities	990	1,051
Current liabilities	9,389	8,926
TOTAL LIABILITIES	10,379	9,977

<i>(in thousands of Euro)</i>	31 December 2013	31 December 2012
Revenues	6,999	6,621
Operating costs	(6,854)	(6,412)
EBIT	145	209
Result of financial management	(53)	(59)
Pre-tax profit (loss)	92	150
Current, prepaid and deferred taxes	(31)	(82)
PROFIT (LOSS) FOR THE PERIOD	61	68

8. INVESTMENTS IN ASSOCIATES ACCOUNTED UNDER THE EQUITY METHOD

The Group holds some investments in associates, which for the purpose of consolidation are accounted under the equity method. A complete list of these investments is provided in Annex I attached to the Consolidated Financial Statements

At 31 December 2013 the net-book value of the investments valued at Equity amounted to € 29,660 thousand, compared to a figure of € 27,881 thousand in the previous year.

	Net Assets 31 December 2013	Net Assets 31 December 2012
Investments valued at Equity	29,660	27,881
Provision for risks on investments	(60)	(153)
INVESTMENTS VALUED AT EQUITY	29,600	27,728

Details of changes during the year are shown in Annex II attached to the Consolidated Financial Statements.

In 2013 investments accounted for under the equity method overall recorded a positive result equal to € 2,592 thousand, for the share attributable to the Group, as a result of the recording of income from equity investments of € 2,677 thousand and write-downs of € 85 thousand. Furthermore, positive effects have been recognized directly in the shareholders' equity of associates to an overall amount of € 727 thousand.

The year saw the incorporation of EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S., with a subscribed capital of € 50 thousand (50%) and the incorporation of UFS – United Facility Solutions SA (33.3%) with a subscribed capital of € 103 thousand.

9. OTHER ELEMENTS OF NON-CURRENT ASSETS

The table below sets forth the breakdown of other non-current assets at 31 December 2013 and at 31 December 2012:

	31 December 2013	31 December 2012
Other investments	3,038	3,041
Non-current financial assets	10,668	11,455
Other non-current assets	1,653	1,746
OTHER NON-CURRENT ASSETS	15,359	16,242

The financial assets accounted for as *Other investments* relate to investments in companies in which the Group has no significant or controlling interests and that have been acquired for strategic/production purposes. There are also investments in National Cooperative Consortia, as well as investments in production sites, or in other minor activities such as industrial laundering services, performed by minor companies that may also act as sub-contractors.

The other investments are measured at purchase or establishment cost, since there is no active market in the securities concerned, which for the most part cannot be freely transferred to third parties due to limitations and restrictions preventing their free circulation.

Non-current financial assets, amounting to € 10,668 thousand at 31 December 2013 (€ 11,455 thousand at 31 December 2012), are composed of:

- › € 8,589 thousand of non-current financial receivables due from associates or affiliates (€ 9,402 thousand at 31 December 2012). The face value of these receivables is € 9,053 thousand, while the discounting fund amounts to € 464 thousand. Some of these are non-interest bearing since they were drawn down proportionally from each consortium partner and are thus discounted on the basis of their expected residual maturity, applying Eurirs as the reference interest rate, plus a spread. The decrease recognised in the year was mainly linked to the partial repayment of some loans owned by Servizi Ospedalieri S.p.A..
- › € 1,915 thousand of non-current financial receivables from third parties (€ 1,890 thousand at 31 December 2012);
- › € 164 thousand of securities held to maturity (€ 163 thousand at 31 December 2012).

Other non-current assets, amounting to € 1,653 thousand at 31 December 2013 (€ 1,746 thousand at 31 December 2012) mainly consist of security deposits related to long-term income-generating manufacturing contracts (€ 940 thousand) and long-term prepaid expenses relating to certain job orders (€ 471 thousand).

10. INVENTORIES

The Group recorded inventories of € 6,194 thousand as at 31 December 2013, marking a decrease of € 5,046 thousand compared to the previous year.

	31 December 2013	31 December 2012
Inventories of raw materials, consumables, and goods	6,300	12,210
Provision for write-down of raw materials, consumables and goods	(106)	(970)
INVENTORIES	6,194	11,240

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

The decrease recognised in the year was mainly linked to the sale of two photovoltaic plants on the part of Energyproject S.r.l.. The remaining stock of the latter as at the reporting date (€ 1,994 thousand) have been reclassified as “assets held for disposal” as required by IFRS5 in relation to the planned sale of the company in early 2014.

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

The following table includes the breakdown of *Trade receivables*, *advances to suppliers* and *Other current operating receivables* at 31 December 2013 and 31 December 2012:

	At 31 December 2013	of which from related parties	At 31 December 2012	of which from related parties
Work in progress on order	26,096		27,421	6
Trade receivables, gross	667,282		643,599	14,127
Allowance for doubtful accounts	(38,744)	(10)	(33,083)	0
Provision for discounting of trade receivables	(301)		(220)	0
Trade receivables due from third parties	654,333	0	637,717	14,133
Work in progress on order from associates	584	584	20	20
Trade receivables from parent companies	58	58	80	80
Trade receivables from associates	37,890	37,890	15,033	15,033
Trade receivables from affiliates	160	160	380	380
Trade receivables due from Manutencoop Related parties	38,692	38,692	15,513	15,513
Advances to suppliers	3,652	25	2,267	0
TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS	696,677	38,707	655,497	29,646
Current tax assets within 12 months	6,264		10,286	0
Other current assets due from third parties	18,297		8,256	0
Due from social security institutions	2,785		2,856	0
Due from employees	487		535	0
Other current assets from third parties	27,833	0	21,933	0
Current assets from Manutencoop Società Cooperativa	10	10	16	16
Current assets from associates	79	79	78	78

	At 31 December 2013	of which from related parties	At 31 December 2012	of which from related parties
Other current assets from Manutencoop Related parties	89	89	94	94
Accrued income	2		2	0
Prepaid expenses	1,726		1,661	0
Accrued income and prepaid expenses	1,728	0	1,663	0
OTHER CURRENT ASSETS	29,650	89	23,690	94

The balance of *trade receivables and advances to suppliers*, which also includes inventories of contract work in progress, amounted to € 696,677 thousand as at 31 December 2013, showing an increase of € 41,180 thousand compared to the amount of € 655,497 thousand recorded as at 31 December 2012.

The change is mainly due to the increase in gross trade receivables, which amounted to € 667,157 thousand at 31 December 2013 (31 December 2012: € 643,599 thousand), against the related adjustment provisions that showed a balance of € 38,744 thousand at 31 December 2013 (31 December 2012: € 33,083 thousand).

No further assignments of trade receivables without recourse took place during the second half of 2013 after the gradual abandonment of revolving programmes for the assignment to Crédit Agricole Corporate & Investment Bank and to Banca IMI. The financial year saw the assignment of receivables for a total nominal value of € 175.7 million (€ 459.1 million in 2012). Furthermore, a non-recurring assignment was carried out with Credemfactor S.p.A –Credito Emiliano Banking Group in relation to the receivables due from a public entity for € 1.1 million. Given the characteristics of the transactions described above, the receivables were derecognized and costs for credit discount for an overall amount of € 602 thousand and for interest discount for € 2,306 thousand were accounted for.

At 31 December 2013, the total receivables transferred through factoring by the Group to factoring agencies and still not collected amounted to € 16.4 million (€ 146.3 million at 31 December 2012, including € 52.7 million related to non-recurring assignments of receivables due from the client Telecom).

On the basis of the historical performance of the debtors involved in the transfer, the incidence of the credit risk is extremely low, while the risk of delayed payment is higher given that said receivables are predominantly due from Public Authorities.

As part of the non-recourse factoring transactions the Group issued sureties for a total nominal value of € 2,104 thousand. In light of the characteristics of the transactions and the protections to which the assumption of enforcement of the sureties is subject, the fair value of the underlying financial guarantees is estimated at € 35 thousand (31 December 2012: € 237 thousand), that the Group recorded under *Loans and other current financial liabilities*. The fair value difference compared to 31 December 2012 was recorded as a contra entry to a financial income.

Trade receivables due from Group companies include, in particular, receivables due from Progetto ISOM S.p.A. for € 13,457 thousand, Progetto Nuovo S. Anna for € 5,448 thousand, Newco Duc Bologna S.p.A. for € 3,237 thousand and from Se.Sa.Mo. S.p.A. for € 3,145 thousand.

Since many of the Group's customers are Public Authorities, who are notorious for long payment delays, it was necessary to discount trade receivables. Changes in the provision for discounting of trade receivables in 2013 are shown below:

	At 31 December 2012	Increases	Utilizations	Other changes	At 31 December 2013
Provision for discounting of trade receivables	221	165	0	(85)	301

The total decrease in the provision for discounting receivables is primarily due to the significant fall in rates, in addition to a trend showing improvements in collection time.

A specific allowance for doubtful accounts was recorded in connection with non-performing receivables, which are difficult to fully recover, amounting to € 38,744 thousand at 31 December 2013 (at 31 December 2012: € 33,083 thousand). Below are the reported the changes in the period::

	At 31 December 2012	Increases	Utilizations	Releases	Business combinations	Other changes	At 31 December 2013
Allowance for doubtful accounts	33,083	6,847	(2,908)	(515)	0	2,237	38,744

The other changes relate to amounts previously classified as *provisions for future charges* that for the purpose of clarification have been reclassified and directly deducted from the asset items to which they referred. Other movements include rises in the consolidated provision for default interest write-downs.

An analysis of trade receivables as at 31 December 2013 and as at the end of the previous year is provided below, broken down by maturity.

	Total	Trade receivables reaching maturity	Overdue trade receivables				
			< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	after 120 days
31 December 2013	628,413	391,589	63,196	35,535	18,830	20,503	98,760
31 December 2012	610,517	381,487	29,422	22,248	15,145	15,473	146,743

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

Other current assets, equal to €29,650 thousand (€ 23,690 thousand at 31 December 2012), increased by an overall amount of € 5,960 thousand in the period.

This item includes the receivables arising from the periodic VAT settlements of some Group companies (€ 6,240 thousand compared to € 7,423 thousand at 31 December 2012). *Other current assets due from third parties* also include € 4,019 thousand of receivables from a customer on account of VAT requested in the application of the principle of recourse laid down under article 93, paragraph 1, of decree law no. 1 of 24 January 2012, as converted by law 27 of 24 March 2012, as a result of the objections raised by

the Tax Authorities as to the erroneous application of special VAT tax rates in the course of a tax assessment that was completed at the parent company MFM S.p.A. in May with the issue of two Reports of Findings (*Processi Verbali di Constatazione, PVC*).

The same item had also been recognizing, since 2012, receivables of € 2,595 thousand from the Tax Authorities on account of refund following the petition submitted for the deduction of IRAP tax from the IRES tax base by companies not adhering to the National Tax Consolidation agreement with Manutencoop Società Cooperativa.

Finally, the item also recognizes € 2,176 thousand of credit balances of current accounts held at Unicredit, managed in the name and on behalf of INPDAP (Social Security Institute for employees in public administration), as envisaged in a property management contract stipulated with the aforementioned authority. Some restrictions have been placed on said accounts as a result of the dispute that has arisen with INPDAP. Therefore, for the purposes of an accurate presentation, it was deemed appropriate to classify said item under *Other current receivables*.

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

An analysis of the balance as at 31 December 2013 and 31 December 2012 is shown below:

	At 31 December 2013	At 31 December 2012
Bank and postal deposits	173,855	39,557
Cash in hand	72	115
Current financial consortia	11,366	12,315
CASH AND CASH EQUIVALENTS	185,293	51,987
Current financial receivables due from third parties	12,049	10,067
Current financial receivables from Group companies	1,099	1,133
Current financial receivables	13,148	11,200
Other receivables for dividends	60	2
RECEIVABLES AND OTHER CURRENT FINANCIAL ASSETS	13,208	11,202

Cash and cash equivalents recorded a significant increase, passing from € 51,987 thousand at 31 December 2012 to € 185,293 thousand at 31 December 2013, above all in relation to the contribution of proceeds from the bond issue carried out in 2013. At 31 December 2013 the item included the balance of the time deposit held with UNIPOL Banca for € 40,000 thousand, expiring on 28 February 2014.

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

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

At 31 December 2013 *Current financial assets* amounted to € 13,208 thousand (at 31 December 2012: € 11,202 thousand).

This item is mainly composed of:

- › the pledged current accounts related to the collection service of the receivables transferred without recourse to Intesa San Paolo (€ 9,512 thousand);
- › escrow amounts paid as part of business combinations for € 660 thousand;
- › receivables of € 958 thousand for assignments of contracts and transfers of business units to third parties, € 470 thousand of which related to the transactions carried out by the sub-group MIA in the year;
- › an overall amount of € 1,436 thousand of receivables from short-term loans and financial accounts held with non-consolidated companies belonging to the Group.

13. NON-CURRENT ASSETS HELD FOR DISPOSAL AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR DISPOSAL

In the course of the financial year the Management carried out an operation to streamline the business involving the construction, installation and operation of the photovoltaic plants under the control of the subsidiary Energyproject S.r.l., in view of the sale of the same to third parties. On 5 July 2013 Energyproject S.r.l. acquired the total quota in Mowbray S.r.l., a company which is active in the construction and operation of photovoltaic projects and plants. Currently this company is the sole owner of the photovoltaic plant named "Modena Fiere Pensiline", which is operated by the same and which has been built and developed by Energyproject in its capacity as an EPC contractor. On 3 February 2014 an agreement was reached for the transfer of the total quotas of the quota capital of Energyproject S.r.l. (and of the subsidiary Mowbray S.r.l.) to UMA S.r.l. at a price of € 660 thousand, in addition to the repayment of the shareholders' loan of € 4,715 thousand outstanding at 31 December 2013. The balance sheet assets of the two companies were then classified, in the Consolidated Financial Statements at 31 December 2013, as "*Disposal Group*", pursuant to IFRS5. Likewise, the related balance sheet liabilities were recognised as "*Liabilities directly associated with non-current assets held for disposal*".

Finally, in 2012 MIA S.p.A. acquired ABM S.r.l., which was subsequently merged by incorporation into Unilift S.r.l.. The investment agreement stipulated by the parties provides for selling a residential property to the sellers or third parties. The property is located in Noventa Vicentina (VI) and it has been mortgaged. On 20 January 2014 Unilift S.r.l. completed the sale of the property to the former quotaholders of ABM S.r.l. at the agreed price, subject to the prior redemption of the mortgage encumbering the property for € 51 thousand.

Non-current assets held for disposal

At 31 December 2013 *non-current assets* held for disposal amounted to € 7,868 thousand.

	31 December 2013	31 December 2012
Energyproject S.r.l. balance sheet assets	7,391	0
Mowbray S.r.l. balance sheet assets	347	0
Residential property owned by Unilift S.r.l.	130	130
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	7,868	130

The table below shows an analytical breakdown of the item:

	31 December 2013				31 December 2012	
	Energyproject S.r.l.	Mowbray S.r.l.	Unilift S.r.l.	Total	Unilift S.r.l.	Total
Property, plant and equipment			130	130	130	130
Deferred tax assets	524			524		
Current tax receivables	1,319			1,319		
Inventories	3,388			3,388		
Other non-current assets	31	27		57		
Trade receivables and advances to suppliers	704	6		710		
Current financial assets	100			100		
Other current assets	270	194		464		
Cash and cash equivalents	1,055	120		1,175		
TOTAL ASSETS CLASSIFIED AS HELD FOR SALE	7,391	347	130	7,868	130	130

Liabilities directly associated with non-current assets held for disposal

At 31 December 2013 Liabilities directly associated with assets held for disposal amounted to € 2,420 thousand.

	31 December 2013	31 December 2012
Energyproject S.r.l. balance sheet liabilities	1,863	0
Mowbray S.r.l. balance sheet liabilities	77	0
Provisions for risks and charges in consolidated accounts	425	0
Non-current loans (mortgages) of Unilift S.r.l.	56	64
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	2,420	64

The table below shows an analytical breakdown of the comparative item:

	31 December 2013				31 December 2012	
	Energyproject S.r.l.	Mowbray S.r.l.	Unilift S.r.l.	Total	Unilift S.r.l.	Total
Employee termination indemnity	2			2		0
Provisions for risks and charges, current in consolidated accounts	425			425		0
Provisions for risks and charges, current	731			731		0
Trade payables and advances from customers	149	8		157		0
Current tax payables		69		69		0
Other current liabilities	879			879		0
Long-term debt			56	56	64	64
Bank borrowings, including current portion of long-term debt, and other financial liabilities	100			100		0
TOTAL LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	2,287	77	56	2,420	64	64

In the cases listed, a comparison is provided of the carrying amount of assets held for disposal or the asset disposal group recorded in the financial statements with the market value or sale price set by contract, net of transaction costs. The measurement of the group of assets transferred with the investments in Energyproject S.r.l. and Mowbray S.r.l. (net of liabilities directly associated with them) gave rise to a negative difference with respect to the price set for the sale (including the repayment of the intergroup loan), which entailed the recognition of a write-down under the result for assets being disposed equal to € 425 thousands.

It should be pointed out that a comparison had been made in the previous years between the book value of assets held for disposal recognised in the accounts in relation to the subsidiary Unilift S.r.l. and the market value (as a set transfer price was not available), net of transaction costs, without this giving rise to the need to make write-downs.

Income from discontinued operations

The details of income from discontinued operations are shown below:

	31 December 2013	31 December 2012
Capital losses on assets sold	0	6
Accruals to future provisions for risks and charges in consolidated accounts	425	0
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	425	6

In 2013 profit (loss) from discontinued operations showed an overall loss of € 425 thousand, following a provision of € 425 thousand, representing the difference between the net balance sheet value relating to the companies in the photovoltaic segment that were transferred in 2014 and the agreed transfer price.

Profit (loss) from discontinued operations in 2012 related to the capital loss for the sale of a leased property, which was also acquired with the former ABM S.r.l. and intended for sale to third parties as required by the investment agreement executed with the seller s.

Cash flows generated/absorbed by discontinued operations

In 2013 discontinued operations generated cash outflows of € 8 thousand, in relation to the payment of the instalment falling due for the loan of Unilift S.r.l..

In 2012 cash inflows were recognised for € 111 thousand, against the payment of the instalment of the same loan, in addition to the consideration received with the transfer of the leased property referred to above.

	31 December 2013	31 December 2012
Payment of Unilift S.r.l. loan instalment	(8)	(8)
Payment received	0	119
NET CASH FLOW	(8)	111

14. SHARE CAPITAL AND RESERVES

	31 December 2013	31 December 2012
Share Capital - Ordinary shares	109,150	109,150

Ordinary shares have a nominal value of Euro 1 each.

Ordinary shares issued and fully paid up at 31 December 2013 amounted to 109,149,600. The Parent Company does not hold own shares.

Reserves and Retained Earnings

The table below shows changes in shareholders' equity reserves:

	Share premium reserve	Legal reserve	SE reserves companies valued at SE	Cash flow hedge reserve	SORIE reserve	Other reserves	Total reserves
1 JANUARY 2012	145,018	15,811	(995)	(1,035)	(2,977)	(16,769)	139,053
Allocation of profits of previous years		346	1,326			6,555	8,227
Economic effects on shareholders' equity			(821)	150	(2,388)		(3,059)
31 DECEMBER 2012	145,018	16,157	(490)	(885)	(5,365)	(10,214)	144,221
Allocation of profits of previous years		1,312				19,729	21,041
Economic effects on shareholders' equity			727	885	923		2,535
31 DECEMBER 2013	145,018	17,469	237	0	(4,442)	9,515	167,797

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

- › The reserve originating from the recognition of transactions under common control, which includes the differences between the purchase cost and the net carrying amount of the assets acquired under business combinations between entities under joint control, for a negative amount of € 45,400 thousand as at 31 December 2013.
- › The Parent Company's extraordinary reserve (€ 55,861 thousand).

The table below shows changes in *Retained earnings*:

	Accumulated profits (losses) of the Parent Company	Consolidation reserve	Total retained earnings
1 JANUARY 2012	3,809	16,376	20,185
Allocation of profits of previous years		2,897	2,897
Acquisition/ Transfer of minority shares of subsidiaries		458	458
31 DECEMBER 2012	3,809	19,731	23,540
Allocation of profits of previous years		11,533	11,533
Acquisition/ Transfer of minority shares of subsidiaries		(1,467)	(1,467)
31 December 2013	3,809	29,797	33,606

15. EMPLOYEE TERMINATION INDEMNITY (TFR)

Movements in liabilities relating to Employee Termination Indemnity (TFR) in 2013 are shown below, compared with movements in the previous year.

	Financial year ended	
	At 31 December 2013	At 31 December 2012
At 1 January	31,321	31,356
Increases for personnel acquired in business combinations	198	239
Current service cost	698	560
Interest costs on benefit obligation	1,058	1,110
Curtailement	32	0
Settlements	0	11
Benefits paid	(4,247)	(5,249)
Net actuarial (gains)/ losses recognized in the period	(1,273)	3,294
Other	(2)	0
AT 31 DECEMBER	27,785	31,321

The increases for business combinations refer to acquisitions made by the sub-group MIA S.p.A. during the year (€ 52 thousand) and to the acquisition of the Auchan business unit (€ 146 thousand). In this regard, reference should be made to note no. 3.

The year saw the recognition of actuarial gains on the Employee Severance Indemnity (ESI) of consolidated companies for € 1,273 thousand (actuarial losses for €3,294 thousand as at 31 December 2012), connected to the changes in the financial assumptions for € 1,074 thousand.

Details of the net cost of the benefit relating to ESI are shown below:

	Year ended	
	At 31 December 2013	At 31 December 2012
Curtailement	32	0
Current service cost	698	560
Interest costs on benefits obligation	1,058	1,110
Net cost of the benefits recognized in the statement of income	1,788	1,670
Net actuarial (gains)/ losses recognized	(1,273)	3,294
TOTAL	515	4,964

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

	At 31 December 2013	At 31 December 2012
Discount rate	3.30%	2.90%
Inflation rate	2.00%	2.00%
Estimated turnover	From 1.5% to 11.50%	From 1.5% to 11.50%

The discount rates used to assess the ESI obligation are defined on the basis of curves of rates of return of high-quality fixed-interest securities, the amounts and maturity dates of which correspond to the amounts and maturity dates of the payments of expected future benefits. In 2013 the discount rate was equal to 3.30% (2012: 2.90%).

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

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

	Discount rate	Actuarial assumptions	Employee termination indemnity
Financial year ended 31 December 2013	+ 0.25 bps	+ 0.08 pps	27,148
	- 0.25 bps	- 0.08 pps	28,448
Financial year ended 31 December 2012	+ 0.25 bps	+ 0.13 pps	29,021
	- 0.25 bps	- 0.13 pps	30,365

Below are reported the data relating to the average number of the Group's employees and of the workers provided to the Group by Manutencoop Società Cooperativa:

	2013	2012
Executives	63	64
Office workers	1,658	1,652
Manual workers	13,290	12,876
AVERAGE STAFF	15,011	14,592

In 2013, the average number of leased personnel employed, including those shown in the table, stood at 597 (2012: 604).

16. PROVISIONS FOR RISKS AND CHARGES

The breakdown and movements in the provisions for risks and charges in 2013 are shown below:

	Risks on investments	Risks on job orders	Pending disputes	Tax litigation	Agents' indemnity leave	Severance provision	Bonuses	Other provisions	Total
At 1 January 2013	153	12,055	8,109	1,112	141	14,374	4,963	188	41,094
Addition due to business combinations	0	0	0	0	0	0	0	0	0
Accruals	12	2,676	3,191	0	18	3,574	2,435	1,612	13,518
Utilizations (payments)	(105)	(2,422)	(778)	(26)	0	(6,833)	(2,388)	(114)	(12,665)
Unused and reversed	0	(325)	(1,806)	(115)	0	(65)	(100)	(2)	(2,413)
Other	0	(2,924)	78	0	0	0	0	0	(2,846)
At 31 December 2013	60	9,060	8,794	971	159	11,050	4,910	1,684	36,688
At 31 December 2013:									
Current	60	8,703	913	971	0	11,050	2,714	562	24,973
Non-current	0	357	7,881	0	159	0	2,196	1,122	11,715
At 31 December 2012:									
Current	153	10,873	586	1,112	0	14,374	2,105	94	29,297
Non-current	0	1,182	7,523	0	141	0	2,858	94	11,797

Provision for risks on investments

The item, amounting to € 60 thousand as at 31 December 2013, includes the provision for unrecoverable future losses of Group companies and only related to the subsidiary Alisei S.r.l. in liquidation, for € 60 thousand.

Provision for risks on job orders

This provision includes, at consolidated level:

- › estimated risks relating to potential disputes with customers, on the report of works;
- › estimated penalties charged by customers;
- › estimated costs to complete job orders, in respect of which no additional revenues will be paid.

The value of the provision at year-end amounted to € 9,060 thousand, against allowances for € 2,676 thousand, in addition to uses, releases and other changes that led to an overall decrease of € 5,671 thousand in the provision.

The allocations were mainly made for work performed by MFM S.p.A. for € 2,275 thousand and by MACO S.p.A. for € 285 thousand. Other changes, amounting to € 2,924 thousand, mainly related to amounts reclassified, for a clearer representation, as a direct reduction in the asset items to which they relate.

Provision for pending disputes

At the end of the financial year, the company assesses the risk of having to pay future compensation in the event of unsuccessful legal disputes with customers, suppliers and employees. In 2013 the provision recorded total increases for accruals of € 3,191 thousand and decreases for uses, releases and other changes of € 2,506 thousand.

Accruals were mainly recognized to cover risks of MFM S.p.A. for € 2,204 thousand, Manutencoop Private Sector Solutions S.p.A. for € 437 thousand and Servizi Ospedalieri S.p.A. for € 530 thousand.

Uses and releases in the period, totalling € 2,584 thousand, refer to the provisions recorded in previous years due to the settlement of disputes with suppliers and legal proceedings with other parties.

Tax litigation

In 2013, uses totalled € 26 thousand, while releases amounted to € 115 thousand, as a result of the completion of certain tax assessments.

Severance provision

This provision relates to the amounts due for severance and employee redundancy costs, as part of the restructuring plans implemented by some Group companies over the last few years.

At 31 December 2012 the Group had recognized provisions totalling € 14,374 thousand, € 5,638 thousand of which in Telepost S.p.A., € 6,750 thousand in Manutencoop Private Sector Solutions S.p.A., € 1,254 thousand in MACO S.p.A. and € 732 thousand in EnergyProject S.r.l.. In 2013 there were uses of € 6,833 thousand, € 356 thousand of which in MACO S.p.A., € 2,354 thousand in Telepost S.p.A., € 733 thousand in EnergyProject S.r.l. and € 3,390 thousand in Manutencoop Private Sector Solutions S.p.A..

At 31 December 2013 the Group started an additional plan at the subsidiary Servizi Ospedalieri S.p.A. and, therefore, provisions of € 2,679 thousand were set aside; furthermore, the provision for Manutencoop Private Sector Solutions S.p.A. was increased by € 745 thousand as a result of the additions to the restructuring plan already in place.

Provision for bonuses

This provision includes accrual for future payments to the Group's management, in relation to the medium and long-term bonus system adopted by the Group.

Changes that occurred in 2013 comprised new accruals for € 2,435 thousand and uses and releases for a total of € 2,488 thousand.

Other provisions for risks and charges

In 2013 the provision, amounting to € 1,684 thousand as at 31 December 2013, recorded accruals of € 1,612 thousand, mainly due to provisions set aside by S.AN.CO. Soc. Cons.ar.l. for € 992 thousand and by MFM S.p.A. for € 447 thousand, as well as uses and releases of € 116 thousand.

17. DERIVATIVES

The Group entered into 3 different interest rate swaps to cover any risk arising from fluctuations in the variable interest rate of the loan agreement entered into with BNL/BNP in the course of 2008 in support of the business combinations carried out.

Following the above-mentioned issue of Senior Secured Notes and the early repayment of the said loan, the abovementioned IRS contracts were terminated and then subject to unwind, on the basis of the mark-to-market value recorded as at 1 August 2013. The overall unwinding value, equal to € 721 thousand, was credited to respective participating banks at the value date of 5 August 2013 and recognized as a financial charge for the period.

At 31 December 2013 there were no derivative contracts.

18. BORROWINGS, LOANS AND OTHER CURRENT FINANCIAL LIABILITIES

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

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

The tables below set forth the qualitative breakdown by current and non-current financial liabilities at 31 December 2013 and at 31 December 2012.

	31 December 2013	within 1 year	from 1 to 5 years	after 5 years
Senior Secured Notes	412,687			412,687
C.C.F.S. loan	17,987	17,987		
BPV loan	25,495	12,624	12,871	
MPS loan	19,978	4,993	14,985	
Other bank loans MIA-SICURA	231	58	173	
S.Paolo IMI loan	282	72	210	
Banca Bologna – photovoltaic	429	19	87	323
Prepaid expenses on financial interest within 12 months	(719)	(140)	(579)	
Accrued interest expense within 12 months	15,022	15,022		
Long-term bank borrowings and current portion of long-term bank borrowings	491,392	50,635	27,747	413,010
Current bank overdrafts	57	57		
Financial leasing obligations	3,359	976	2,212	171
Loans from syndicated shareholders	2,318	703	1,530	85
Loan from the parent company (Manutencoop Cooperativa)	142	142		
Other current financial liabilities	526	526		
Due to factoring agencies	8,830	8,830		
Obligations to factoring agencies	287	287		
Debt for the acquisition of investments	10,998	10,186	812	
Potential debt for the acquisition of non-controlling interests	22,229	10,723	11,506	
Capital contribution to be paid	2,201	2,201		
Financial liabilities measured at fair value through profit and loss	35	35		
Dividends to be paid	579	579		
TOTAL FINANCIAL LIABILITIES	542,954	85,880	43,808	413,266

	31 December 2012	within 1 year	from 1 to 5 years	after 5 years
BNL/BNP loan	42,000	21,000	21,000	
C.C.F.S. loan	29,993	29,993		
Unicredit (formerly Teckal) loan	5,568	5,568		
BPCI-Gruppo UBI loan	8,972	2,986	5,986	
BPV loan	37,888	12,394	25,494	
MPS loan	23,949	4,788	19,161	
BPER loan	12,713	3,626	9,087	
Banco San Geminiano and San Prospero loan	3,852	3,852		
Other bank loans	391	158	233	
S.Paolo IMI loan	353	72	281	
Banca Bologna – photovoltaic	447	18	82	347
Long-term bank borrowings and current portion of long-term bank borrowings	166,126	84,455	81,324	347
Current bank overdrafts	147,100	147,100		
Financial leasing obligations	2,387	800	1,560	27
Loans from syndicated shareholders	2,316	703	1,530	83
Loan from the parent company (Manutencoop Cooperativa)	66	66		
Other current financial liabilities	384	384		
Due to factoring agencies	31,371	31,371		

	31 December 2012	within 1 year	from 1 to 5 years	after 5 years
Debt for the acquisition of investments	2,442	500	1,942	
Potential debt for the acquisition of non-controlling interests	32,728	328	32,400	
Capital contribution to be paid	2,197	2,197		
Financial liabilities measured at fair value through profit and loss	237	237		
Prepaid expenses on financial interest within 12 months	(104)	(104)		
Accrued interest expense within 12 months	103	103		
Dividends to be paid	194	194		
TOTAL FINANCIAL LIABILITIES	387,547	268,334	118,756	457

Senior Secured Notes (MFM S.p.A.)

On 2 August 2013 the Parent Company MFM S.p.A. issued secured High Yield bonds (Senior Secured Notes) due 1 August 2020, restricted to institutional investors. The proceeds of the transaction were used to repay most of the existing bank loans and replace the revolving programmes for the assignment of trade receivables without recourse. The bonds, which are listed on the Euro MTF Market of the Luxembourg Stock Exchange and on the Extra MOT Pro Segment of the Italian Stock Exchange, was issued for a nominal value of € 425 million, with an issue price below par by 98.713%, with a fixed annual 8.5% coupon on a six-monthly settlement basis.

To protect the investment of the Bondholders of the so-called notes, the rules governing the bond issue provide for a system of guarantees and restrictions (covenants). In fact, some limitations are envisaged on the financial operations of the Issuer and of its subsidiaries, while leaving the Group the freedom of movement insofar as the operations undertaken contribute, at least potentially, added value and cash flows to the Group. These restrictions consist of limitations on the possibility of incurrence of indebtedness and of making distributions of dividends, investments and some types of payments that fall outside the scope of the so-called Restricted Group payments. Furthermore, there are provisions in relation to the allocation of sums obtained from the transfer of fixed assets, extraordinary operations and transactions with related parties and the issue of collaterals to third parties on corporate assets. The restrictions in question lie not so much in the absolute prohibition on carrying out the abovementioned operations, but rather in checking for compliance with certain financial ratios (incurrence base financial covenants), the presence of certain conditions or a quantitative limit on the performance of the above operations. Finally, periodic disclosure obligations are provided for in relation to the Group's financial position, results of operation and cash flows.

The limits and provisions envisaged in the rules governing the bond issue are in line with the market practice for similar operations. The failure by the Issuer to comply with one or more covenants, in addition to significant events that express a state of insolvency, constitute events of default. For the most of them, there is the possibility of remediation within a certain period of time. The event of default relating to the state of insolvency or the absence of remediation of any other events of default are a reason for acceleration, i.e. the forfeiture of the right to the time limit and the early redemption of the bonds. As at the reporting date of these financial statements, no events of default had occurred and the financial covenants, in relation to which no periodic check is required, had been complied with.

Revolving Credit Facility (MFM S.p.A.)

In the framework of the bond issue process, on 31 July 2013 the Parent Company also signed a 3-year Revolving Credit Facility (RCF) agreement that assures a revolving credit line, which can be activated on request, for a nominal amount of € 30.0 million with a pool of banks made up of UniCredit S.p.A., J.P.

Morgan Chase Bank S.A. Milan Branch, Cassa di Risparmio in Bologna S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A.. This line was granted to meet possible temporary cash requirements and thus gave the Group additional financial flexibility.

The RCF agreement provides for the compliance with a financial covenant that is preliminary to the possibility of using the line granted. This financial covenant is in line with market practice for similar financing operations and is observed on a quarterly basis according to the data relating to the last 12 months, as resulting from the financial position, results of operations and cash flows approved in the quarter prior to the date of request for use. As at the reporting date of these financial statements, the financial covenants had been complied with and, as from the execution of the agreement, no use of the line has been requested from the lending banks.

BNL/BNP loan (MFM S.p.A.)

To meet the financial requirements arising from the acquisition of Pirelli IFM S.p.A (afterwards Altair IFM S.p.A. and now merged into MFM S.p.A.), in December 2008 MFM S.p.A. executed a pool loan agreement with Banca Nazionale del Lavoro as Agent, repayable in six-monthly instalments up to 23 December 2014. After the issue of the Senior Secured Notes on 2 August 2013, this loan was prepaid.

CCFS loan (MFM S.p.A.)

During the 2013 financial year, the Parent Company entered into a loan agreement with CCFS for a debt on account of capital of € 18,000 thousand, initially falling due in January 2016. The credit line was repaid in early 2014. The loan has a variable interest rate plus a spread and replaced the credit facility granted to the Company by the same bank, and that had a residual debt of € 30,000 thousand as at 31 December 2012, falling due in July 2013.

Unicredit (MFM S.p.A., formerly Teckal) loan

At the time of the acquisition of the merged company Teckal S.p.A. in 2007, the Group paid off a preceding loan of € 18,437 thousand from Unicredit to the acquired company and the previously existing vendor loan of € 11,438 thousand, taking out a nominal loan of € 25,000 thousand from Unicredit. After the issue of the Senior Secured Notes on 2 August 2013, this loan was extinguished.

BPCI -UBI Group (MFM S.p.A.) loan

On 30 November 2010 the Group executed a loan agreement of € 15 million with Banca Popolare del Commercio e Industria of the UBI Banca Group. This loan carried variable interest at 1-month Euribor plus a spread, expiring on 30 November 2015 and was to be repaid at six-monthly intervals. After the issue of the Senior Secured Notes on 2 August 2013, this loan was prepaid.

Banca Popolare Emilia Romagna loan (MFM S.p.A.)

The loan of € 12,750 thousand taken out from Banco Popolare Emilia Romagna, expiring on 23 June 2016, envisaged a six-monthly repayment plan on variable rates of interest. After the issue of the Senior Secured Notes on 2 August 2013 this loan was prepaid.

Banco San Geminiano and San Prospero loan (Servizi Ospedalieri S.p.A.)

The unsecured loan from Banco San Geminiano e San Prospero was disbursed to Servizi Ospedalieri S.p.A. on 13 March 2008, and was repayable in 8 six-monthly instalments in arrears. This loan was paid off on the maturity date (30 June 2013) (the balance at 31 December 2012 was € 3,852 thousand).

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

The loan of € 50 million was stipulated with Banca Popolare di Vicenza and expires on 31 December 2015, with repayments in half-yearly instalments. The loan has variable interest rates equal to the one month Euribor plus a spread. As at 31 December 2013, the residual debt was € 25,495 thousand.

MPS (MFM S.p.A.) loan

The loan with Banca Monte Paschi comprises a long-term credit line at a variable rate plus a spread amounting to € 25 million, used partially, and expiring on 22 December 2017. The loan agreement also makes provision for the verification of financial parameters to be calculated on an annual basis on the consolidated financial statements. As at 31 December 2013 the financial parameters were respected. As at 31 December 2013 the residual debt was € 19,978 thousand.

Accrued expenses on interest payable

At 31 December 2013 the Group recognised accrued expenses on interest payable of € 15,022 thousand, of which € 14,952 thousand relating to the amount accrued on the coupon of the Senior Secured Notes due 2 February 2014.

Current bank overdrafts and hot money

Current bank overdrafts are not backed by any guarantee. On 2 August a part of the proceeds from the issue of the Senior Secured Notes was used to close existing short-term credit lines for Parent Company MFM and its major subsidiaries.

Obligations deriving from financial leasing

The lease contracts stipulated are not secured and refer to the companies MFM S.p.A., Servizi Ospedalieri S.p.A. and sub-group Sicura S.r.l.. Some contracts refer to motor vehicles and plant and machinery used by Servizi Ospedalieri S.p.A. in the laundering and sterilization production processes.

Loan from the Parent Company (Manutencoop Cooperativa)

This item refers to a financial account on which transactions with the controlling company Manutencoop Società Cooperativa are settled. As at 31 December 2013, the balance was € 142 thousand. The balance accrues interest at the 3-month Euribor rate, plus a spread and is repayable on demand. The agreement related to this financial account is renewable by tacit agreement.

Syndicated loans

This item refers to financing provided by syndicated shareholders, third parties to consortium companies included within the scope of consolidation as they are controlled or held under a joint venture (50%). In certain cases, these loans are interest-bearing and repayable on request. In other cases, they have a contractually defined maturity and, in others still, they do not have a contractually defined maturity but will essentially be repayable at the end of the long-term service contract, on the basis of which the consortium company was established.

Collections on behalf of Credit Agricole Corporate & Investment Bank and Banca IMI

The debt balance relates to receivables transferred under non-recourse factoring transactions on a revolving basis carried out by the Group, collected on behalf of the assignee in the last few days of 2013 and still not paid as at 31 December 2013. As at 31 December 2012, the balance was € 8,830 thousand (€ 31,371 thousand as at 31 December 2012).

Capital contribution to be paid

The Group recognized obligations for capital contribution to be paid to unconsolidated companies for € 2,201 thousand, € 2,192 thousand of which relates to the incorporation of Synchron Nuovo San Gerardo S.p.A..

Debt for the acquisition of investments/business units

This line, amounting to € 10,998 thousand at 31 December 2013 (€ 2,442 thousand at 31 December 2012) relates to the amounts still not paid to the transferor within business combinations.

On 24 July 2013 an investment agreement was signed to supplement the provisions of the previous agreement in 2010 between MIA S.p.A. and the minority shareholders of Lenzi S.p.A., which led, in 2012, to the recognition of a liability for the Put option granted to the latter on 40% of the investment in the company. The new agreement has set the transfer price of the shares at € 8,596 thousand, bearing interest at 7.9% rate up to the date of payment. On 15 November, it was also agreed to make a partial payment of € 962 thousand, and to finally settle any interest accrued on the debt amounting to € 210 thousand as from the date of execution of the agreement dated July 2013. The value of the liability has therefore been adjusted, which was previously recognised under long-term contingent liabilities, and it has been reclassified as a short-term liability for a balance of € 7,634 thousand still to be paid as at 31 December 2013.

Furthermore, MIA S.p.A. holds commitments to deposit amounts in escrow for a total of € 2,106 thousand, against the already deposited € 660 thousand with the contractually identified parties, recognized under *Other current financial assets*.

Finally, payables of € 1,197 thousand have been recognised as consideration still to be paid by Gruppo Sicura S.r.l. to the holders of minority interests in the subsidiaries that were acquired in the year.

Potential debt for the acquisition of non-controlling interests/business units

Any potential debt for the acquisition of investments, recognized to an amount of € 22,229 thousand, related to:

- › the current value of the earn-out to be paid to the minorities of Gruppo Sicura S.r.l., that has been estimated at € 10,610 thousand. The liability is expected to be paid in the course of the 2014 financial year: therefore, it was reclassified as a short-term liability. Furthermore, a present value of € 7,124 thousand was also recognized for the Put option held by the minorities of the same company in relation to 20% of the share capital that is still owned by them;
- › the current value of the Put option granted to the minorities of Cofam S.r.l. (acquired by MIA S.p.A. at the beginning of 2009), relating to the 40% stake in share capital that they still own, estimated at € 3,459 thousand;
- › the current value of the earn-out to be paid in relation to the acquisition of ABM S.r.l. by MIA S.p.A. (merged by incorporation into Unilift S.r.l. during 2012) estimated at € 55 thousand;
- › the current value of the Put option granted to the minorities of Unilift S.r.l. (merged by incorporation into ABM S.r.l. in 2012) estimated at € 924 thousand;
- › the current value of the earn-out to be paid to the previous quotaholders of SIE S.r.l., acquired in 2012 by MIA S.p.A. and subsequently merged by incorporation into it, estimated at € 37 thousand;
- › the current value of the earn-out to be paid to the previous owners of MIND S.r.l., acquired in 2012 by MIA S.p.A. and subsequently merged by incorporation into it, estimated at € 21 thousand.

In connection with the fair value measurement of the items described above, the Group recognized net financial charges against their fair value for € 584 thousand.

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

The table below sets forth the breakdown of the item as at 31 December 2013 and 31 December 2012:

	At 31 December 2013	of which to related parties	At 31 December 2012	of which to related parties
Trade payables	416,705	0	408,549	696
Trade payables to third parties	416,705	0	408,549	696
Trade payables to Manuencoop Cooperativa	11,613	11,613	5,470	5,470
Trade payables to associates within 12 months	21,230	21,230	21,167	21,167
Trade payables to related parties	32,843	32,843	26,637	26,637
Advances from customers and payables for work to be performed	6,872	2	6,365	0
Trade payables and advances from customers	456,420	32,845	441,551	27,333
Payables to directors and statutory auditors	921	0	495	0
Tax payables	65,354	0	66,420	0
Payables to social security within 12 months	10,028	0	9,326	0
Collections on behalf of ATI ("Associazione temporanea di Imprese")	16,557	0	17,802	0
Payables to employees within 12 months	45,446	0	44,662	0
Other payables within 12 months	5,142	0	4,297	0
Property collection on behalf of customers	2,176	0	2,176	0
Other current operating payables to third parties	145,624	0	145,178	0
Other current payables to Manuencoop Cooperativa	7	7	0	0
Other payables to subsidiaries of the Group	171	171	171	171
Other current operating payables to the related parties	178	178	171	171
Accrued expenses	18	0	106	0
Deferred income	2,715	0	2,906	0
Accrued expenses and deferred income	2,733	0	3,012	0
OTHER CURRENT LIABILITIES	148,535	178	148,361	171

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

Trade payables and advances from customers as at 31 December 2013 amounted to € 456,420, against a balance of € 441,551 at 31 December 2012.

Intercompany trade payables, amounting to € 32,843 thousand as at 31 December 2013, are mainly composed of payables due to Bologna Multiservizi Soc. Cons. a r.l. for € 5,206 thousand, to Se.Sa.Tre. Soc. Cons. a r.l. for € 4,166 thousand, to Roma Multiservizi S.p.A. for € 3,628 thousand and to Servizi Napoli 5 Soc. Cons. a r.l. for € 1,728 thousand.

Other current operating payables showed a balance of € 148,535 as at 31 December 2013 and are mainly made up of the following items:

- › payables to employees of € 45,446 thousand, including the current monthly salaries to be paid in the months after the closing of the financial year, as well as payables for additional monthly salaries to be paid (a portion of the 14th salary, to be paid in the month of July). Furthermore, the corresponding payables to social security institutions were recognized for € 10,028 thousand;

- › payables due to tax authorities for € 65,354 thousand, mainly related to the balance of the VAT payables due from subsidiaries of the Group (€ 53,211 thousand at 31 December 2012);
- › collections on behalf of Temporary Associations of Companies for € 16,557 thousand, which relate to the amounts collected by the Group, on behalf of third parties, mainly relating to job orders under Consip agreements.

20. OPERATING SEGMENTS

The services provided by the MFM Group can be divided into three primary areas of business, which coincide with the Strategic Business Units (SBU) where business is channelled. The latter is not affected by significant seasonality factors.

The SBUs identified coincide with the CGUs where the Group's activities are conducted. See note 1.1 for details.

Information on the operating segments for the year ended 31 December 2013

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Segment revenues	932,654	140,248	13,057	(5,362)	1,080,597
Segment costs	(874,466)	(132,278)	(15,140)	5,362	(1,016,522)
Operating income (loss) by segment	58,188	7,970	(2,082)	0	64,075
Share of net profit of associates	2,504	89			2,592
Net financial charges					(28,940)
Profit before taxes					37,727
Income taxes					(23,211)
Profit from discontinued operations			(425)		(425)
NET PROFIT FOR THE PERIOD ENDED 31 DECEMBER 2013					14,091

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Assets allocated to the segment	688,634	152,109	8,446	(3,947)	845,242
Goodwill	403,331	12,810			416,141
Investments valued at Equity	28,892	2,954	852		32,697
Assets classified as held for sale	130		7,738		7,868
Other assets not allocated and related taxes					251,500
SEGMENT ASSETS	1,120,988	167,872	17,036	(3,947)	1,553,449
Liabilities allocated to the segment	586,950	76,998	9,429	(3,947)	669,430
Liabilities classified as held for sale	56		2,363		2,420
Other liabilities not allocated and related taxes					555,344
SEGMENT LIABILITIES	587,006	76,998	11,792	(3,947)	1,227,195

	Facility Management	Laundering & Sterilization	Other Activities	Total
Other segment information as at 31 December 2013				
Investments in segment assets	12,161	23,472	613	36,246
Amortisation/depreciation and write-downs of segment assets	19,043	24,022	139	43,205

Information on the operating segments for the year ended 31 December 2012

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Segment Revenues	925,330	134,352	14,622	(1,675)	1,072,629
Segment costs	(868,766)	(122,547)	(23,356)	1,675	(1,012,994)
Operating income (loss) by segment	56,564	11,805	(8,734)	0	59,635
Share of net profit of associates	3,119	132			3,251
Net financial charges					(19,755)
Profit before taxes					43,131
Income taxes					(9,823)
Profit from discontinued operations					(6)
NET PROFIT FOR THE PERIOD ENDED 31 DECEMBER 2012					33,302

	Facility Management	Laundering & Sterilization	Other Activities	Eliminations	Total
Assets allocated to the segment	626,598	149,815	19,966	(4,771)	791,608
Goodwill	405,914	12,810			418,724
Investments valued at Equity	27,282	2,815	825		30,922
Assets classified as held for sale					130
Other assets not allocated and related taxes					136,697
SEGMENT ASSETS	1,059,794	165,440	20,791	(4,771)	1,378,081
Liabilities allocated to the segment	557,508	80,065	15,728	(4,721)	648,580
Liabilities classified as held for sale					64
Other liabilities not allocated and related taxes					417,451
SEGMENT LIABILITIES	557,508	80,065	15,728	(4,721)	1,066,096

	Facility Management	Laundering & Sterilization	Other Activities	Total
Other segment information as at 31 December 2012				
Investments in segment assets	10,858	33,334	243	44,435
Amortisation/depreciation and write-downs of segment assets	12,362	19,560	85	32,007

Geographical areas

The Group conducts its core business in Italy. As at 31 December 2013 the activities conducted abroad were entirely marginal for the Group and generated revenues amounting to € 529 thousand (€ 375 thousand as at 31 December 2012).

The information by geographical area required by IFRS 8 is shown below for the years ended 31 December 2013 and 2012.

	Italy	Abroad	Eliminations	Total
Information by Geographical Area as at 31 December 2013				
Revenues	1,080,068	529		1,080,597
Non-current operating assets	530,515			530,515

	Italia	Abroad	Eliminations	Total
Information by Geographical Area as at 31 December 2012				
Revenues	1,072,254	375		1,072,629
Non-current operating assets	533,660			533,660

It should be pointed out that a share of 9% of consolidated revenues was generated by a key customer in the Private market (11% in 2012).

21. REVENUES FROM SALES AND SERVICES

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Revenues from product sales	18,437	15,985
Service revenues	916,577	904,702
Revenues from construction activities and plant installation	116,179	122,986
Other sales revenues	26,739	26,655
REVENUES FROM SALES AND SERVICE	1,077,932	1,070,328

As at 31 December 2013, the item *Revenues from sales and service* amounted to €1,077,932 thousand (€ 1,070,328 thousand as at 31 December 2012).

The scope of consolidation did not report any significant changes in terms of acquisitions of companies in the financial year. Therefore, the increase recorded in the item was only attributable to the endogenous growth of the Group, also in consideration of the reduction in the business volumes linked to the "Other" activities segment (mainly building and operation of photovoltaic plants), for which the Group is continuing the plan of disposal that had already been started by the Management in previous years.

22. OTHER REVENUES

The breakdown of the item is shown below for the years ended 31 December 2013 and 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Contributions	1,155	729
Asset capital gains	583	352
Recovery of costs - seconded personnel	100	85
Recovery of other costs	0	48
Payment of damages	374	449
Revenues for leases and rentals	21	20
Other revenues	432	618
OTHER REVENUES	2,665	2,301

As at 31 December 2013, the balance of *Other revenues* was € 2,665 thousand, compared to € 2,301 thousand in 2012. Capital gains were predominantly realised by Servizi Ospedalieri through the sale of linen and machinery no longer usable in linen rental and industrial laundering activities.

The item also includes additional revenues deriving from the energy management of some photovoltaic plants. Finally, an amount of € 1,155 thousand was recognised as operating grants, mainly relating to employee training projects, as well as an amount of € 121 thousand of grants relating to the security of some industrial laundering plants which were damaged as a result of the earthquake that occurred in Emilia Romagna in 2012.

23. COSTS OF RAW MATERIALS AND CONSUMABLES

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Change in inventories of fuel and raw materials	3,972	1,237
Fuel consumption	86,021	76,980
Consumption of raw materials	57,451	58,907
Purchase of semi-finished/finished products	7,175	6,529
Purchase of auxiliary materials and consumables	14,388	14,428
Packaging	1,933	1,955
Other purchases	2,771	3,132
CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	173,711	163,168

As at 31 December 2013 the item amounted to € 173,711 thousand compared to € 163,168 thousand as at 31 December 2012. The rise in consumption (€ 10,543 thousand) is mainly due to increasing fuel costs for integrated service contracts. The item was affected by the general rise in market prices compared to the previous year, as well as by the higher weight on the mix of the total services rendered in relation to the orders of integrated services and heat management.

24. COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Third-party services	258,978	276,831
Consortia services	10,816	11,800
Equipment maintenance and repair	8,066	10,090
Professional services	40,573	37,629
Statutory Auditors' fees	857	816
Transport	9,327	9,310
Advertising and promotion	973	1,309
Bonuses and commissions	2,140	1,926
Insurance and sureties	4,825	6,723
Bank services	431	456
Utilities	12,521	18,387
Travel expenses and reimbursement of expenses	3,729	3,962
Employee services	8,926	8,003
Other services	5,656	7,640
Costs for services	367,818	394,882
Rent expense	21,512	22,782
Rentals and other	4,899	2,317
Costs for leased assets	26,411	25,099
COSTS FOR SERVICES AND USE OF THIRD PARTY ASSETS	394,229	419,981

For the year ended 31 December 2013, *Costs for services and use of third party assets* totalled € 394,229 thousand, marking a decrease of € 25,752 thousand compared to the previous year, mainly due to lower costs for third party services (€ 17,853 thousand). Already in the previous years the Group started up a process to increase insourcing of certain activities, which resulting in a change in the mix of production factors in favour of the cost of labour, as described in note 25 below. At the same time, the group set targets for limiting general costs and overhead, also by reducing recourse to professional services. Furthermore, note lower costs for utilities (€ 5,866 thousand), as a result of the conclusion of some contracts of integrated services and the transfer of the related utilities contracts to new entities. Finally, *Costs for services* connected with the bond issue carried out in the year recorded an overall amount of € 3,350 thousand.

25. PERSONNEL COSTS

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Wages and salaries	244,738	230,128
Social security charges	78,480	73,347
Secondment costs	38,758	37,259
ESI paid to INPS (National Social Security Institute), and to funds	14,486	13,874
Directors' fees	3,239	3,207
Other personnel costs	2,683	1,466
Current benefits	382,384	359,281
Employee termination indemnity provision	1,787	1,961
Other subsequent benefits	0	35
Subsequent benefits	1,787	1,996
Employment termination	3,586	4,008
Employment termination benefits	3,586	4,008
PERSONNEL COST	387,757	365,285

As at 31 December 2013, Personnel Costs (equal to € 387,757 thousand) rose by € 22,472 thousand compared to the same period in the previous year (€ 365,285 thousand). This change is related to the net effect of various factors, such as:

- › progressive recovery of efficiency following the company reorganisation policies started up in the previous years;
- › a rise in the average number of workers, partly due to the insourcing process described in note 24, and partly due to the use of personnel in the changed contracts in the Hygiene segment;
- › additional reorganisation efforts for certain companies in the Group, which also in 2013 entailed costs for mobility, extraordinary lay-off schemes and voluntary redundancy incentives.

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

The ratio between *Sales and service revenues* and the amount of such costs (total costs for personnel, third-party services, consortia services and professional services) remained at an almost constant level compared to the previous year (1.54 for 2013 against 1.55 for 2012). The slight decline in the ratio was affected by the impact of significant costs for consultancy and professional services incurred in 2013 as a result of the bond issue.

26. OTHER OPERATING COSTS

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Capital losses on disposals	107	66
Losses on receivables	126	260
Other taxes	2,079	2,005
Fines and penalties	2,038	2,279
Credit discount on assignments of receivables	602	1,594
Other operating costs	3,401	4,109
OTHER OPERATING COSTS	8,353	10,313

Other operating costs recognized € 897 thousand of penalties requested by the Tax Authority. On 4 March 2013 the Emilia Romagna Regional Head Office of the Italian Revenue Agency (“*Agenzia delle Entrate*”) started a full tax audit on the Parent Company, MFM S.p.A., in connection with the tax year 2010. The tax audit was completed on 30 May 2013 with the service of two PVCs (*Processi Verbali di Costatazione*, Reports on findings), in which the only remark was the non-compliance with VAT reduced rate, which had been wrongly applied in the invoices related to a specific contract. The management then filed formal notices of acceptance of the PVCs with the competent tax offices, which were followed by the related “*atti di definizione*” (deeds of settlement) of the Italian Revenue Agency, which required the payment of € 4,019 thousand on account of VAT, a penalty of € 837 thousand and € 376 thousand on account of interest. MFM S.p.A. has already taken steps to ask the client, to which the reduced rate has been invoiced in place of the standard rate, to refund the portion of tax involved (€ 4,019 thousand), applying the so called principle of recourse (*rivalsa*) laid down under article 93, paragraph 1, of Decree Law no. 1 of 24 January 2012, as converted by Law no. 27 of 24 March 2012. The tax debt for the financial years following that of the audit was also paid off, entailing additional costs of € 60 thousand of penalties and € 36 thousand on account of interest.

A reduction was recorded in credit discount costs connected to the assignments of trade receivables without recourse, as a result of the exit from the plans for revolving assignments in place with Credit Agricole Corporate & Investment Bank e Banca IMI.

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

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Amortisation of intangible fixed assets	8,767	8,724
Depreciation property, plant and machinery	26,007	23,944
Write-backs of assets, net of reversal	0	(1,260)
Impairment of goodwill from consolidation	0	327
Write-downs	6,332	12,253
Write-downs of investments	0	128
Impairment of Property, Plant and Equipment	1,186	0
Impairment of Intangible Assets	685	38
Other write-downs	228	234
AMORTISATION/DEPRECIATION, WRITE-DOWNS AND WRITE-BACKS	43,205	44,388

As at 31 December 2013, the item *Amortization/depreciation, write-downs and write-backs of assets* amounted to € 43,205 thousand, from € 44,388 thousand as at 31 December 2012. The decrease of € 1,183 thousand was determined by the net effect of the following main changes:

- › An increase in depreciation of property, plant and equipment for € 2,063 thousand, mainly attributable to Servizi Ospedalieri S.p.A., which completed, in the year, the setup of the property located in Lucca intended for industrial laundering activities;
- › A decrease in the write-downs of trade receivables for € 5,921 thousand. In the previous year this item had been affected by the amount of write-downs that the Group companies had recognized on some significant credit positions towards bankrupt customers;
- › Impairment losses of tangible and intangible assets and other write-downs totalling € 2,064 thousand, mainly recorded on property, plant and equipment and intangible assets relating to laundering activities, as a result of the decision to dispose of an industrial laundering plant in Emilia Romagna (€ 1,186 thousand), as well as on other intangible assets (contractual relations with facility management customers and specific software for job orders) for € 685 thousand, following a significant reduction in volumes for some contracts being renewed.

2012 also saw the recognition of write-backs following the transaction concluded between the Parent Company MFM S.p.A. and Servizi Energia Calore S.r.l., with which it had signed an agreement in 2008 for the purchase of a business unit handling the management and maintenance of technological systems in a number of health care facilities in Sicily. Following the transaction, which settled the dispute amicably, the transfer price was recalculated and thus, the previous write-downs performed on the business unit transferred were restored.

28. DIVIDENDS, INCOME AND CHARGES FROM INVESTMENTS

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Dividends	665	669
DIVIDENDS, INCOME AND CHARGES FROM INVESTMENTS	665	669

In 2013, dividends were collected from companies not included under the scope of consolidation. They amounted to € 665 thousand, € 548 thousand of which from investee companies under the Parent Company MFM S.p.A. and € 117 thousand from investee companies under Servizi Ospedalieri S.p.A..

29. FINANCIAL INCOME

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Interest on bank current accounts	499	156
Interest on non-proprietary and intercompany current accounts	348	272
Interest on trade receivables	435	1.180
Interest from discounting of non-interest bearing loans	428	1.373
Interest and other income from securities	206	24
Other financial income	797	275
FINANCIAL INCOME	2,713	3,280

Financial income recorded a decrease compared to the same period in the previous year, equal to € 567 thousand, mainly connected to a decrease in interest from the discounting back of non-interest bearing receivables and trade receivables for a reduction in market rates .

At 31 December 2013 the Group recognised income from the valuation of contingent liabilities for the acquisition of investments (Earn-out and Put option) for € 743 thousand.

30. FINANCIAL CHARGES

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Charges on bank loans and current account overdrafts	381	674
Financial charges on other loans	22,777	12,827
Financial charges for financial leasing	83	64
Financial charges on Group financial accounts	208	105
Interest discount on assignment of receivables	2,306	7,650
Interest on trade payables	69	66
Expenses from derivatives	721	73
Other financial charges	5,773	2,241
FINANCIAL CHARGES	32,318	23,700

In 2013 *Financial charges* recorded an increase of € 8,618 thousand compared to the previous financial year. The main change relates to the recognition of charges relating to the bond issue, as described under note 18, which entailed the recognition of the relevant charges accrued on the coupon due 2 February 2014. Charges for *interest discount* connected with the transactions involving the non-recourse factoring of trade receivables decreased by € 5,344 compared to the previous year, following the above-mentioned exit from the revolving assignment plans. In 2013, factoring transactions were made for a total of € 175.7 million, against € 511.8 million in 2012.

At 31 December 2013 the Group recognised charges correlated to contingent liabilities for the acquisition of investments (Earn-out and Put option) for € 1,327 thousand (€ 1,231 thousand as at 31 December 2012).

31. CURRENT, PREPAID AND DEFERRED TAXES

The breakdown of the item is shown below for the years ended 31 December 2013 and 31 December 2012:

	Financial year ended	
	31 December 2013	31 December 2012
Current IRES tax	17,344	16,119
Current IRAP tax	13,356	12,257
(Income) charges from tax consolidation	(3,565)	(2,317)
Adjustment to current taxes of previous years	(2,332)	(15,337)
Current taxes	24,803	10,722
Prepaid/deferred IRES tax	(1,325)	(1,050)
Prepaid/deferred IRAP tax	(248)	(114)
Prepaid/deferred taxes relating to previous years	(19)	265
Prepaid/(deferred) taxes	(1,592)	(899)
CURRENT, PREPAID AND DEFERRED TAXES	23,211	9,823

The Group recorded taxes totalling € 23,211 thousand in 2013, marking an increase of € 13,388 thousand in the net balance compared to 31 December 2012.

More specifically, the main changes are as follows:

- › an increase of € 1,225 thousand for IRES taxes;
- › an increase of € 1,099 thousand for IRAP taxes;
- › an increase of € 1,248 thousand in income from tax consolidation;
- › positive adjustments on current taxes relating to previous years for € 2,332 thousand (€ 15,337 thousand in negative adjustments as at 31 December 2012). It should be noted that an income was recognised in 2012 for lower IRES tax for previous years as a result of the claim submitted for IRAP deductions from taxable IRES;
- › recognition of a net income amounting to € 1,592 thousand, relating to the total balance of prepaid and deferred taxes. Net income totalled € 899 thousand in the previous year.

The reconciliation between current income taxes recorded and theoretical tax resulting from application of the IRES tax rate in force for the years ended 31 December 2013 and 31 December 2012 to pre-tax profit is as follows:

<i>Reconciliation between theoretical and actual IRES tax rate</i>	31 December 2013		31 December 2012	
		%		%
Pre-tax profit	37,726		43,131	
Ordinary rate applicable		27.50%		27.50%
Effect of increases (decreases):				
- Temporary differences	7,111	5.18%	6,327	4.03%
- Permanent differences	5,27	3.84%	729	0.46%
IRES taxable income	50,187		50,187	
ACTUAL RATE / TAX	13,779	36.52%	13,802	32.00%

The value shown as effective current IRES (€ 13,779 thousand) is represented by the current IRES shown in the previous table, amounting to € 17,344 thousand, net of income from tax consolidation of € 3,565 thousand.

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

<i>Reconciliation between theoretical and actual IRAP tax rate</i>	31 December 2013		31 December 2012	
		%		%
Pre-tax profit	37,726		43,131	
Ordinary rate applicable		1.17%		
		2.98%		2.98%
		3.44%		3.44%
		3.90%		3.90%
		4.60%		4.60%
		4.73%		4.73%
		4.82%		4.82%
		4.97%		4.97%

Reconciliation between theoretical and actual IRAP tax rate	31 December 2013		31 December 2012	
		%		%
		5.57%		5.57%
Effect of increases (decreases):				
- Labour cost	380,532		365,285	
- Balance from financial management	13,991		19,751	
- Other differences between taxable base and pre-tax result	(112,642)		(135,689)	
IRAP taxable income	319,607		292,478	
- of which at 1.17%	2,695			
- of which at 2.98%	3,323		5,081	
- of which at 3.44%	5,552		4,576	
- of which at 3.90%	197,408		181,971	
- of which at 4.60%	7,47		12,19	
- of which at 4.73%	6,03		6,546	
- of which at 4.82%	79,586		67,648	
- of which at 4.97%	16,423		14,35	
- of which at 5.57%	119		116	
ACTUAL RATE / TAX	13,356	35.40%	12,257	28.42%

In 2013, as in 2012, group companies did not pay income taxes in areas other than Italy.

Deferred and prepaid taxes

As at 31 December 2013, the Group recorded deferred tax assets of € 24,129 thousand, net of deferred tax liabilities of € 12,156 thousand, as shown below:

	Equity Tax Effect		Economic Tax Effect	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Prepaid taxes:				
Multi-year costs	384	353	(31)	207
Financial lease	0	5	0	17
Maintenance exceeding deductible limit	139	9	(130)	6
Presumed losses on receivables	6,966	7,248	(370)	(2,338)
Provisions for risks and charges	9,814	9,882	169	1,092
Write-downs on asset items	1,811	587	(695)	(279)
Discounting-back of receivables	3	3	0	26
Fees of Directors, Statutory Auditors and Independent Auditors	517	615	87	(108)
Amortization	1,069	1,597	(215)	398
Adjustments to job order margin	0	0	67	73
Interest expense	457	154	(405)	84
Employee benefits and length of service bonuses	15	138	(26)	106
Substitute tax	1,385	1,385	0	0
Employee incentives	976	1,010	55	0
Tax losses relating to previous years	3	9	11	13
Up-front fees on contracts for the transfer of receivables	16	90	8	(47)

	Equity Tax Effect		Economic Tax Effect	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Cash flow hedge valuation	0	336	0	466
Cash cost deduction	37	65	29	125
Other temporary differences	518	65	(38)	30
Other consolidation adjustments	20	0	(10)	0
Total prepaid taxes	24,129	23,550	(1,492)	(127)
Deferred taxes:				
Tax amortisation	(394)	(218)	(299)	74
IFRS work in progress valuation	(41)	(52)	(15)	(20)
Lease for tax purposes	(49)	(87)	(3)	(167)
Employee benefit discounting	(632)	(381)	21	(650)
Goodwill amortisation	(8,159)	(7,340)	817	794
Purchase Price Allocation (PPA)	(2,258)	(2,398)	(643)	(1,051)
Capital gains - deferred taxation	(9)	(9)	0	0
Undistributed profit	0	(1)	0	1
Other temporary differences	(533)	(1,366)	17	123
Cash cost deduction	(6)	(154)	6	125
Other consolidation adjustments	(75)	0	(0)	0
Total deferred taxes	(12,156)	(12,006)	(99)	(771)
NET PREPAID/(DEFERRED) TAXES	11,974	11,544	(1,592)	(898)

<i>Temporary differences excluded from calculation of the prepaid/(deferred) taxes:</i>	31 December 2013	31 December 2012
- Tax losses that can be carried forward	54	143
TOTAL TEMPORARY DIFFERENCES EXCLUDED	54	143

32. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing consolidated net profit in the year pertaining to the Parent Company's ordinary shareholders by the weighted average number of ordinary shares in circulation during the year. Diluted earnings per share are, in the case of the MFM Group, equal to basic earnings per share, since no convertible bonds or share options were issued by the Parent Company. Income and information on the shares used for the purpose of calculating consolidated basic earnings per share are shown below:

	Year ended 31 December	
	31 December 2013	31 December 2012
Net profit attributable to shareholders (in thousands of Euro)	13,747	32,574
Number of ordinary shares (excluding own shares) for the purpose of basic earnings per share	109,149,600	109,149,600
BASIC EARNINGS PER SHARE (IN EURO)	0.126	0.298

	Financial year ended	
	31 December 2013	31 December 2012
Net earnings deriving from continuing operations (in thousands of Euro)	14,516	33,308
Net profit /(loss) deriving from continuing operations pertaining to minority interests (in thousands of Euro)	(344)	(728)
Net profit deriving from continuing operations pertaining to the Group (in thousands of Euro)	14,172	32,580
Number of ordinary shares for the purpose of basic earnings per share	109,149,600	109,149,600
BASIC EARNINGS PER SHARE OF CONTINUING OPERATIONS (IN EURO)	0.130	0.298

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

Dividends

The Parent company did not distribute dividends in 2012 or 2013.

33. COMMITMENTS AND CONTINGENT LIABILITIES

Financial leasing

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

	31 December 2013		31 December 2012	
	Rental fees	Current value of rental fees	Rental fees	Current value of rental fees
Within one year	1,135	976	862	800
From one year to five years	2,363	2,213	1,644	1,560
After five years	179	171	29	27
TOTAL LEASE FEES	3,677	3,359	2,535	2,388
Financial Charges	(318)		(147)	
Current value of lease fees	3,359	3,359	2,388	2,388

Guarantees given

As at 31 December 2013, the Group granted sureties to third parties for:

- › guarantees in favour of associates amounting to € 11,263 thousand (2012: € 12,631 thousand);
- › other sureties granted to third parties: i) to ensure the correct fulfilment of contract obligations in place with customers amounting to € 252,236 thousand (2012: € 206,132 thousand) ii) to replace security deposits required to activate utilities or for lease contracts, as well as for VAT refunds from Inland Revenue Agency, for a total amount of € 2,340 thousand (2012: € 1,077 thousand);
- › guarantees in favour of Factoring Agencies amounting to € 2,104 thousand (2012: € 9,576 thousand), to ensure correct fulfilment of factoring contracts.

The sureties are issued on non-recourse factoring transactions to cover financial risk. For this reason the risk was carried at fair value and recorded as a financial liability for € 35 thousand.

Guarantees given within the bond issue

The Parent Company MFM S.p.A. and the subsidiaries Servizi Ospedalieri S.p.A. and Manutencoop Private Sector Solutions S.p.A. have issued, in favour of the banks participating in the RCF agreement and in favour of the bondholders, described under note 18, the following collaterals:

- › first-recorded pledge on the shares held by MFM S.p.A. in Manutencoop Private Sector Solutions S.p.A. and in Servizi Ospedalieri S.p.A., equal to 100% of the capital of the same;
- › assignment as security of receivables from private customers claimed by MFM S.p.A. and Manutencoop Private Sector Solutions S.p.A.. At 31 December 2013 the receivables assigned as security amounted to € 96,236 thousand;
- › execution of a deed of pledge on the current accounts held with Unicredit S.p.A., which were credited with the amounts collected from private customers assigned as security. The balance of these current accounts at 31 December 2013 was equal to € 3,769 thousand;
- › the release by Servizi Ospedalieri S.p.A. and Manutencoop Private Sector Solutions S.p.A. of a personal security for an overall maximum amount of € 48,411 thousand and € 16,907 thousand, respectively, at 31 December 2013.

Furthermore, within the scope of the RCF agreement only, the Parent Company granted the pool of banks a special lien over all the Group-owned personal property up to a maximum amount of € 60 million. At 31 December 2013 the personal property subject to special lien amounted to € 29,658 thousand.

The guarantees listed above may be enforced by the counterparties only in the case that one of the events of default envisaged in the abovementioned contracts occurs; up to the occurrence of the same, the assets covered by the guarantee are fully available to the Group. At 31 December 2013 no events of default had occurred.

Contingent liabilities

There were no contingent liabilities recognised at the balance sheet date, with the exception of those already recognised in the Consolidated financial statements and described in the explanatory notes.

34. TRANSACTIONS WITH RELATED PARTIES

Related party transactions were performed under normal market conditions, i.e. in line with conditions that would be applied between aware and independent parties. Market prices are applied to both commercial and financial transactions.

Non-interest bearing loans are only disbursed in the case of pro-quota financing granted by syndicated shareholders to consortium companies. These loans were, however, discounted in the financial statements of the Parent Company MFM S.p.A.. The Parent Company not only provides technical-production services relating to the core business, but also administrative and IT services for certain Group companies. The Parent Company also has some administrative, financial and lease service contracts in place with its parent company Manutencoop Società Cooperativa.

No guarantees were given or received in relation to receivables and payables with related parties. In the financial year the Group did not make any significant accrual to the bad debt provision for amounts due from related parties.

The main contracts in place with other MFM Group companies, controlled by Manutencoop Società Cooperativa, with the latter and its subsidiaries, are shown below.

- › MFM signed a contract with associate Roma Multiservizi S.p.A. on the basis of which it is committed to providing an Information System service. The contract, expiring on 31 December 2014, makes provision for an annual consideration of € 1,000 thousand.
- › Manutencoop Cooperativa sub-leased to MFM S.p.A. the part of the property located in Zola Predosa, via Poli no. 4 (BO), for office use. The duration of the lease has a 5-year term and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 1,715 thousand, to be paid in 12 monthly instalments.
- › The affiliate company Manutencoop Immobiliare S.p.A. leased to Sicura S.r.l. Group the property located in Vicenza (VI), at via Zamenhof 363, for use as offices/warehouse. The duration of the lease has a 6-year term and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 390 thousand, to be paid in 12 monthly instalments.
- › The affiliate company Manutencoop Immobiliare S.p.A. leased to MFM S.p.A. the part of the property located in Mestre (VE), via Porto di Cavergnago no. 6, for office use. The duration of the lease has a 6-year term and is tacitly renewable, except in the event of termination by one of the parties. Annual rent is expected to be € 348 thousand, to be paid in 12 monthly instalments.
- › On 6 July 2007, MFM S.p.A. signed a framework agreement with its parent company, Manutencoop Cooperativa, in order to regulate the essential contents of subsequent personnel leases from Manutencoop Cooperativa to MFM S.p.A, pursuant to Title III, Chapter I of Legislative Decree 276/2003. The contract has a five-year term, and is tacitly renewed, unless terminated by one of the parties. As a result of said agreement, which has the legal nature of a legislative contract that does not provide rights to third parties, MFM and the parent company Manutencoop Cooperativa set out the conditions that regulate any future contracts for the leasing of shareholding personnel of Manutencoop Cooperativa, and the operating rules for establishing and resolving said contracts.
- › Manutencoop Cooperativa is committed, on the basis of contracts stipulated with the individual companies of the MFM Group, to preparing pay packets.
- › MFM S.p.A. signed agreements with Manutencoop Cooperativa and its subsidiaries, for the provision of tax consultancy services.

The breakdown of the balances relating to the transactions carried out by the Parent Company with related parties is provided in Annex III attached to the Consolidated Financial Statements.

Management and coordination activities

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

	31 December 2013	31 December 2012
STATEMENT OF FINANCIAL POSITION		
ASSETS		
A) Subscribed capital, unpaid	244	203
B) Fixed assets	302,775	295,018
C) Working capital	40,828	31,438
D) Accruals and Deferrals	2,480	2,704
TOTAL ASSETS	346,327	329,363
LIABILITIES AND SHAREHOLDERS EQUITY		
A) Shareholders' equity:		
Share capital	14,136	14,044
Reserves	253,139	253,163
Profit/(Loss) for the year	(591)	(24)
B) Provision for risks and charges	3,967	3,166
C) Employee Severance Indemnity	2,685	2,840
D) Payables	72,158	55,421
E) Accruals and Deferrals	833	753
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	346,327	329,363
MEMORANDUM ACCOUNT		
242,560		
78,824		
INCOME STATEMENT		
A) Value of production	40,652	39,342
B) Cost of production	(40,450)	(38,419)
C) Financial income and charges	(135)	(1,135)
D) Financial asset value adjustments	(838)	(26)
E) Extraordinary income and charges	84	106
Income taxes for the year	96	108
Profit/(Loss) for the year	(591)	(24)

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

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

	31 December 2013	31 December 2012
Board of Directors/Management Board		
Short-term benefits	1,831	2,260
Subsequent benefits	0	0
Total Board of Directors/Management Board	1,831	2,260
Executives with strategic responsibilities		
Short-term benefits	3,105	3,134
Subsequent benefits	104	104
Total other strategic executives	3,209	3,238
Board of Statutory Auditors / Supervisory Board		
Short-term benefits	507	450
Total Board of Statutory Auditors / Supervisory Board	507	450

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

The table below reports the fees accounted for in the 2013 consolidated income statement for the audit and non-audit services rendered by Reconta Ernst & Young S.p.A. and by other entities in its network:

	31 December 2013	31 December 2012
Audit services	923	790
Certification services	421	0
Other services	14	0
TOTAL FEES TO THE INDEPENDENT AUDITORS	1,358	790

Certification services involved the release of Comfort Letters on the bond issue carried out in the year. Other services involved formalities required by local administrative entities and services rendered for tax issues.

35. MANAGEMENT OF FINANCIAL RISKS: OBJECTIVES AND CRITERIA

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

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

- › short-term loans and revolving non-recourse factoring transactions targeted at funding working capital. The revolving factoring transactions in place with Credit Agricole Corporate and Investment Bank and Banca IMI were discontinued in the year, as were the very short-term credit facilities used for contingent cash requirements. The financial resources collected by the Group from these instruments have been replaced by those arising from the bond issue;
- › medium/long-term loans with a multi-year repayment plan to cover investments in fixed assets and acquisitions of companies and business units. A portion of the medium/long-term loans was repaid through the proceeds from the bond issue. Furthermore, the derivative contracts in place were also cancelled.

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

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

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

The table below shows the hierarchy for each class of financial asset measured at fair value as at 31 December 2013 and 31 December 2012:

	Hierarchy			Hierarchy				
	31 December 2013	Level 1	Level 2	Level 3	31 December 2012	Level 1	Level 2	Level 3
Financial liabilities carried at fair value in the income statement								
Financial receivables, securities and other non-current financial assets	164		164		163		163	
securities	164		164		163		163	
Available-for-sale financial assets								
Financial receivables and other current financial assets	0		0		0		0	
hedging derivatives	0		0		0		0	
non-hedging derivatives	0		0		0		0	
TOTAL FINANCIAL ASSETS	164		164		163		163	

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

The table below shows the hierarchy for each class of financial liability measured at fair value as at 31 December 2013 and 31 December 2012:

	Hierarchy			Hierarchy				
	31 December 2013	Level 1	Level 2	Level 3	31 December 2012	Level 1	Level 2	Level 3
Non-current financial liabilities	0		0		1,222		1,222	
hedging derivatives	0		0		1,222		1,222	
non-hedging derivatives	0		0		0		0	
Current financial liabilities	35		35		237		237	
hedging derivatives	0		0		0		0	
non-hedging derivatives	0		0		0		0	
other liabilities	35		35		237		237	
TOTAL FINANCIAL LIABILITIES	35		35		1,459		1,459	

In 2013 there were no transfers between fair value measurement levels.

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

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

Classes of financial assets and liabilities

The following table shows the classification of financial assets and liabilities recorded in the consolidated Financial Statements of the MFM Group, as required by IFRS 7, and the associated economic effects for the year closed as at 31 December 2013:

	31 December 2013	Available-for-sale financial assets	Loans and receivables
Non-current financial assets			
Other investments	3,038	3,038	
Non-current financial assets	10,668		10,668
Other non-current assets	1,653		1,653
Total non-current financial assets	15,359	3,038	12,321
Current financial assets			
Trade receivables and advances to suppliers	696,677		696,677
Current tax receivables	16,548		16,548
Other current assets	29,650		29,650
Current financial assets	13,208		13,208
Cash and cash equivalents	185,293		
Total current financial assets	941,376	0	756,083
TOTAL CURRENT FINANCIAL ASSETS	956,735	3,038	768,404
Financial income (charges)	3,378	665	2,713

	31 December 2013	Financial Liabilities at Fair Value in the income statement	Financial Liabilities measured at amortised cost
Non-current financial liabilities			
Non-current loans	457,074		457,074
Financial liabilities for non-current derivatives	0		0
Other non-current liabilities	8		8
Total non-current financial liabilities	457,082	0	457,082
Current financial liabilities			
Trade payables and advances from customers	456,420		456,420
Current tax payables	227		227
Other current liabilities	148,535		148,535
Bank borrowings, including current portion of long-term debt, and other financial liabilities	85,880	35	85,845
Total current financial liabilities	691,062	35	691,027
TOTAL FINANCIAL LIABILITIES	1,148,144	35	1,148,109
Financial income (charges)	(30,012)	202	(30,214)

The same information for the year ended 31 December 2012 is shown below:

	31 December 2012	Available-for-sale financial assets	Loans and receivables
Non-current financial assets			
Other investments	3,041	3,041	
Non-current financial assets	11,455		11,455
Other non-current assets	1,746		1,746
Total non-current financial assets	16,242	3,041	13,201

	31 December 2012	Available-for-sale financial assets	Loans and receivables
Current financial assets			
Trade receivables and advances to suppliers	655,497		655,497
Current tax receivables	24,712		24,712
Other current assets	23,690		23,690
Current financial assets	11,202		11,202
Cash and cash equivalents	51,987		
Total current financial assets	767,088	0	715,101
TOTAL CURRENT FINANCIAL ASSETS	783,330	3,041	728,302
Financial income (charges)	3,949	669	3,280

	31 December 2012	Financial Liabilities at Fair Value in the income statement	Financial Liabilities measured at amortised cost
Non-current financial liabilities			
Non-current loans	119,213		119,213
Financial liabilities for non-current derivatives	1,222		1,222
Other non-current liabilities	7		7
Total non-current financial liabilities	120,442	0	120,442
Current financial liabilities			
Trade payables and advances from customers	441,551		441,551
Current tax payables	2,922		2,922
Other current liabilities	148,362		148,362
Bank borrowings, including current portion of long-term debt, and other financial liabilities	268,334	237	268,097
Total current financial liabilities	861,169	237	860,932
TOTAL FINANCIAL LIABILITIES	981,611	237	981,374
Financial income (charges)	(16,050)	(73)	(15,977)

Liquidity risk

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

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

Following the bond issue and the consequent repayment of the short- and very short-term bank loans, the liquidity risk was further mitigated through the execution of a Revolving Credit Facility (RCF) of € 30 million that can be activated on demand. To date the RCF line has never been used.

Price risk

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

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

However, concerning oil products, these changes are, for the most part, accommodated by the conditions of contracts in place with customers, given that price revision is provided for both by contract, and by art. 115 of Decree Law no. 163 of 12 April 2006. Therefore, it is deemed that the effect on the Group's profit for the year arising from changes in prices, even significant, would essentially have been insignificant, in terms of amount.

Credit risk

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

At present the portfolio mix also includes some large Italian industrial and banking groups, mainly organised as a network all over the country. Furthermore, the retail business segment is being developed (through the activities of the companies in the Sicura Group and of the companies in the MIA Group), thanks to which the Group has gained customers of a fragmented type, mainly in the private sector.

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

Fair value

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

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

	Carrying Amount		Fair value	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Financial assets				
Cash and cash equivalents	185,293	51,987	185,293	51,987
Receivables and other current financial assets	13,208	11,202	13,208	11,202
Other minority interests	3,038	3,041	3,038	3,041
Non-current financial receivables	10,668	11,455	10,668	11,455
Financial liabilities				
Loans:				
- Variable rate loans	94,593	349,785	94,593	349,785
- Fixed rate loans	413,116	447	413,116	447
Other current financial liabilities	35,245	37,315	35,245	37,315
Financial liabilities for non-current derivatives	0	1,222	0	1,222

Interest rate risk

Traditionally the Group has used variable-rate loans, with the possession of quite a marginal share of fixed rate loans. In 2009, in order to hedge interest rate risk, the Parent Company MFM S.p.A. entered into Interest rate Swap contracts correlated to long-term loans used for important business combinations.

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

The other financial instruments of the Group exposed to interest rate risk are those listed in note 18 (to which reference is made) such as *Loans* (other than the Senior Secured Notes), as well as financial statement items recorded under *Cash and cash equivalents, and Receivables and other current financial assets* (note 12) and Non-current financial assets (note 9).

Interest rate sensitivity analysis

The following table shows the sensitivity of pre-tax profit in the year, as a result of reasonably possible changes in interest rates, maintaining all other variables constant.

	Increase/decrease	Effect on profit before taxes
Financial year ended 31 December 2013	+150 bps	(3,816)
	-30 bps	763
Financial year ended 31 December 2012	+150 bps	(8,825)
	-30 bps	1,869

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

The table below shows the sensitivity of the pre-tax profit in the year, should the bond issue dated 2 August have ensured proceeds since the beginning of the 2013 financial year:

	Consolidated financial statements at 30 December 2013		Consolidated financial statements with bond issue at 1 January 2013	
	Net financial charges	Profit before taxes	Net financial charges	Profit before taxes
Financial year ended 31 December 2013	29,605	37,727	42,131	25,201

Exchange rate risk

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

Capital management

The key objective of the Group's capital management is to guarantee that a solid credit rating is maintained as well as adequate capital ratios to support operations and to maximise value for shareholders.

The Group manages the capital structure and amends it on the basis of changes in economic conditions. In order to maintain or adjust the capital structure, the Group can adjust the dividends paid to shareholders, repay principal or issue new shares.

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

	31 December 2013	31 December 2012
Employee termination indemnity	27,785	31,321
Interest-bearing loans	507,709	350,232
Trade payables and advances from customers	456,420	441,551
Other current payables	148,535	148,362
Other current financial liabilities	35,245	37,315
Cash and cash equivalents	(185,293)	(51,987)
Other current financial assets	(13,208)	(11,202)
Total Net Debt	977,193	945,592
Group shareholders' equity	324,300	309,485
Undistributed net profit	(13,747)	(32,574)
Total capital	310,553	276,911
EQUITY AND NET DEBT	1,287,746	1,222,503
Indebtedness ratio	76%	77%

No significant change was recorded in the debt ratio compared to 31 December 2012.

36. SUBSEQUENT EVENTS

3 February 2014 saw the completion of the transfer of the total stake held by MFM S.p.A. in the subsidiary Energyproject S.r.l., which in turn held the total quota capital of Mowbray S.r.l., to UMA S.r.l. at an agreed price of € 660 thousand. This transfer is the final step in the process of the disposal of photovoltaic plant management activities that started in previous periods after the Group Management decided to leave this market for good.

The Chairman of the Management Board

Claudio Levorato

ANNEXES I

GROUP COMPANIES

PARENT COMPANY

Name	Registered Office	City
Manutencoop Facility Management S.p.A.	Via Poli n. 4	Zola Predosa (BO)

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Name	Registered Office	City	% Held	Type
Antincendi Piave S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
MIA Servizi Torino S.r.l.	Via Pianezza 123	Torino (TO)	100%	Subsidiary
CO.GE.F. Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	80%	Subsidiary
COFAM S.r.l.	Via A. Pica 160	Modena	60.00%	Subsidiary
Consorzio Igiene Ospedaliera Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	66.66%	Subsidiary
Consorzio Servizi Toscana Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
EnergyProject S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
EP Servizi S.r.l.	Via A. Pica 170	Modena	70%	Subsidiary
Evimed S.r.l.	Via Zamenhof 363	Vicenza	90%	Subsidiary
Firing S.r.l.	Via Luigi Meraviglia 31	Lainate (MI)	65%	Subsidiary
Global Oltremare Soc.Cons. r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Gruppo Sicura S.r.l.	Via Zamenhof 363	Vicenza	80%	Subsidiary
ISOM Lavori Soc. Cons.rl	Via Poli 4	Zola Predosa (BO)	62.71%	Subsidiary
ISOM Gestione Soc. Cons.rl	Via Poli 4	Zola Predosa (BO)	52.97%	Subsidiary
KANARIND Soc. Cons.rl	Via Poli 4	Zola Predosa (BO)	62.43%	Subsidiary
Lenzi S.p.A.	Via Kravogl 6	Bolzano	60%	Subsidiary
Leonardo S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
Logistica Sud Est Soc. Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Mako Engineering S.r.l.	Via Ferruccio Parri 7	Treviglio (BG)	100%	Subsidiary
Manutencoop Costruzioni S.p.a.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Manutenzione Installazione Ascensori S.p.A.	Via A. Pica 170	Modena	100%	Subsidiary
Manutencoop Private Sector Solutions S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
MCF servizi Integrati Soc. cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
MIA Elevatori S.r.l.	Via A. Pica n. 170	Modena (MO)	100%	Subsidiary
Mowbray S.r.l.	Milano (MI)	Via Filippo Turati n. 29	100%	Subsidiary
Nettuno Ascensori S.r.l.	Via Marzabotto 11	Quarto inferiore (BO)	75%	Subsidiary
Palmanova Servizi Energetici Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
PIB Service S.r.l.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Protec S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
S.AN.CO S.c.a.r.l.	Viale Piero e Alberto Pirelli 21	Milano	51.50%	Subsidiary
S.AN.GE S.c.a.r.l.	Viale Piero e Alberto Pirelli 21	Milano	89%	Subsidiary
Securveneta S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
Sedda S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
Servizi Brindisi Soc. Cons. a r.l	Via Poli 4	Zola Predosa (BO)	52%	Subsidiary
Servizi l'Aquila Soc. Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60%	Subsidiary
Servizi Ospedalieri S.p.A.	Via Calvino 33	Ferrara	100%	Subsidiary
Servizi Sanitari Sicilia Soc.Cons.a r.l.	Via Calvino 33	Ferrara	70%	Subsidiary
Servizi Taranto Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	60.08%	Subsidiary
Sicura S.r.l.	Via Zamenhof 363	Vicenza	100%	Subsidiary
Sicurama S.r.l.	Via G. di Vittorio 9	Casalecchio di Reno (BO)	100%	Subsidiary
Società Manutenzione Illuminazione S.p.A. (SMAIL)	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Telepost S.p.A.	Via Poli 4	Zola Predosa (BO)	100%	Subsidiary
Unilift S.r.l.	Piazzale Giustiniani 11/A	Mestre (VE)	78.54%	Subsidiary

JOINT VENTURES ACCOUNTED FOR USING PROPORTIONATE CONSOLIDATION

Name	Registered Office	City	% Held	Type
AMG S.r.l.	SS Laghi di Avigliana 48/a	frazione Roata Raffo Busca (CN)	50%	Joint Venture
Cardarelli Soc.cons.r.l.	S.S. Appia 7 bis Km. 11,900 Zona A.s.i. Aversa Nord	Carinaro (CE)	60%	Joint Venture
DUC Gestione Sede Unica Soc.cons.r.l.	Via Poli 4	Zola Predosa (BO)	49%	Joint Venture
Legnago 2001 Soc.cons.r.l.	Via Poli 4	Zola Predosa (BO)	50%	Joint Venture
Malaspina Energy Soc.cons.r.l.	Via Varesina 118	Lurate Caccivio (CO)	50%	Joint Venture
Servizi Luce Soc.Cons.r.l.	Via Poli 4	Zola Predosa (BO)	50%	Joint Venture

ASSOCIATES AND OTHER COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

Name	Registered Office	City	% Held	Type
Alisei S.r.l. In liquidation	Via Cesari 68/1	Modena	100%	In liquidation
Bologna Gestione Patrimonio Soc.Cons. r.l.	Via della Cooperazione 9	Bologna	27.58%	Associate
Bologna Multiservizi Soc.Cons. r.l.	Via Del Lavoro 23/4	Casalecchio di Reno (BO)	39%	Associate
Bologna Più' Soc.Cons. r.l. In liquidation	Via M.E. Lepido 182/2	Bologna	25.68%	In liquidation
Consorzio Imolese Pulizie Soc. Cons. a r.l. in liquidation	Via Poiano 22	Imola (BO)	60%	In liquidation
CO.M.I. S.r.l. In liquidation	Piazza De Calderini 2/2	Bologna	40%	In liquidation
CO.S.I.S. a r.l. In liquidation	Via Adolfo Gandiglio 27	Roma	26.33%	In liquidation
CO. & MA. Soc. Cons. a r.l.	Via del Parco n. 16	Tremestieri Etneo (Ct)	50%	Joint Venture
Como Energia Soc.Cons. r.l.	Via Pietro Strazzi 2	Como	30%	Associate
Consorzio Energia Servizi Bologna In liquidation	Viale Masini 46	Bologna	24.25%	In liquidation
Consorzio Leader Soc.Cons. r.l. In liquidation	Via Poli 4	Zola Predosa (BO)	50%	In liquidation
Consorzio Polo Sterilizzazione Integrata a r.l.	Via Facciolati 84	Padova	60%	Associate
Consorzio Sermagest Soc.Cons. r.l. In liquidation	Via Filippo Corridoni 23	Roma	60%	In liquidation
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	Üniversiteler Mahallesi, Bilkent Plaza, A3 Blok, n. 4	Çankaya/ Ankara	50%	Joint Venture
F.Ili Bernard S.r.l.	Stradella Aqueodotto 21	Bari	20%	Associate
Geslotto6 Soc.Cons. r.l. In liquidation	Via Poli 4	Zola Predosa (BO)	55%	In liquidation
Gico System S.r.l.	Via Finelli 8	Calderara di Reno (BO)	20%	Associate
Global Provincia Di Rimini Soc.Cons. r.l. In liquidation	Via Poli 4	Zola Predosa (BO)	42.40%	In liquidation
Global Riviera Soc.Cons. r.l.	Via Poli 4	Zola Predosa (BO)	30.66%	Associate
Global Vicenza Soc.Cons.a r.l.	Via Grandi 39	Concordia Sulla Secchia (MO)	41.25%	Associate
Gymnasium Soc.Cons. r.l. In liquidation	Via Poli 4	Zola Predosa (BO)	68%	In liquidation
GRID Modena S.r.l.	Via Divisione Acqui, 129	Modena (MO)	23%	Associate
Headmost Division Service FM S.p.A.	Via Rimini 5	Pomezia (RM)	25%	Associate
Iniziative Produttive Piemontesi S.r.l.	Corso Einaudi 18	Torino	24.75%	Associate
Livia Soc.Cons. a r.l.	Via Roma 57/B	Zola Predosa (BO)	34.10%	Associate
Logistica Ospedaliera Soc. Cons. a r.l.	Via C. Alberto Dalla Chiesa 23/I	Caltanissetta (CL)	45%	Associate
MCB Emirates LLC			49%	Associate
Newco Duc Bologna S.p.A.	Via M.E. Lepido 182/2	Bologna	24.90%	Associate
Palazzo della Fonte S.c.p.a.	Via Calamandrei, 255	Arezzo (AR)	33.3%	Associate
PBS Soc.Cons. r.l. In liquidation	Via G. Negri 10	Milano	25%	Associate
Perimetro Gestione Proprietà Immobiliari S.C.p.A.	Via del Giglio 14	Siena	20.10%	Associate
Progetto ISOM S.p.A.	Via Poli 4	Zola Predosa (BO)	36.98%	Associate
Progetto Nuovo Sant'Anna S.r.l.	Viale Piero e Alberto Pirelli 21	Milano	24%	Associate
Roma Multiservizi S.p.A.	Via Tiburtina 1072	Roma	45.47%	Associate
San Martino 2000 Soc.Cons. a r.l.	Via al Molo Vecchio	Calata Gadda (GE)	40%	Associate
Savia Soc.Cons. a r.l.	Via B. Vanzetti 1	Forlì	49.11%	Associate
Società Consortile Adanti Manutencoop a r.l.in liquidation	Via Poli 4	Zola Predosa (BO)	50%	In liquidation
Serena S.r.l. In liquidation	Via Poli 4	Zola Predosa (BO)	50%	In liquidation
Se.Ste.Ro S.r.l.	Via San Pietro 59/B	fraz. Castellina - Soragna (PR)	25%	Associate

<i>Name</i>	Registered Office	City	% Held	Type
Servizi Marche Soc. Cons. a r.l. In liquidation	Via Poli 4	Zola Predosa (BO)	60%	In liquidation
Servizi Napoli 5 Soc.Cons. a r.l.	Via Poli 4	Zola Predosa (BO)	45%	Associate
Servizi Sanitari Treviso Soc.Cons.a r.l.	Via al Molo Vecchio	Calata Gadda (GE)	40%	Associate
Servizi Sportivi Brindisi Soc.cons.r.l.	Via Licio Giorgieri 93	Roma	50%	Joint Venture
Sesamo S.p.A.	Via C. Pisacane 2	Carpi (MO)	20.91%	Associate
Simagest 2 Soc. Cons. a r.l In liquidation	Via Poli 4	Zola Predosa (BO)	90%	In liquidation
Simagest 3 Soc. Cons. a r.l In liquidation	Via Poli 4	Zola Predosa (BO)	89.99%	In liquidation
Synchron Nuovo San Gerardo S.p.A.	Via Poli 4	Zola Predosa (BO)	35.82%	Associate
Steril Piemonte Soc.Cons. r.l.	Corso Einaudi 18	Torino	25%	Associate
Tower Soc.Cons. a r.l. In liquidation	Via Zanardi 372	Bologna	20.17%	Associate
UFS – United Facility Solutions SA	Rue colonel Bourg, 101	1030 Bruxelles (Belgio)	33,33%	Joint Venture

ANNEX II

VALUATION OF INVESTMENTS USING THE EQUITY METHOD

	%	Net Book Value Dec 31, 2012	Changes of the period				Net Book Value Dec 31, 2013	Book Value	Investment Provision
			Additions/ Disposals	Dividends	Share of net profit/Write- downs	Investment Provision			
Alisei s.r.l. In liquidation	100%	(47)				(13)	(60)	0	(60)
Bologna Gestione Patrimonio	27.58%	6					6	6	
Bologna Multiservizi Soc.Cons. a R.L.	39%	4					4	4	
Bologna Più Soc.Cons. a R.L.	25.68%	5					5	5	
Co.S.I.S. Soc.Cons. a r.l.	26.33%	9					9	9	
Co. & Ma. Soc.Cons. a r.l.	50%	0	5				5	5	
Como Energia Soc.Cons. a R.L.	30%	11					11	11	
Consorzio Imolese Pulizie Soc. Cons. a r.l. In liquidation	60%	0	6				6	6	
Consorzio Leader Soc.Cons. a r.l. In liquidation	50%	5					5	5	
Consorzio Polo sterilizzazione Integrata	60%	23					23	23	
Consorzio Sermagest In liquidation	60%	0					0	0	
Costruzione Manutenzione Immobili	40%	84					84	84	
EOS Hijyen Tesis Hizmetleri Saglik Insaat Servis Muhendislik A.S.	50%	0	50				50	50	
F.Ili Bernard S.r.l.	20%	694			58		752	752	
Geslotto 6 soc. cons. a r.l.	55%	50					50	50	
GICO Systems S.r.l.	20%	39		(10)	17		46	46	
Global Provincia di Rimini Soc.Cons. a r.l.	42.40%	4					4	4	

	%	Net Book Value Dec 31, 2012	Changes of the period				Net Book Value Dec 31, 2013	Book Value	Investment Provision
			Additions/ Disposals	Dividends	Share of net profit/Write-downs	Investment Provision			
Global Riviera Soc.Cons. a R.L.	30.66%	9					9	9	
Global Vicenza	41.25%	4					4	4	
Gymnasium soc. cons. a r.l. in liq.	68%	7					7	7	
GRID Modena S.r.l.	23%	(106)	23		1	106	24	24	
Headmost Division Service FM S.p.A.	25%	0					0	0	
IPP s.r.l.	25%	484			(17)		467	467	
LIVIA SOC CONS R.L.	34.10%	3					3	3	
Logistica Ospedaliera Soc. Cons. a r.l.	45%	5					5	5	
Newco DUC Bologna S.p.A.	24.90%	(155)			96	453	393	393	
P.B.S. Soc.Cons. a r.l. In liquidation	25%	25					25	25	
Palazzo della Fonte S.c.p.a.	33.30%	8.000					8.000	8.000	
Perimetro Gestione Proprietà Immobiliari Soc.Cons.a.r.l.	20.10%	1.111					1.111	1.111	
Progetto ISOM S.p.A.	36.98%	2.457			(58)		2.399	2.399	
Progetto Nuovo Sant'Anna S.r.l.	24%	1.141			273	215	1.630	1.630	
ROMA Multiservizi S.p.A.	45.47%	8.856		(1.727)	1.471	59	8.658	8.658	
San Martino 2000 Soc.Cons. a r.l.	40%	4					4	4	
Savia soc.cons.a.r.l.	49.11%	5					5	5	
Società Consortile Adanti Manutencoop a r.l. In liquidation	50%	0	10				10	10	
SE.SA.MO. S.p.A.	20.91%	814			140		953	953	
Se.Ste.Ro S.r.l.	25%	117			48		165	165	
Serena S.r.l.	50%	9			0		9	9	
Servizi Marche soc.Cons. a r.l. In liquidation	60%	6					6	6	
Servizi Napoli 5 Soc. Cons. a r.l.	45%	5					5	5	

	%	Net Book Value Dec 31, 2012	Changes of the period				Net Book Value Dec 31, 2013	Book Value	Investment Provision	
			Additions/ Disposals	Dividends	Share of net profit/Writes- downs	Investi- ment Provisi- on				Investi- ment Reserv- es
Servizi Sanitari Treviso (SE.SA.TRE)	40%	8					8	8		
Servizi Sportivi Brindisi	50%	5					5	5		
Simagest 2 Soc.Cons.a r.l.	90%	45					45	45		
Simagest 3 Soc.Cons.a r.l.	89.99%	45					45	45		
Synchron Nuovo San Gerardo S.p.A.	35.82%	2.919			575		3.494	3.494		
Steril Piemonte Soc. Cons. a r.l.	25%	1.000					1.000	1.000		
Tower Soc.Cons. a r.l.	20.17%	20					20	20		
UFS – United Facility Solutions SA	33.33%	0	103		(9)		94	94		
NET BOOK VALUE		27.728	197	(1.737)	2.592	93	727	29.600	29.660	(60)

ANNEX III

RELATED PARTY TRANSACTIONS

PARENT COMPANY

		Revenues	Costs	Financial income	Financial expenses	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Manutencoop	31-dec-12	136	37.919	0	105	101	16.902	5.443	151
Cooperativa	31-dec-13	600	40.015	0	209	554	14.068	11.613	577

ASSOCIATES

		Revenues	Costs	Financial income	Financial expenses	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Roma Multiservizi S.p.A.	31-dec-12	1.497	5.872	0	0	443	6	6.625	0
	31-dec-13	1.489	4.812	0	0	450	0	3.628	0
Gico Systems S.r.l.	31-dec-12	8	367	0	0	3	32	171	0
	31-dec-13	7	587	0	0	7	0	359	0
Se.Sa.Mo. S.p.A.	31-dec-12	5.085	0	33	0	4.056	622	6	0
	31-dec-13	5.073	0	33	0	3.145	606	6	0
S.I.MA.GEST2 Soc. Cons. r.l. In liquidation	31-dec-12	0	4	0	0	208	106	4	0
	31-dec-13	0	0	0	0	208	75	4	0
Global Provincia di RN Soc.Cons.a r.l.	31-dec-12	217	993	0	0	251	170	18	0
	31-dec-13	0	0	0	0	251	170	18	0
Bologna Più Soc.Cons.a r.l.	31-dec-12	0	5	0	0	0	39	11	0
	31-dec-13	0	3	0	0	(2)	39	13	0
Global Riviera Soc.Cons.a r.l.	31-dec-12	817	2.887	0	0	573	0	0	0
	31-dec-13	8	14	0	0	8	0	(177)	0
Como Energia Soc.Cons.a r.l.	31-dec-12	0	1.018	0	0	0	0	426	0
	31-dec-13	0	1.044	0	0	0	0	655	0
Newcoduc S.p.A.	31-dec-12	132	71	0	0	2.448	0	17	69
	31-dec-13	104	14	0	0	3.237	0	25	0
Cons.Energia Servizi Bologna Soc.Cons. a r.l.	31-dec-12	0	0	0	0	0	0	0	0
	31-dec-13	55	0	0	0	55	0	0	0
P.B.S. Soc.Cons. a r.l. In liquidation	31-dec-12	0	0	0	0	6	0	0	0
	31-dec-13	0	0	0	0	0	0	3	0
Tower Soc.Cons. a r.l.	31-dec-12	0	(24)	0	0	54	35	0	5
	31-dec-13	0	1	0	0	17	17	(18)	0
Bologna Multiservizi Soc.Cons. a r.l.	31-dec-12	1.686	3.971	0	0	1.967	0	4.821	0
	31-dec-13	1.386	4.233	0	0	2.082	0	5.206	0
Global Vicenza Soc.Cons. a r.l.	31-dec-12	263	1.550	0	0	426	0	484	0
	31-dec-13	210	1.461	0	0	16	0	595	0
Bologna Gestione Patrimonio Soc.Cons. a r.l.	31-dec-12	201	109	0	0	324	0	75	0
	31-dec-13	75	87	0	0	198	0	60	0
Progetto Sant'Anna	31-dec-12	110	115	145	0	5.295	5.282	157	13.149
	31-dec-13	149	122	119	0	5.448	5.402	156	15.327
S.I.MA.GEST3 Soc. Cons. r.l. In liquidation	31-dec-12	0	3	0	0	2	0	3	0
	31-dec-13	0	0	0	0	2	0	3	0
Steril Piemonte Soc. cons. a.r.l	31-dec-12	7	826	13	0	7	1.163	306	0
	31-dec-13	9	830	8	0	24	775	242	0
HEADMOST	31-dec-12	0	0	0	0	454	0	0	0
	31-dec-13	0	0	0	0	454	0	0	0

		Revenues	Costs	Financial income	Financial expenses	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
IPP	31-dec-12	263	355	1	0	295	100	296	0
	31-dec-13	385	380	1	0	154	99	128	0
Alisei s.r.l. In liquidation	31-dec-12	1	0	0	0	3	0	0	0
	31-dec-13	(1)	0	0	0	3	0	0	0
San Martino 2000 Soc.Cons. r.l.	31-dec-12	1.766	3.418	0	0	1.079	0	755	0
	31-dec-13	1.694	3.418	0	0	640	0	631	0
Livia Soc. cons. a r.l.	31-dec-12	156	969	0	0	658	0	1.236	0
	31-dec-13	210	1.033	0	0	172	0	868	0
Gymnasium Soc. cons. a r.l.	31-dec-12	0	0	0	0	1	7	33	5
	31-dec-13	0	0	0	0	1	7	33	5
Geslotto 6 Soc. cons. a r.l.	31-dec-12	0	5	0	0	6	20	39	0
	31-dec-13	0	4	0	0	6	20	43	0
Fr.Ili Bernard s.r.l.	31-dec-12	36	332	0	0	69	0	161	0
	31-dec-13	12	341	0	0	25	0	135	0
SESATRE	31-dec-12	10	4.313	67	67	0	3.331	3.349	0
	31-dec-13	14	4.355	40	40	(12)	2.616	4.166	0
Savia Soc. Cons. a r.l.	31-dec-12	687	1.407	0	0	336	0	951	0
	31-dec-13	652	1.892	0	0	455	0	1454	0
Consorzio Sermagest Soc.Cons.a r.l In liquidation	31-dec-12	0	0	0	0	6	0	0	0
	31-dec-13	0	0	0	0	6	0	0	0
Se.Ste.Ro S.r.l.	31-dec-12	9	494	0	0	11	50	432	0
	31-dec-13	10	559	0	0	22	0	618	0
Napoli 5 Soc.Cons. a r.l.	31-dec-12	1.451	1.296	0	0	2.774	0	1.304	0
	31-dec-13	1.377	1.283	0	0	2.535	0	1.728	0
Serena S.r.l. - In liquidation	31-dec-12	0	0	0	0	52	3	1	0
	31-dec-13	0	0	0	0	49	3	0	0
Servizi Marche Soc. Cons. r.l. In liquidation	31-dec-12	0	0	0	0	12	0	5	0
	31-dec-13	0	1	0	0	12	0	4	0
Consorzio Leader Soc. Cons. a r.l. In liquidation	31-dec-12	0	0	0	0	13	0	6	0
	31-dec-13	0	0	0	0	13	0	6	0
Progetto ISOM S.p.A.	31-dec-12	497	101	0	0	6.873	0	101	0
	31-dec-13	214	17	8	0	13.457	192	92	0
Grid Modena S.r.l.	31-dec-12	187	0	0	0	199	0	0	0
	31-dec-13	74	0	0	0	118	0	0	0
Logistica Ospedaliera Soc. Cons. a r.l.	31-dec-12	0	131	0	0	0	0	75	0
	31-dec-13	0	404	0	0	0	0	94	0
Consorzio Imolese Pulizie soc.Cons. In liquidation	31-dec-12	0	0	0	0	0	0	0	0
	31-dec-13	0	0	0	0	138	36	48	0
Palazzo della Fonte S.c.p.a.	31-dec-12	0	0	0	0	0	0	0	0
	31-dec-13	3.374	0	0	0	848	0	0	0
CO.&MA. Soc. Cons. a r.l.	31-dec-12	0	0	0	0	0	0	0	0
	31-dec-13	0	0	0	0	0	0	0	4
Società Consortile Adanti Manutencoop In liquidation	31-dec-12	0	0	0	0	0	0	0	0
	31-dec-13	0	0	0	0	36	0	12	0
Servizi Sportivi Brindisi Soc. Cons. a r.l.	31-dec-12	140	238	0	0	0	0	0	0
	31-dec-13	0	0	0	0	0	0	0	0
Synchron Nuovo San Gerardo S.p.A.	31-dec-12	0	0	0	0	1	0	0	0
	31-dec-13	3.699	128	0	0	3.291	0	128	0
Perimetro Gestione Proprietà Immobiliari Soc. Cons. p.A.	31-dec-12	424	0	0	0	95	0	0	0
	31-dec-13	469	0	0	0	236	0	0	0

SUBSIDIARIES OF MANUTENCOOP COOPERATIVA

		Revenues	Costs	Financial income	Financial expenses	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Manutencoop Immobiliare S.p.A.	31-dec-12	120	2.099	0	0	61	0	2	0
	31-dec-13	19	2.600	0	0	3	0	235	0
Nugareto Società Agricola Vinicola S.r.l.	31-dec-12	194	0	0	0	195	0	0	0
	31-dec-13	90	4	0	0	88	0	4	0
Manutencoop Servizi Ambientali S.p.A.	31-dec-12	45	0	0	0	36	0	0	0
	31-dec-13	20	0	0	0	6	0	0	0
Sies S.r.l.	31-dec-12	30	0	0	0	93	0	0	0
	31-dec-13	34	0	0	0	138	0	0	0
Segesta servizi per l'Ambiente S.r.l.	31-dec-12	0	0	0	0	0	0	0	0
	31-dec-13	11	0	0	0	12	0	0	0
Cerpac S.r.l.	31-dec-12	0	0	0	0	1	0	0	0
	31-dec-13	0	0	0	0	1	0	0	0

ASSOCIATES OF MANUTENCOOP COOPERATIVA OR OTHER RELATED PARTIES

		Revenues	Costs	Financial income	Financial expenses	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
Consorzio Cooperativo Karabak Soc.a r.l.	31-dec-12	61	0	0	0	15	0	2	0
	31-dec-13	64	0	0	0	16	0	2	0
Consorzio Karabak Tre Società Cooperativa	31-dec-12	1	0	0	0	1	0	0	0
	31-dec-13	1	0	0	0	1	0	0	0
Consorzio Karabak Quattro Società Cooperativa	31-dec-12	0	0	0	0	0	0	0	0
	31-dec-13	0	0	0	0	0	0	0	0
Consorzio Karabak Due Società Cooperativa	31-dec-12	3	0	0	0	1	0	0	0
	31-dec-13	3	0	0	0	0	0	0	0
Sacoa S.r.l.	31-dec-12	85	0	0	0	142	0	18	0
	31-dec-13	90	17	0	0	83	0	25	0

		Revenues	Costs	Financial income	Financial expenses	Trade receivables	Financial assets and other	Trade payables	Financial liabilities and other
TOTAL	31-dec-12	16.325	70.844	259	172	29.646	27.868	27.333	13.379
	31-dec-13	21.680	69.659	209	249	38.707	24.125	32.845	15.913