

## INTERIM REPORT AS AT 31 MARCH 2015



**Servizitalia**

**SERVIZI ITALIA S.p.A.**

**Registered Office Via S. Pietro, 59/b**

**43019 Castellina di Soragna (PR)**

Share capital: € 28,371,486 fully paid-up

Tax code and Parma Business Register No. 08531760158

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## 1 COMPANY OFFICERS AND CORPORATE INFORMATION

### Board of Directors (in office until approval of the Financial Statements as at 31 December 2017)

Name and Surname	Position
Roberto Olivi	Chairman
Enea Righi	Vice-Chairman and CEO
Ilaria Eugeniani	Director
Emil Anceschi	Director
Antonio Paglialonga	Director
Lino Zanichelli	Director
Vasco Salsi	Director
Marco Marchetti	Director
Paola Gina Maria Schwizer (1)-(2)- (3)	Independent Director
Romina Guglielmetti (1)-(2)	Independent Director
Paola Elisabetta Maria Galbiati (1)-(2)	Independent Director
(1) Member of the Nomination and Remuneration Committee; (2) Member of the Control and Risks Committee; (3) Lead Independent Director	

### Board of Statutory Auditors (in office until approval of the Financial Statements as at 31 December 2016)

Name and Surname	Position
Marco Elefanti	Chairman
Anna Maria Fellegara	Statutory Auditor
Andrea Spollero	Statutory Auditor
Ernestina Bosoni	Alternate Auditor
Lorenzo Keller	Alternate Auditor

### Supervisory Body (in office until 2 February 2016)

Name and Surname	Position
Veronica Camellini	Chairman
Laura Verzellesi	Member
Francesco Magrini	Member

### Independent Auditors (until approval of the Financial Statements as at 31 December 2023)

Deloitte & Touche S.p.A. -Via Tortona, 25 - 20144 Milan

### Registered office and company information

Servizi Italia S.p.A. Via S. Pietro, 59/b – 43019 Castellina di Soragna (PR) – Italy  
Tel.+39 0524598511, Fax+39 0524598232, website: [www.si-servizitalia.com](http://www.si-servizitalia.com);  
Share Capital: € 28,371,486 fully paid-up  
Tax code and Parma Business Register No. 08531760158; Certified email: [si-servizitalia@postacert.cedacri.it](mailto:si-servizitalia@postacert.cedacri.it)  
Founded: 1986  
Stock market listing: Borsa Italiana S.p.A. Mercato Telematico Azionario (MTA, electronic stock market), STAR segment  
Ordinary Share ISIN: IT0003814537, BLOOMBERG: SRI IM, REUTERS: SRI.MI  
Warrant ISIN: IT0004813298

### Investor Relations

Giovanni Manti -IR and Chiara Peterlini -IR assistant  
e-mail: [investor@si-servizitalia.com](mailto:investor@si-servizitalia.com) – Tel. +390524598511, Fax +390524598232

## 2 GROUP STRUCTURE

Servizi Italia S.p.A., registered office in Castellina di Soragna (PR), listed in the STAR segment of the Borsa Italiana S.p.A. MTA stock exchange, is the main Italian operator in the supply of integrated services for the rental, washing and sterilisation of textiles and surgical instruments for hospital facilities. With a technologically advanced production platform broken down into laundry facilities, textile sterilisation centres, surgical instrument sterilisation centres and numerous wardrobes, the Company and its Italian and overseas subsidiaries forming the Servizi Italia Group, mainly provide their broad and diversified range of services for public and private healthcare facilities in central and northern Italy and in the state of São Paulo in Brazil. As at 31 March 2015, the Servizi Italia Group included the following Companies:

<b>Company Name Parent Company and Subsidiaries</b>	<b>Registered Offices</b>	<b>Share capital</b>	<b>% interest</b>
Servizi Italia S.p.A.	Castellina di Soragna (Parma) - Italy	EUR 28,371,486	Parent Company
Lavanderia Industriale Z.B.M. S.p.A.	Arco (TN) - Italy	EUR 1,800,000	100%
SRI Empreendimentos e Participações Ltda	São Paulo (SP) - Brazil	R\$ 97,001,002	100%
Si.Gi. Servizi Ospedalieri S.r.l (sole shareholder company)	Piacenza - Italy	EUR 95,000	100%
Servizi Italia Medical S.p.A.	Spino D'Adda (CR) - Italy	EUR 200,000	100%
Se.Sa.Tre. S.c.r.l.	Genoa - Italy	EUR 20,000	60%
San Martino 2000 S.c.r.l.	Genoa - Italy	EUR 10,000	60%
Lavsim Higienização Têxtil S.A.	São Roque (SP) - Brazil	R\$ 550,000	100% <sup>(*)</sup>
Maxlav Lavanderia Especializada S.A.	Jaguariúna (SP) - Brazil	R\$ 2,825,060	50.1% <sup>(*)</sup>
Vida Lavanderias Especializada S.A.	Santana de Parnaíba (SP) - Brazil	R\$ 1,900,000	50.1% <sup>(*)</sup>

(\*) Held through SRI Empreendimentos e Participações Ltda

<b>Company Name Associates and Jointly-controlled Companies</b>	<b>Registered Offices</b>	<b>Share capital</b>	<b>% interest</b>
Centro Italia Servizi S.r.l.	Arezzo - Italy	EUR 10,000	50%
PSIS S.r.l.	Padua - Italy	EUR 10,000,000	50%
Ekolav S.r.l.	Lastra a Signa (FI) - Italy	EUR 100,000	50%
Steril Piemonte S.c.r.l.	Turin - Italy	EUR 4,000,000	50%
AMG S.r.l.	Busca (CN) - Italy	EUR 100,000	50%
Iniziative Produttive Piemontesi S.r.l.	Turin - Italy	EUR 2,500,000	37.625%
Piemonte Servizi Sanitari S.c.r.l.	Turin - Italy	EUR 10,000	30% <sup>(*)</sup>
SE.STE.RO. S.r.l.	Castellina di Soragna (PR) - Italy	EUR 400,000	25%
CO.SE.S S.c.r.l.	Perugia - Italy	EUR 10,000	25%
SAS Sterilizasyon Servisleri A.Ş.	Istanbul - Turkey	TL 500,000	51%
Shubhram Hospital Solutions Private Limited	New Delhi - India	INR 85,200,000	51%

<sup>(\*)</sup> Indirect shareholding of 15.05% through Iniziative Produttive Piemontesi S.r.l.

### 3 DIRECTORS' REPORT

This Interim Report as at 31 March 2015 includes the condensed consolidated financial statements as at 31 March 2015. The Group achieved positive results during the first quarter of 2015, with a net profit of Euro 3.1 million.

The consolidated subsidiaries are San Martino 2000 S.c.r.l., Se.Sa.Tre. S.c.r.l., Servizi Italia Medical S.p.A., Lavanderia Industriale Z.B.M. S.p.A., Si.Gi. Servizi Ospedalieri S.r.l (sole shareholder company), SRI Empreendimentos e Participações Ltda, Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A. and Vida Lavanderias Especializada S.A.

The Group's main financial highlights for the first quarter of 2015 are shown below along with the comparative information in compliance with IAS/IFRS. The definitions of the "Alternative performance indicators" used in the income statement and the statement of financial position are provided below the tables.

#### Main consolidated income statement figures

The table below presents a comparison of the main consolidated income statement figures as at 31 March 2015 with the results as at 31 March 2014 (in thousands of euros).

<i>(thousands of euros)</i>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>Change</b>	<b>Change %</b>
Revenues	58,098	57,253	845	1.5%
EBITDA (a)	16,168	15,970	198	1.2%
EBITDA %	27.8%	27.9%		
Operating profit (EBIT)	5,409	5,857	(448)	-7.6%
Operating profit (EBIT)%	9.3%	10.2%		
Profit before tax	4,436	4,802	(366)	-7.6%
Profit before tax %	7.6%	8.4%		
Net profit	3,111	2,834	277	9.8%
Net profit %	5.4%	5.0%		

(a) EBITDA is not an accounting measurement under the IFRSs endorsed by the European Union. The Company management has defined EBITDA as the difference between the value of sales and services and operating costs before depreciation, amortisation and impairment.

#### Main consolidated statement of financial position figures

The table below presents a comparison of the main consolidated statement of financial position figures as at 31 March 2015 with the figures as at 31 December 2014 and 31 March 2014 (in thousands of Euros):

<i>(thousands of euros)</i>	<b>31 March 2015</b>	<b>31 December 2014</b>	<b>31 March 2014</b>
Net operating working capital (a)	10,879	15,789	16,103
Other current assets/liabilities (b)	(13,822)	(25,208)	(25,262)
<b>Net working capital</b>	<b>(2,943)</b>	<b>(9,419)</b>	<b>(9,159)</b>
Non-current assets - medium/long-term provisions	175,698	179,086	175,175
<b>Invested capital</b>	<b>172,754</b>	<b>169,667</b>	<b>166,016</b>
Shareholders' equity (B)	113,688	111,588	102,384
Net financial debt (d) (A)	59,066	58,079	63,632
<b>Invested capital (c)</b>	<b>172,754</b>	<b>169,667</b>	<b>166,016</b>

- (a) Net operating working capital is not an accounting measurement under the IFRSs endorsed by the European Union. The Company management has defined net operating working capital as the algebraic sum of inventories, trade receivables and trade payables.
- (b) Other current assets/liabilities are calculated as the difference between current assets, current tax receivables, current tax payables and other current liabilities.
- (c) Invested capital is not an accounting measurement under the IFRSs endorsed by the European Union. The Company management has defined invested capital as the sum of Shareholders' equity and net financial debt.

## Company information and business performance

In the first quarter of 2015, Servizi Italia Group recorded an increase in consolidated turnover, with revenues from sales and services amounting to a total of Euro 58,098 thousand, up by 1.5% compared to the interim financial statements as at 31 March 2014.

The top-line growth in the first quarter of 2015 was particularly due to the Brazilian area, risen by 14.2% compared to the same period of the previous year, equal to 9.8% of the total revenues of the Group, the start of new contracts, the increase in turnover from existing contracts in the Italian area and the consolidation of the subsidiary Si.Gi. Servizi Ospedalieri S.r.l. (sole shareholder company), over which control was obtained on 28 October 2014.

Consolidated **EBITDA** rose by 1.2% from Euro 15,970 thousand in the first quarter of 2014 to Euro 16,168 thousand in the first quarter of 2015 due to top-line growth and raw material cost reduction, which were partially offset by a slight rise in personnel expense caused mostly by the recognition of the contractual tranche established in the industry national collective labour agreement. The EBITDA margin remained basically stable with respect to the same period of the previous year.

The consolidated **operating profit (EBIT)** decreased by 7.6% from Euro 5,857 thousand to Euro 5,409 thousand after recognising depreciation, amortisation and impairment of Euro 10,759 thousand. In relative terms, the ratio between EBIT and revenue from sales and services decreased by 0.9%. In the quarters presented for comparison, in 2015 there was an increase in the impact of depreciation, amortisation and impairment by one percentage point. In particular, that increase took place in the Brazilian area due to the rise in depreciation of linens and new production lines, compared to a quarter which, despite growth, is more impacted by seasonal turnover factors, unlike as occurs in Italy. In Italy, depreciation rose particularly with respect to surgical instruments.

**Profit before tax** decreased by 7.6% in absolute value from Euro 4,802 thousand to Euro 4,436 thousand. Financial management revealed a reduction compared to the same period of the previous year in net financial expense, equal to 1.7% in relation to turnover (1.8% in relation to turnover in 2014) due to the drop in rates on loans.

Therefore, the interim consolidated financial statements as at 31 March 2015 close with **net profit** of Euro 3,111 thousand, up by 9.8% compared to Euro 2,834 thousand in the first quarter of 2014, also thanks to the decreasing impact of the tax rate.

## Significant events and transactions

On 20 January 2015, the Company announced that the acquisition of the remaining 50% of the share capital of the company Lavsim Higienização Têxtil S.A. ("Lavsim") had been completed, already invested in as from 2 July 2012 by Servizi Italia S.p.A. via the subsidiary SRI Empreendimentos e Participações Ltda.

On 25 February 2015, the Company announced that it had entered into an agreement for the wash-hire service with the Trento Province Health Services Authority, for a total of around Euro 15.1 million. The agreement has a duration of 52 months, renewable for a further 12, and includes the price review as per the ISTAT index.

On 26 February 2015, the Company disclosed that it had drawn up the deeds for the merger via incorporation of the wholly-owned subsidiaries Si.Gi. Servizi Ospedalieri S.r.l. (sole shareholder company) and Lavanderia Industriale Z.B.M. S.p.A. within Servizi Italia S.p.A. The statutory efficacy of the merger will apply as from 1 April 2015. As from that date, the absorbing company (Servizi Italia S.p.A.) took over all the implied and explicit legal relations relating to the absorbed companies, all the directors and officers of the absorbed companies fell from office and all the powers of attorney previously issued ceased.

The main characteristics of the awarded contracts, which have an annual contract value of more than Euro 50 thousand, are provided below:

Customer	Service provided	Duration years	Contract value per year (thousands of euros)
<b>AAS 1 Triestina – Trieste</b>  (awarded as part of a temporary joint consortium)	Wash-hire, laundry and linen store support services.	1.25	107
<b>ASP Opera Pia Coianiz – Tarcento (UD)</b>	Supply and reconditioning of sanitary linen.	4	129
<b>Istituto Europeo di Oncologia s.r.l. - Milan</b>  (awarded as part of a temporary joint consortium)	Wash-hire service at Istituto Europeo di Oncologia (IEO) and Centro Cardiologico Monzino (CCM) in Milan.	5	843
<b>Azienda Ospedaliera San Carlo di Milano</b>	Integrated rental, reconditioning and logistics service relating to textile devices and mattresses.	3	1,046
<b>Azienda Sanitaria ULSS 3 Bassano del Grappa (VI)</b>	Wash-hire, laundry and linen store support services.	1	851



### **Significant events after the end of the quarter**

On 22 April 2015, the Shareholders' Meeting approved the financial statements as at 31 December 2014 and the distribution of a gross dividend of Euro 0.16 per share outstanding on the coupon date, excluding treasury shares. Payment took place on 29 April 2015, with a coupon payment on 27 April 2015.

At the same meeting, the Shareholders:

- resolved to engage the independent auditors Deloitte & Touche S.p.A. to audit the accounts for nine years, from 2015 to 2023;
- appointed the Board of Directors for the years 2015, 2016 and 2017.

The Shareholders' Meeting authorised the Board of Directors to purchase and sell treasury shares, subject to revocation of the resolution of 22 April 2014.

The Shareholders' Meeting authorised the Board of Directors to purchase and sell treasury shares. The plan responds to the need to gain access to opportunities for the efficient investment of company liquidity and to have the possibility of using it for strategic transactions and/or to complete subsequent share purchase and sale transactions, to the extent allowed by permitted market practices. The authorisation is for a maximum number of Servizi Italia S.p.A. ordinary shares equating to 20% of the share capital, taking into account the treasury shares already held, for a period of 18 months as of the shareholders' meeting resolution. The purchase transactions will be carried out on the market at a price of up to 20% more or less than the weighted average official prices in the 3 days preceding the individual transaction.

As announced on 1 April 2015, as of 22 April 2015 Mr Luciano Facchini is no longer director of the Italian subsidiaries. In the interest of the Group, Servizi Italia S.p.A. entered into a non-compete and confidentiality agreement with Mr Facchini, under which he agreed not to carry out any activity and not to do business in competition with the activities carried out by Servizi Italia. The non-compete and confidentiality agreement became effective on 22 April 2015 and will expire after 24 (twenty-four) months. Servizi Italia will pay Luciano Facchini the gross sum of Euro 1,000,000.00 (one million/00), with no interest, in two instalments.

On 22 April, the Board of Directors:

- resolved to launch the programme for the purchase and sale of treasury shares, in accordance with the resolution adopted by the ordinary shareholders' meeting;
- set up the board committees, approved the relative regulations and assigned the roles set forth in the Corporate Governance Code.

On 11<sup>th</sup> May 2015, the Company announced that until 8<sup>th</sup> May 2015 it had acquired 225.826 treasury shares, equivalent to 0.796% of the share capital, on the regulated market managed by Borsa Italiana.



## Business outlook

The results achieved in the first quarter of 2015 confirm the estimates and income statement and cash flow projections set forth in the plan. This year, the Group is committed to supporting international development and consolidating investments made, as well as meeting significant operating efficiency targets in order to maintain business margins and profitability.

For the year under way, spending review measures continue to impact the Italian healthcare market. Therefore, the management's strategic actions remain focused on optimisations in the current industrial segment while also achieving growth by making targeted investments in foreign countries with appealing market characteristics for business development.

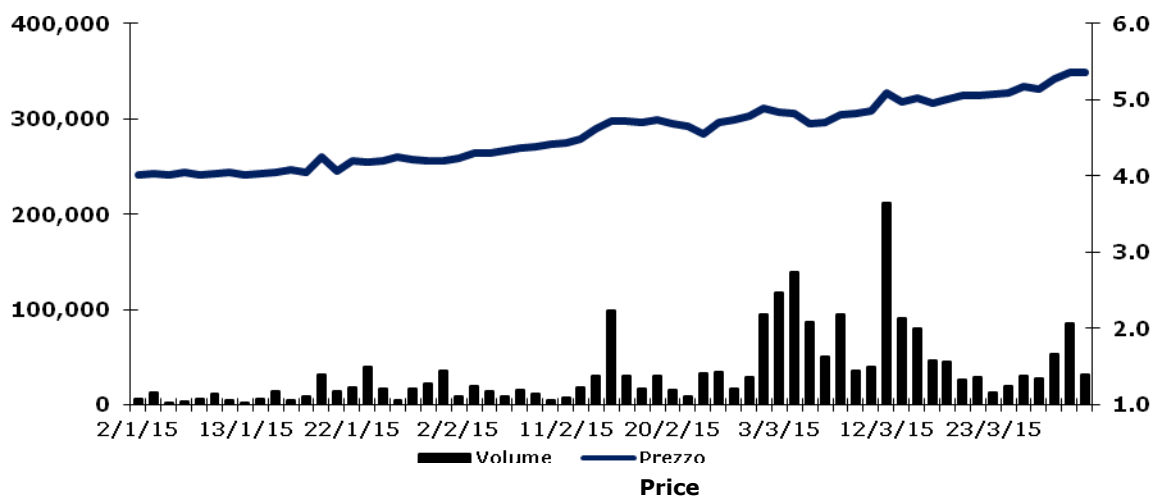
## Servizi Italia and the financial markets

The Company shares have been traded on the STAR segment of the Borsa Italiana S.p.A. electronic stock market since 22 June 2009.

The main share and stock exchange data as at 31 March 2015 are reported below along with share volume and price trends (in euros):

<b>Share and stock exchange data</b>	<b>31 March 2015</b>
No. of shares making up the share capital	28,371,486
Price at IPO: 4 April 2007	8.50
Price as at 31 March 2015	5.35
Maximum price during the period	5.35
Minimum price during the period	4.01
Average price during the period	4.55
Volumes traded during the period	2,178,026
Average volumes during the period	34,572

### Share volumes and prices as at 31 March 2015



The “Warrant Servizi Italia S.p.A. 2012-2015” (the “Warrants”) began being traded on the stock exchange on 25 July 2012. Please recall that the Warrants attribute the rights and may be exercised under the terms and conditions pursuant to the Warrant Regulation provided in an annex to the prospectus relating to the rights offer of Shares together with the free Warrants and the admission to listing of the Shares and Warrants on the MTA stock exchange organised and managed by Borsa Italiana S.p.A., filed with Consob on 29 June 2012 and available on the Company website: [www.si-servizitalia.com/aumento di capitale](http://www.si-servizitalia.com/aumento%20di%20capitale). As regards the “Warrant Servizi Italia S.p.A. 2013 - 2015”, ISIN IT0004813298, please note that, as already announced on 23 July 2012 and 1 August 2012, Warrant holders will be entitled to subscribe 1 share for every 4 warrants during the following period and at the following price:

- 1 October 2015 to 31 October 2015, at the exercise price of Euro 3.30, including a share premium of Euro 2.30.

Lastly, please note that the Warrant Regulation is available on the Company website at [www.si-servizitalia.com](http://www.si-servizitalia.com).

During the period, the investor relations team held several individual and group meetings with analysts and investors and also organised guided tours of the sterilisation centres and industrial laundering sites for shareholders and potential investors who so requested. During the quarter, the Company met with investors at the “STAR Conference” event in Milan organised by Borsa Italiana on 24-25 March 2015.

## 4 ACCOUNTING SCHEDULES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(thousands of euros)</i>	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	126,761	129,724
Intangible assets	3,314	3,471
Goodwill	41,842	42,602
Equity-accounted investments	10,243	9,966
Equity investments in other companies	3,551	3,551
Financial receivables	2,652	2,714
Deferred tax assets	1,301	1,382
Other assets	3,996	4,067
<b>Total non-current assets</b>	<b>193,660</b>	<b>197,477</b>
<b>Current assets</b>		
Inventories	4,011	4,295
Trade receivables	73,208	76,169
Current tax receivables	-	286
Financial receivables	7,790	7,791
Other assets	6,095	6,397
Cash and cash equivalents	7,895	5,178
<b>Total current assets</b>	<b>98,999</b>	<b>100,116</b>
<b>TOTAL ASSETS</b>	<b>292,659</b>	<b>297,593</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Group shareholders' equity</b>		
Share capital	28,153	27,906
Other reserves and retained earnings	81,694	68,903
Profit (loss) for the period	3,197	13,077
<b>Total shareholders' equity attributable to shareholders of the parent</b>	<b>113,044</b>	<b>109,886</b>
<b>Total shareholders' equity attributable to non-controlling interests</b>	<b>644</b>	<b>1,702</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>113,688</b>	<b>111,588</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Due to banks and other lenders	27,550	28,258
Deferred tax liabilities	2,215	2,265
Employee benefits	9,784	9,805
Provisions for risks and charges	122	126
Other financial liabilities	5,841	6,194
<b>Total non-current liabilities</b>	<b>45,512</b>	<b>46,648</b>
<b>Current liabilities</b>		
Due to banks and other lenders	47,201	42,791
Trade payables	66,340	64,675
Current tax payables	1,903	1,023
Employee benefits	-	1,050
Other financial liabilities	71	5,799
Other payables	17,944	24,019
<b>Total current liabilities</b>	<b>133,459</b>	<b>139,357</b>
<b>TOTAL LIABILITIES</b>	<b>178,971</b>	<b>186,005</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>292,659</b>	<b>297,593</b>

## CONSOLIDATED INCOME STATEMENT

<i>(thousands of euros)</i>	31 March 2015	31 March 2014
<b>Revenues from sales</b>	<b>58,098</b>	<b>57,253</b>
Other income	1,390	1,245
Raw materials and consumables used	(6,158)	(6,193)
Costs for services	(18,245)	(17,942)
Personnel expense	(18,499)	(17,988)
Other costs	(418)	(405)
Depreciation, amortisation, impairments and provisions	(10,759)	(10,113)
<b>Operating profit</b>	<b>5,409</b>	<b>5,857</b>
Financial income	268	266
Financial expense	(1,250)	(1,361)
Income/expense from equity investments	-	-
Revaluation/impairment of equity-accounted investments	9	40
<b>Profit before tax</b>	<b>4,436</b>	<b>4,802</b>
Current and deferred tax	(1,325)	(1,968)
<b>Profit (loss) for the period</b>	<b>3,111</b>	<b>2,834</b>
of which: Attributable to shareholders of the parent	3,197	2,825
Attributable to non-controlling interests	(86)	9

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of euros)</i>	31 March 2015	31 March 2014
<b>Profit (loss) for the period</b>	<b>3,111</b>	<b>2,834</b>
<i>Other comprehensive income that will not be reclassified to the Income Statement</i>		
Actuarial gains (losses) on defined benefit plans	-	-
Income taxes on other comprehensive income	-	-
<i>Other comprehensive income that may be reclassified to the Income Statement</i>		
Gains (losses) from translation of foreign financial statements	(2,072)	348
Income taxes on other comprehensive income	-	-
<b>Total other comprehensive income after taxes</b>	<b>(2,072)</b>	<b>348</b>
<b>Total comprehensive profit (loss) for the period</b>	<b>1,039</b>	<b>3,182</b>
of which: Attributable to shareholders of the parent	1,104	3,117
Attributable to non-controlling interests	(65)	65

## CONSOLIDATED NET FINANCIAL POSITION

<i>(thousands of euros)</i>	31 March 2015	31 December 2014	31 March 2014
Cash at bank and in hand and cheques	44	68	51
Available current accounts at banks	7,851	5,110	3,081
<b>Cash and cash equivalents</b>	<b>7,895</b>	<b>5,178</b>	<b>3,132</b>
Current financial receivables	7,790	7,791	8,399
Current payables to banks and other lenders	(47,201)	(42,791)	(49,890)
<b>Current net financial debt</b>	<b>(39,411)</b>	<b>(35,000)</b>	<b>(41,491)</b>
Non-current payables to banks and other lenders	(27,550)	(28,257)	(25,273)
<b>Non-current net financial debt</b>	<b>(27,550)</b>	<b>(28,257)</b>	<b>(25,273)</b>
<b>Net financial debt</b>	<b>(59,066)</b>	<b>(58,079)</b>	<b>(63,632)</b>

## 5 NOTES

### 5.1 Introduction

The Interim Report as at 31 March 2015 has been prepared in compliance with Art. 154-ter of the Consolidated Law on Finance.

The accounting principles and criteria adopted to prepare this Interim Report as at 31 March 2015, which has not been audited, are the same as those used to prepare the annual financial statements. As required by Consob communication No. DEM/5073567 of 4 November 2005, the Company has exercised the option to provide less detail than is required under IAS 34 (Interim Financial Reporting).

The subsidiaries San Martino 2000 S.c.r.l., Se.Sa.Tre. S.c.r.l., Servizi Italia Medical S.p.A., Lavanderia Industriale Z.B.M. S.p.A., Si.Gi. Servizi Ospedalieri S.r.l. (sole shareholder company), SRI Empreendimentos e Participações Ltda, Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A. and Vida Lavanderias Especializada S.A. are all consolidated line-by-line.

The estimation criteria used to prepare the Interim Report are basically the same as those applied in the Annual Financial Statements.

This Interim Report will be approved by the Board of Directors on 13 May 2015.

### 5.2 Performance by business segment and geographical area

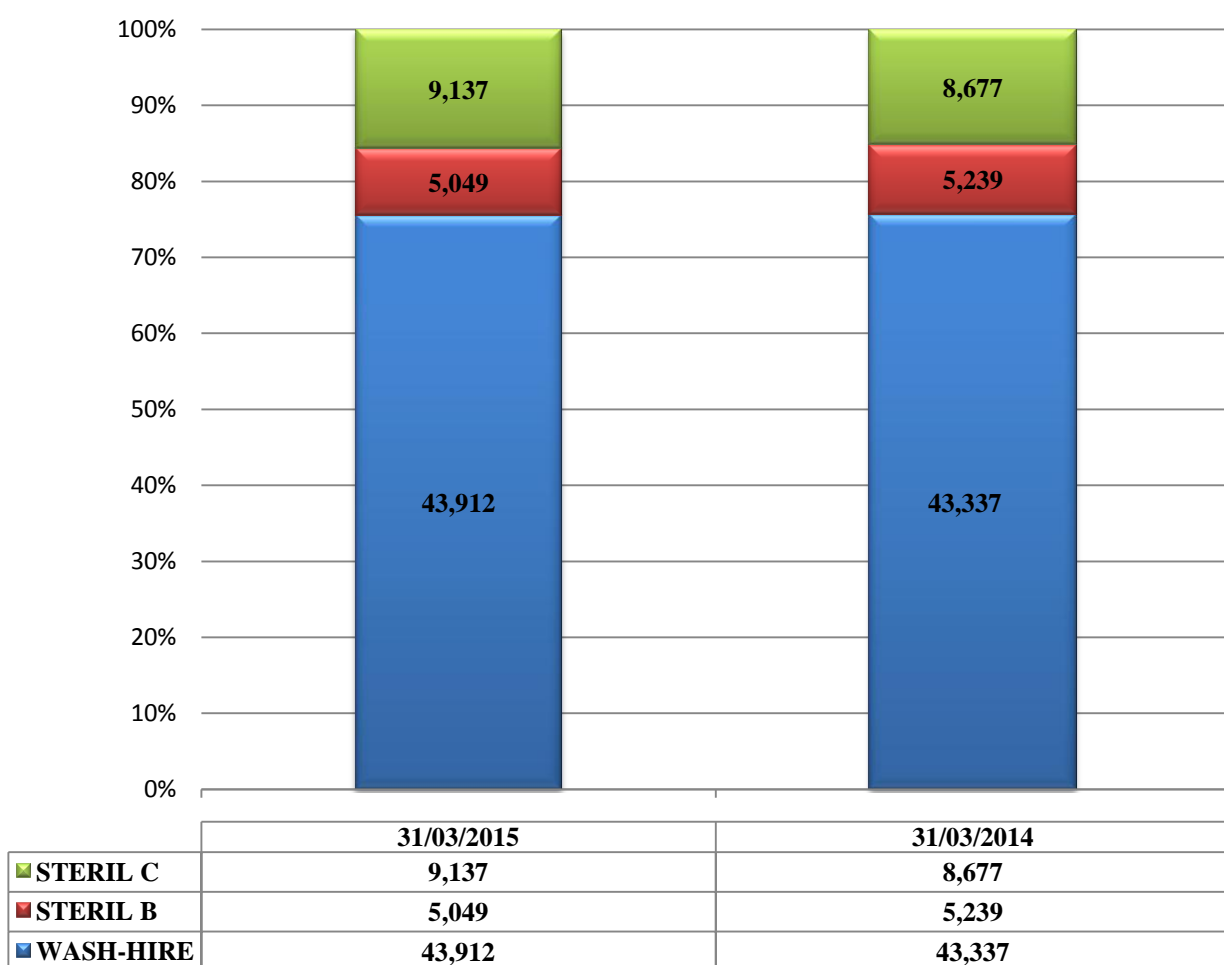
The revenue from sales and services of Servizi Italia Group is shown below divided by business line for the periods ending 31 March 2015 and 2014.

<i>(thousands of euros)</i>	<b>31 March 2015</b>	<b>%</b>	<b>31 March 2014</b>	<b>%</b>	<b>Changes</b>
Wash-hire	43,912	75.6%	43,337	75.7%	1.3%
Linen sterilisation (STERIL B)	5,049	8.7%	5,239	9.1%	-3.6%
Surgical instrument sterilisation (STERIL C)	9,137	15.7%	8,677	15.2%	5.3%
<b>Revenues from sales</b>	<b>58,098</b>	<b>100.0%</b>	<b>57,253</b>	<b>100.0%</b>	<b>1.5%</b>

In the first quarter of 2015, revenues from wash-hire services increased from Euro 43,337 thousand in the first quarter of 2014 to Euro 43,912 thousand. This service accounts for 75.6% of total revenue from sales and services as at 31 March 2015, basically in line with the same period of the previous year (75.7% as at 31 March 2014). In absolute value, top-line growth in the wash-hire segment is largely from new contracts such as Frosinone LHA, Turin 3 LHA, Local Health Unit no. 3 Alto - Collinare - Medio Friuli and I.N.M.I. - Lazzaro Spallanzani, the increase in existing contracts (such as Niguarda Ca' Granda Hospital in Milan and Local Health Unit 18 Rovigo), the consolidation of Si.Gi. Servizi Ospedalieri S.r.l. (sole shareholder company) and the increase in revenue from the Brazilian companies (Euro 5,673 thousand as at 31 March 2015 compared to Euro 4,968 thousand as at 31 March 2014).

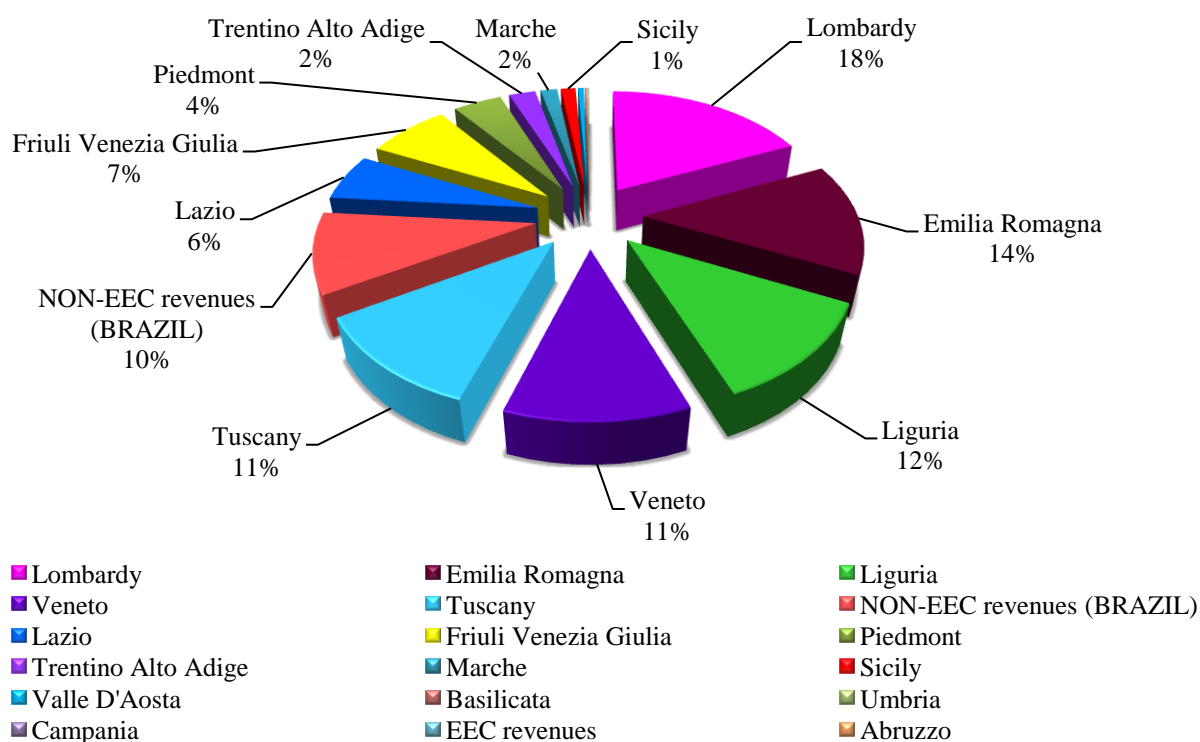
Revenue from linen sterilisation services decreased by 3.6% to Euro 5,049 thousand, accounting for 8.7% of total sales. This decrease in revenue was caused by the decrease in turnover from customers such as Local Health Unit 4 Vicenza, Legnano Hospital, Parma Local Health Unit (LHU) and Careggi Hospital in Florence, despite the increase in turnover from customers such as ESTAV Centro, Udine Hospital and the Modena LHA.

There was 5.3% growth in turnover from surgical instrument sterilisation compared to the same quarter of last year. This increase is mainly attributable to the gradual increase in turnover from customers such as the Udine University Hospital, Trieste Hospital and Careggi Hospital in Florence.



The table below shows revenues from sales and services of the Servizi Italia Group by region, listed in alphabetical order, for the periods ending on 31 March 2015 and 2014:

<i>(thousands of euros)</i>	<b>31 March 2015</b>	<b>%</b>	<b>31 March 2014</b>	<b>%</b>	<b>Changes</b>
Abruzzo	2	-	2	-	-
Basilicata	106	0.2%	109	0.2%	-2.8%
Campania	10	-	10	-	-
Emilia Romagna	7,980	13.7%	8,070	14.1%	-1.1%
Friuli Venezia Giulia	4,262	7.3%	3,394	5.9%	25.6%
Lazio	3,383	5.8%	3,426	6.0%	-1.3%
Liguria	6,991	12.0%	6,961	12.2%	0.4%
Lombardy	10,637	18.4%	11,017	19.3%	-3.4%
Marche	885	1.5%	877	1.5%	0.9%
Piedmont	2,549	4.4%	2,568	4.5%	-0.7%
Sicily	772	1.3%	767	1.3%	0.7%
Tuscany	6,638	11.4%	6,654	11.6%	-0.2%
Trentino Alto Adige	1,406	2.4%	1,370	2.4%	2.6%
Umbria	64	0.1%	66	0.1%	-3.0%
Valle D'Aosta	307	0.5%	328	0.6%	-6.4%
Veneto	6,427	11.1%	6,660	11.6%	-3.5%
EEC Revenue	6	-	6	-	-
Non-EEC Revenue (BRAZIL)	5,673	9.8%	4,968	8.7%	14.2%
<b>Total</b>	<b>58,098</b>	<b>100.0%</b>	<b>57,253</b>	<b>100.0%</b>	<b>1.5%</b>





### 5.3 Notes on the main changes in the statement of financial position

#### Property, plant and equipment

Changes in property, plant and equipment and the associated accumulated depreciation are shown in the table below.

<i>(thousands of euros)</i>	<b>Land and Buildings</b>	<b>Plant and machinery</b>	<b>Returnable assets</b>	<b>Equipment</b>	<b>Other assets</b>	<b>Assets under construction</b>	<b>Total</b>
Historical cost	2,170	111,068	31,394	48,586	98,244	9,475	300,937
Accumulated depreciation	(854)	(58,858)	(16,059)	(30,175)	(65,059)	-	(171,005)
<b>Balance as at 1 January 2014</b>	<b>1,316</b>	<b>52,210</b>	<b>15,335</b>	<b>18,411</b>	<b>33,185</b>	<b>9,475</b>	<b>129,932</b>
Translation differences	1	88	12	1	71	1	174
Change in the scope of consolidation	-	-	-	4	14	-	18
Increases	84	5,711	1,138	5,485	28,727	970	42,115
Decreases	-	(170)	(6)	(11)	(27)	(161)	(375)
Depreciation	(115)	(7,660)	(2,894)	(5,179)	(26,292)	-	(42,140)
Reclassifications	-	1,497	2,871	3,483	72	(7,923)	-
<b>Balance as at 31 December 2014</b>	<b>1,286</b>	<b>51,676</b>	<b>16,456</b>	<b>22,194</b>	<b>35,750</b>	<b>2,362</b>	<b>129,724</b>
Historical cost	2,308	117,113	37,834	56,335	91,098	2,362	307,050
Accumulated depreciation	(1,022)	(65,437)	(21,378)	(34,141)	(55,348)	-	(177,326)
<b>Balance as at 31 December 2014</b>	<b>1,286</b>	<b>51,676</b>	<b>16,456</b>	<b>22,194</b>	<b>35,750</b>	<b>2,362</b>	<b>129,724</b>
Translation differences	(6)	(655)	(115)	(6)	(331)	(2)	(1,115)
Increases	3	475	11	686	6,916	859	8,950
Decreases	-	(240)	-	-	(106)	-	(346)
Depreciation	(30)	(1,984)	(753)	(1,388)	(6,297)	-	(10,452)
Reclassifications	-	151	5	705	70	(931)	-
<b>Balance as at 31 March 2015</b>	<b>1,253</b>	<b>49,423</b>	<b>15,604</b>	<b>22,191</b>	<b>36,002</b>	<b>2,288</b>	<b>126,761</b>
Historical cost	2,305	116,627	37,720	57,702	95,209	2,288	311,851
Accumulated depreciation	(1,052)	(67,204)	(22,116)	(35,511)	(59,207)	-	(185,090)
<b>Balance as at 31 March 2015</b>	<b>1,253</b>	<b>49,423</b>	<b>15,604</b>	<b>22,191</b>	<b>36,002</b>	<b>2,288</b>	<b>126,761</b>

The translation difference regards exchange rate fluctuations for the Brazilian companies Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A. and SRI Empreendimentos e Participações Ltda.

Investments in property, plant and equipment in the first quarter of 2015 amount to Euro 8,950 thousand, including Euro 6,811 thousand for linens, Euro 859 thousand for assets under construction relating to returnable assets under construction at the end of the quarter (of this, Euro 625 thousand is for investments made for the new sterilisation centre at G. Martino University Hospital in Messina and Euro 93 thousand is for investments in equipment, plant and machinery by the Brazilian subsidiaries Lavsim Higienização Têxtil S.A. and SRI Empreendimentos e Participações Ltda), Euro 686 thousand for equipment and surgical instruments and Euro 475 thousand for plant and machinery.

Furthermore, reclassifications of Euro 931 thousand have been recognised for assets under construction, primarily relating to the launch of the most recent specialisations for the start of use of instruments at the Santa Maria della Misericordia Hospital in Udine (Euro 638 thousand).

### Trade receivables

Trade receivables amount to Euro 73,208 thousand as at 31 March 2015, down by Euro 2,961 thousand compared to 31 December 2014. Trade receivables decreased partially due to the application of regulations on split payment for the sale of assets and the provision of services to the public administration, introduced in Italy with the 2015 Stability Law. On 26 March 2015, Euro 11,232 thousand in trade receivables were transferred without recourse to Credem Factor S.p.A. for a price of Euro 11,166 thousand. During the quarter, Euro 3,632 thousand in trade receivables were also transferred to Mediofactoring S.p.A. for a price of Euro 3,612 thousand, and trade receivables due from public customers were transferred to Unicredit Factoring S.p.A., including those based in the Lazio region totalling Euro 2,469 thousand for a price of Euro 2,448 thousand and those based in other regions totalling Euro 1,894 thousand for a price of Euro 1,885 thousand.

### Other current assets

The item is broken down as follows:

<i>(thousands of euros)</i>	<b>as at 31 March 2015</b>	<b>as at 31 December 2014</b>
Due from others	4,378	5,502
Prepayments	1,604	826
Guarantee deposits receivable	69	69
Accrued income	44	-
<b>Total</b>	<b>6,095</b>	<b>6,397</b>

Other current assets decreased from Euro 6,397 thousand as at 31 December 2014 to Euro 6,095 thousand as at 31 March 2015. The item includes guarantee deposits relating to energy utilities and rentals. Receivables due from others decreased since 31 December 2014 due to the decrease in the receivable of the subsidiaries Se.Sa.Tre. S.c.r.l. and San Martino 2000 S.c.r.l. due from the consortium Servizi Ospedalieri S.p.A. Prepayments increased primarily as a result of rentals and insurance premiums that were recognised at the beginning of the year.

### Cash and cash equivalents

This item increased by Euro 2,717 thousand compared to 31 December 2014. This increase was mainly associated with the increase in cash in the BNP Paribas account of the Brazilian subsidiary SRI Empreendimentos e Participações Ltda pending the use of those resources to finance group growth in Brazil.

**Shareholders' equity**

As at 31 March 2015, shareholders' equity totalled Euro 113,688 thousand (including Euro 644 thousand attributable to non-controlling interests) compared to Euro 111,588 thousand (including Euro 1,702 thousand attributable to non-controlling interests) as at 31 December 2014.

The Company held 218,826 treasury shares, equivalent to approximately 0.77% of the share capital, as at 31 March 2015. The value of treasury shares was Euro 983 thousand. Their nominal amount, of Euro 219 thousand, was classified as a decrease to share capital, and the value exceeding the nominal amount, totalling Euro 764 thousand, was recognised as a reduction in the share premium reserve.

**Non-current payables to banks and other lenders**

Non-current payables to banks and other lenders decreased from Euro 28,258 thousand as at 31 December 2014 to Euro 27,550 thousand in the first quarter of 2015. This decrease of Euro 708 thousand resulted from the repayment of loan instalments falling due during the period, the new 5-year Euro 10,000 thousand loan taken out from Banca Carige Italia S.p.A. on 31 March and the early repayment on 31 March of Euro 8,058 thousand on the loan taken out from Banca del Mezzogiorno - MedioCredito Centrale S.p.A. on 12 November 2013.

**Other non-current financial liabilities**

The decrease of Euro 353 thousand was due to the discounting of the debt recognised under the put/call option agreements with the non-controlling shareholders of Maxlav Lavanderia Especializada S.A. and Vida Lavanderias Especializada S.A.

**Current payables to banks and other lenders**

Current payables to banks and other lenders increased by Euro 4,410 thousand from Euro 42,791 thousand as at 31 December 2014 to Euro 47,201 thousand in the first quarter of 2015. This increase resulted from a precise financial policy enacted by the group in order to decrease financial expenses, since short-term lines are not as costly as medium-term lines.

**Trade payables**

Trade payables increased from Euro 64,675 thousand as at 31 December 2014 to Euro 66,340 thousand as at 31 March 2015 due to payment extensions obtained from the main suppliers.

### Current tax payables

Current tax payables amounted to Euro 1,903 thousand as at 31 March 2015 (Euro 1,023 thousand as at 31 December 2014). The increase in the balance due is a result of the provision recognised during the period for IRES and IRAP tax payables.

### Current employee benefits

With the approval of the financial statements as at 31 December 2014, the vesting period of the LTI Cash 2012-2013-2014 Plan was completed. On 12 March 2015, the Remuneration Committee provided in-depth disclosure and support to the Board of Directors, highlighting the achievement of the performance target and therefore proposing the disbursement of the bonus to the Beneficiaries under the terms and as per the formalities established in the regulations. The proposal was approved by the Board of Directors and the Board of Statutory Auditors, in fact decreeing the closure of said plan and disbursement to the beneficiaries of Euro 1,050 thousand.

### Other current financial liabilities

The item is broken down as follows:

<i>(thousands of euros)</i>	as at 31 March 2015	as at 31 December 2014
Payable for put options and earn-out on Lavsim Higienização Têxtil S.A.	-	5,722
Payable for earn-out on Maxlav Lavanderia Especializada S.A. and Vida Lavanderias Especializada S.A.	71	77
<b>Total</b>	<b>71</b>	<b>5,799</b>

The change in this item arose from the payment on 16 January 2015 of the value relating to the acquisition of the remaining 50% of the share capital of the company Lavsim Higienização Têxtil S.A., in which Servizi Italia S.p.A. has held an equity investment since 2 July 2012 through the subsidiary SRI Empreendimentos e Participações Ltda.

### Other current payables

The table below provides a breakdown of other current liabilities.

<i>(thousands of euros)</i>	as at 31 March 2015	as at 31 December 2014
Accrued liabilities	16	12
Deferred income	1,066	964
Due to social security and welfare institutions	3,964	4,937
Other payables	12,898	18,106
<b>Total</b>	<b>17,944</b>	<b>24,019</b>

The item decreased by Euro 6,075 thousand from Euro 24,019 thousand as at 31 December 2014 to Euro 17,944 thousand as at 31 March 2015. This difference was caused by the decrease in amounts due to social security and welfare institutions and the decrease in the VAT payable for invoices issued to the

public administration due to the application as of 1 January 2015 of the split payment regulation introduced in Italy with the 2015 Stability Law.

## 5.4 Notes on the main changes in the income statement

### Raw materials and consumables used

Acquisitions of raw materials and consumables remained basically unchanged, down from Euro 6,193 thousand at 31 March 2014 to Euro 6,158 thousand at 31 March 2015.

### Costs for services

The item is broken down as follows:

<i>(thousands of euros)</i>	<b>as at 31 March 2015</b>	<b>as at 31 March 2014</b>
External laundering and other industrial services	(4,945)	(5,011)
Travel and transport	(3,031)	(2,976)
Utilities	(3,124)	(3,117)
Administrative costs	(755)	(655)
Consortium and sales costs	(2,159)	(2,180)
Personnel expense	(509)	(496)
Maintenance	(1,421)	(1,263)
Use of third-party assets	(2,028)	(1,979)
Other services	(273)	(265)
<b>Total</b>	<b>(18,245)</b>	<b>(17,942)</b>

The change in the scope of consolidation in 2014 as a result of the acquisition of the remaining 50% of the company Si.Gi. Servizi Ospedalieri S.r.l. (sole shareholder company) impacted the item total by Euro 124 thousand

Costs for external laundering and other industrial services decreased from Euro 5,011 thousand as at 31 March 2014 to Euro 4,945 thousand as at 31 March 2015. The decrease in this item was essentially due to a decrease in the use of the external laundry service, which was partially offset by an increase in the linen store service for new customers such as the Monza Brianza Foundation, Local Health Unit no. 3 Alto - Collinare - Medio Friuli and Niguarda Ca' Granda Hospital in Milan, as well as the increase in the service at existing customers such as the Reggio Emilia Hospital and the Reggio Emilia Local Health Unit.

Travel and transport costs increased by Euro 55 thousand due to the redefinition of the Group's production logistics and the new services provided for the customers Frosinone LHA and I.N.M.I. - Lazzaro Spallanzani.

Administrative costs rose from Euro 655 thousand as at 31 March 2014 to Euro 755 thousand as at 31 March 2015 due basically to higher legal expenses including those incurred by SRI Empreendimentos e Participações Ltda for the acquisition of the remaining 50% of the company Lavsim Higienização Têxtil S.A.

Consortium and sales costs decreased from Euro 2,180 thousand as at 31 March 2014 to Euro 2,159 thousand as at 31 March 2015. This item was down primarily due to lower charge-backs of costs received for the temporary joint consortia working with the customers LHA AL of Alessandria, San Giovanni Addolorata Hospital in Rome and LHA 8 Arezzo.

Maintenance increased by Euro 158 thousand due to greater maintenance expenses at the surgical instrument sterilisation centres and for machinery (particularly in Brazil where plant and machinery were installed as a result of investments made, which increased maintenance expenses by Euro 67 thousand).

### Personnel expense

The item is broken down as follows:

<i>(thousands of euros)</i>	<b>as at 31 March 2015</b>	<b>as at 31 March 2014</b>
Costs for directors' fees	(253)	(259)
Salaries and wages	(12,951)	(12,381)
Temporary work	(369)	(596)
Social security charges	(4,321)	(4,106)
Employee severance indemnity	(594)	(636)
Other costs	(11)	(10)
<b>Total</b>	<b>(18,499)</b>	<b>(17,988)</b>

Personnel expense increased from Euro 17,988 thousand as at 31 March 2014 to Euro 18,499 thousand as at 31 March 2015. This item rose with respect to the same period of the previous year as a result of the increase in wages and salaries as established in the national collective labour agreement as of January 2015, the hiring of new personnel at the surgical instrument sterilisation centres in Brescia and Udine and growth of Euro 171 thousand in the personnel expenses of Brazilian companies.

The table below shows the average breakdown of personnel:

	<b>31 March 2015</b>	<b>31 March 2014</b>
Executives	12	11
Middle managers	19	21
White-collar staff	179	175
Blue-collar staff	2,813	2,779
<b>Total</b>	<b>3,023</b>	<b>2,986</b>

## Depreciation, amortisation and impairment

The item is broken down as follows:

<i>(thousands of euros)</i>	<b>as at 31 March 2015</b>	<b>as at 31 March 2014</b>
Amortisation of intangible assets	(213)	(191)
Depreciation of property, plant and equipment	(10,452)	(9,782)
Impairment of receivables	(94)	(140)
<b>Total</b>	<b>(10,759)</b>	<b>(10,113)</b>

Amortisation of intangible assets increased 11.5% due primarily to the implementation of increasingly innovative and advanced software. Depreciation of property, plant and equipment rose by Euro 670 thousand mainly as a result of the increase in depreciation of surgical instruments (Euro 154 thousand), the increase in depreciation of linen for the Brazilian company Lavsim Higienização Têxtil S.A. (Euro 226 thousand) and the increase in depreciation of plant and machinery of the Brazilian company Maxlav Lavanderia Especializada S.A. (Euro 61 thousand). Impairment of receivables reduced as a result of the lower impact of the impairment of receivables for arrears interest due to higher collections of trade receivables.

### 5.5 Net financial position

The increase of Euro 987 thousand in net financial debt as at 31 March 2015 compared to 31 December 2014 resulted from the payment made for the acquisition of the remaining 50% of the share capital of Lavsim Higienização Têxtil S.A., amounting to Euro 6,094 thousand, calculated based on the exchange rate of 3.0357 at the payment date of 16 January 2015.

In particular, examining the individual items, there was an increase of Euro 2,717 thousand in cash and cash equivalents in current accounts at banks compared to 31 December 2014 essentially as a result of the increase in liquidity in the BNP Paribas account of the Brazilian subsidiary SRI Empreendimentos e Participações Ltda, which will be used to finance group growth in Brazil.

Financial receivables basically remained stable with respect to 31 December 2014, while there was an increase in current payables to banks and other lenders of Euro 4,410 thousand and a decrease in non-current payables to banks and other lenders of Euro 707 thousand as a result of a precise financial policy implemented by the group in order to decrease financial costs, as short-term lines are less costly than medium-term lines.

The net financial position below has been prepared in accordance with CESR, now ESMA, recommendation of 10 February 2005, and reports the value of “Other current financial liabilities” in “Other current financial payables” and the value of “Other non-current financial liabilities” in “Other non-current payables”.



<i>(thousands of euros)</i>	<b>as at 31 March 2015</b>	<b>as at 31 December 2014</b>
A. Cash	44	68
B. Other cash equivalents	7,851	5,110
C. Securities held for trading	-	-
<b>D. Cash and cash equivalents (A) + (B) + (C)</b>	<b>7,895</b>	<b>5,178</b>
E. Current financial receivables	7,790	7,791
F. Current bank borrowings	(31,838)	(26,391)
G. Current portion of non-current borrowings	(15,363)	(16,400)
H. Other current financial payables	(71)	(5,799)
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>(47,272)</b>	<b>(48,590)</b>
<b>J. Current net financial debt (I) - (E) - (D)</b>	<b>(31,587)</b>	<b>(35,621)</b>
K. Non-current bank borrowings	(27,550)	(28,258)
L. Bonds issued		-
M. Other non-current payables	(5,842)	(6,194)
<b>N. Non-current financial debt (K) + (L) + (M)</b>	<b>(33,392)</b>	<b>(34,452)</b>
<b>O. Net financial debt (J) + (N)</b>	<b>(64,979)</b>	<b>(70,073)</b>

Chairman of the Board of Directors

(Roberto Olivi)

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The Financial Reporting Manager Ilaria Eugeniani states pursuant to paragraph 2, Article 154 *bis* of the Consolidated Law on Finance that the accounting information presented in this document corresponds to the documented results, books and accounting entries.

The Financial Reporting Manager

(Ilaria Eugeniani)