Servizitalia

HALF-YEAR FINANCIAL REPORT AS AT 30TH JUNE 2015

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
Certified email: si-servizitalia@postacert.cedacri.it
Tel. +390524598511 Fax +390524598232
www.si-servizitalia.com

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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	Effective Statutory Auditor
Andrea Spollero	Effective Statutory Auditor
Ernestina Bosoni	Alternate Statutory Auditor
Lorenzo Keller	Alternate Statutory 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;
Share Capital: € 28,371,486 fully paid-up
Tax code and Parma Business Register No.: 08531760158; PEC (certified e-mail address): 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, Chiara Peterlini and Elena Abbati – IR assistants

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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 30 June 2015, the Servizi Italia Group included the following Companies:

Company Name Parent Company and Subsidiaries	Registered Offices	Share capital		% interest
Servizi Italia S.p.A.	Castellina di Soragna (Parma) - Italy	EUR	28,371,486	Parent Company
SRI Empreendimentos e Participações L.t.d.a.	São Paulo (SP) - Brazil	R$	97,001,002	100%
Servizi Italia Medical S.r.l.	Castellina di Soragna (PR) - 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%(*)
Maxlav Lavanderia Especializada S.A.	Jaguariúna (SP) - Brazil	R$	2,825,060	50.1%(*)
Vida Lavanderias Especializada S.A.	Santana de Parnaíba (SP) - Brazil	R$	1,900,000	50.1%(*)

(*) Held through SRI Empreendimentos e Participações Ltda

Company Name Associates and Jointly Controlled Companies	Registered Offices	Share capital		% interest
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%(*)
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%

(*) Indirect shareholding of 15.05% through Iniziative Produttive Piemontesi S.r.l.

INTERIM REPORT

This half-year financial report as at 30 June 2015 includes the half-year condensed consolidated financial statements as at 30 June 2015 prepared in compliance with IAS 34 on interim financial reporting, as approved by Regulation (EC) No. 1606/2002.

Main consolidated income statement figures

The table below presents a comparison of the main consolidated income statement figures as at 30 June 2015 with the results as at 30 June 2014 (in thousands of Euros).

(thousands of euros)	**30 June 2015**	**30 June 2014**	**Change**	**Change %**
Revenue	117,217	115,776	1,441	1.2%
EBITDA (a)	32,185	32,455	(270)	-0.8%
EBITDA %	*27.5%*	*28.0%*		
Operating profit (EBIT)	9,709	10,754	(1,045)	-9.7%
Operating profit (EBIT)%	*8.3%*	*9.3%*		
Net profit	5,936	6,168	(232)	-3.8%
Net profit %	*5.1%*	*5.3%*		

(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 revenue from sales and services and operating costs before depreciation, amortisation, impairment and provisions.

Main consolidated statement of financial position figures

The table below presents a comparison of the main consolidated statement of financial position figures as at 30 June 2015 with the figures as at 31 December 2014 (in thousands of Euros):

(thousands of euros)	**30 June 2015**	**31 December 2014**	**Change**	**Change %**
Net operating working capital (a)	15,456	15,789	(333)	-2.1%
Other current assets/liabilities (b)	(11,564)	(25,208)	13,644	-54.1%
Net working capital	**3,892**	**(9,419)**	**13,311**	-141.3%
Non-current assets - medium/long-term provisions	176,502	179,086	(2,584)	-1.4%
Invested capital	**180,394**	**169,667**	**10,727**	6.3%
Shareholders' equity (B)	112,009	111,588	421	0.4%
Net financial debt (d) (A)	68,385	58,079	10,306	17.7%
Invested capital (c)	**180,394**	**169,667**	**10,727**	6.3%
Gearing [A/(A+B)]	**37.91%**	**34.23%**		
Debt/Equity (A/B)	**61.05%**	**52.05%**		

(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 other 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.

(d) The management has defined net financial debt as the sum of amounts Due to banks and other lenders net of Cash and cash equivalents and current financial receivables.

Main consolidated cash flow figures

The table below presents a comparison between the main consolidated cash flow figures as at 30 June 2015 and as at 30 June 2014 (in thousands of Euros).

(thousands of euros)	**30 June 2015**	**30 June 2014**	**Change**
Cash flow generated (absorbed) from operations	14,488	32,287	(17,799)
Cash flow generated (absorbed) from investment activities	(20,441)	(22,749)	2,308
Cash flow generated (absorbed) from financing activities	4,862	(8,230)	13,092
Increase/(decrease) in cash and cash equivalents	(1,091)	1,308	(2,399)
Opening cash and cash equivalents	5,178	4,559	619
Effect of exchange rate fluctuations	709	(207)	916
Closing cash and cash equivalents	3,378	6,074	(2,696)

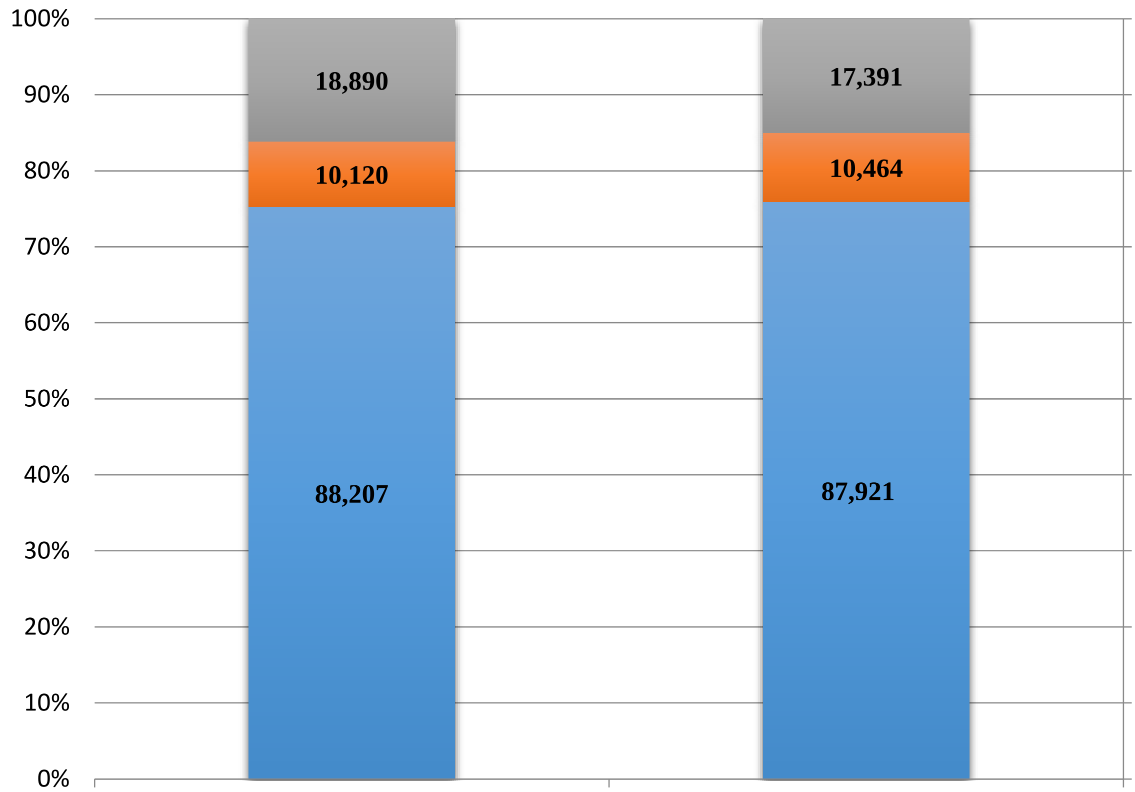
Company information and business performance

In the first half of 2015, Servizi Italia Group recorded an increase in consolidated turnover, with revenue from sales and services amounting to a total of Euro 117,217 thousand, therefore marking an increase of 1.2% compared to the interim financial statements as at 30 June 2014. The growth in turnover in the first half of 2015 is due in particular to the Brazilian area, increased 10.0% over the same period in the previous year, accounting for 9.9% of total Group revenue, the start of new contracts and the rise in turnover from contracts already in place in the Italian area.

Please note the following as regards revenue from sales and services by sector in the first half of 2015 and 2014:

- Revenue from wash-hire services increased by 0.3% from Euro 87,921 thousand in the first half of 2014 to Euro 88,207 thousand in the first half of 2015.
- Revenue from linen sterilisation services increased by 3.3% from Euro 10,464 thousand in the first half of 2014 to Euro 10,120 thousand in the first half of 2015.
- Revenue from surgical instrument sterilisation services increased by 8.6% from Euro 17,391 thousand in the first half of 2014 to Euro 18,890 thousand in the first half of 2015.

The graph below shows the details of revenue by business line.



	30/06/2015	30/06/2014
STERIL C	18,890	17,391
STERIL B	10,120	10,464
WASH-HIRE	88,207	87,921

Consolidated **EBITDA** rose from Euro 32,455 thousand in the first half of 2014 to Euro 32,185 thousand in the first half of 2015. The growth in turnover in the Brazilian area and in the surgical instrument sterilisation sector managed to contain the reduction in margins to just 0.8%. In relative terms, margins fell slightly from 28.0% to 27.5% due to the increase, during the period, in personnel expense owing to the recognition of the two contractual instalments set forth in the last CCNL (national collective labour agreement) for the sector, the hiring of personnel for the start of new contracts and the costs relating to scheduled maintenance services in the Brazilian area and in the surgical instrument sterilisation sector. Note the positive trend in the reduction of the cost of raw materials and utilities already observed in the first quarter of 2015.

The consolidated **operating profit (EBIT)** decreased by 3.6% from Euro 10,754 thousand to Euro 9,709 thousand after recognising depreciation, amortisation and impairment of Euro 22,476 thousand. In relative terms, the ratio between EBIT and revenue from sales and services decreased by 1.0%. There was an increase in the impact of depreciation, amortisation and impairment (+0.4%) in the first half of 2015, compared to the first half of 2014. In particular, this rise was realised in the Brazilian area, due to an increase in the depreciation of linen and new production lines, while in the Italian area, depreciation rose particularly with respect to surgical instruments, whose relative impact increased due to the ramp-up phases of the new sterilisation contracts. In addition, should be noted that the amortisation of the intangible assets of the Parent Company includes the effects of the accounting of the non-compete agreement stipulated with the former CEO and the customer portfolio deriving from the company Si.Gi. Servizi Ospedalieri S.r.l. incorporated in the second quarter of 2015.

Profit before tax decreased from Euro 9,401 thousand to Euro 8,439 thousand. Financial management highlighted a reduction in net financial expense compared to the same period in the previous year, mainly as a result of the decrease in the rates applied to credit facilities and the elimination of interest accrued on the debt relating to the put options exercised with the purchase of the remaining 50% of the company Lavsim Higienização Têxtil S.A..

Therefore, the consolidated financial statements as at 30 June 2015 closed with a **net profit** of Euro 5,936 thousand, a slight decrease compared to Euro 6,168 thousand realised in the first half of 2014, also thanks to the fall in the impact of the tax rate, mainly determined, in the Italian area, by the new IRAP (regional business tax) regulations introduced by the 2015 Stability Law, which allowed, from 1 January 2015, the full deductibility of the entire cost of labour relating to open-ended contracts.

Transactions with parent companies and associates

The Servizi Italia Group's transactions with parent companies and associates mainly involve the provision of commercial services and borrowing and lending funds. They are detailed in paragraph 8 of the notes to the half-year consolidated financial statements as at 30 June 2015.

Information on treasury shares and/or shareholdings in parent companies

On 22 April 2015, the Company's ordinary 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 purchases may be made at any time, on one or more occasions, effective from 23 April 2015.

As at 30 June 2015, the company held 247,226 treasury shares, equal to 0.87% of share capital, as a result of the purchases and sales made on the market regulated and managed by Borsa Italiana.

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"), already invested in as from 2 July 2012 by Servizi Italia S.p.A. via the subsidiary SRI Empreendimentos e Participações Ltda, had been completed.

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 effectiveness of the merger will apply as from 1 April 2015. As from that date, the incorporating company (Servizi Italia S.p.A.) took over all the income and expense-generating legal relations relating to the merged companies, all the directors and officers of the incorporated companies fell from their office and all the powers of attorney previously issued ceased.

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 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 13 May 2015, based on the criteria of the Borsa Italiana Corporate Governance Code, the Board of Statutory Auditors and the Board of Directors checked the independence of the directors and also carried out the annual check of the requirements for remaining in the STAR segment pursuant to the Borsa Italiana Issuers Regulation and the instructions to the Issuers Regulation. The Company sent the required information within the terms set forth by Borsa Italiana.

Notice was received on 26 May 2015 of the conclusion of the preliminary investigations of criminal proceedings for an alleged offence pursuant to Italian Legislative Decree 231 of 2001 with which a Company director, a former director and the Company have been charged, relating to the awarding of a tender for the assignment of the nine-year contract of the AOU Policlinico of Modena, so-called “Global Service”, which took place by means of resolution of 19 December 2008, to the RTI (temporary joint consortium) established by Coopservice Soc.Coop.p.A., in its capacity as lead contractor, and other companies including Servizi Italia S.p.A., Padana Everest S.r.l. and Lavanderia Industriale ZBM S.p.A. (companies actually merged by incorporation in Servizi Italia S.p.A.). The Company, which is only involved in said proceedings for the purposes of the administrative liability of legal entities pursuant to Italian Legislative Decree 231 of 2001, confirms that it is completely uninvolved in the contested events and promptly appointed a defence counsel to undertake any necessary action to prove this.

As part of these criminal proceedings, the subsidiary Servizi Italia Medical S.r.l. was also investigated for an alleged offence, pursuant to Italian Legislative Decree 231 of 2001, with which a former director has been charged, in relation to the awarding of the supply, based on piecework contracts, of disposable chirurgical kits, which took place by means of resolution dated 28 December 2009. The subsidiary, only involved in said proceedings for the purposes of the administrative liability of the legal entities pursuant to Italian Legislative Decree 231 of 2001, is not involved in the events contested and has appointed a defence counsel to prove its innocence.

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)
AAS 1 Triestina – Trieste (awarded as part of a temporary joint consortium)	Wash-hire, laundry and linen store support services.	1.25	107
ASP Opera Pia Coianiz – Tarcento (UD)	Supply and reconditioning of sanitary linen.	4	129
Istituto Europeo di Oncologia S.r.l. - Milan (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
Azienda Ospedaliera San Carlo di Milano	Integrated rental, reconditioning and logistics service relating to textile devices and mattresses.	3	1,046
ESTAR - Pisa	Linen wash-hire service.	5	280
Azienda Ospedaliera Ospedali Riuniti Marche Nord Pesaro	Linen wash-hire service, flat and packed linen, mattresses, cushions, mattress covers, wool blankets, sterile sets in trilaminate and microfibre fabric.	3	443
Azienda Ospedaliera Carlo Poma di Mantova	Integrated rental, reconditioning and logistics service relating to textile devices	4	3,156
ASL 4 Chiavarese	Wash-hire service	1	1,080

Significant events after the end of the first semester

In July 2015, the company obtained the assignment of the wash-hire service from the customer already in the portfolio, Azienda Ospedaliera della Provincia di Pavia, in compliance with the procedure fulfilled by Azienda Ospedaliera Mellino Mellini located in Chiari (BS). The contract has a duration of 44 months for total taxable amount of around Euro 7 million.

On 27 July, the Company announced the signing of the agreement for the purchase of a stake in Ankateks Turizm Inşaat Tekstil Temizleme San. Ve Tic. Ltd. Şti ("Ankateks" or "Ankateks Group"), a leading Turkish operator operating under the Ankara Laundry brand in the linen washing sector for healthcare structures, predominantly in the Ankara and Izmir areas. The transaction makes provision for the purchase at closing (expected by the end of September 2015) of a stake of 40.0% in Ankateks for a preliminary consideration fixed at 16.5 million Turkish Lira (around Euro 5.5 million at the EUR/TRY exchange rate of 2.9815 at 24 July 2015), which will be recalculated and become final on the basis of a multiplier of 2016 profit of Ankateks and of the subsidiary Ergulteks. On approval of the 2016 results, moreover, Servizi Italia will have the option to obtain control of the Ankateks Group through the acquisition of an additional 15.0% of

Ankateks' share capital (rising to a stake of 55.0%) based on said pricing criterion. For more information, please refer to the press release available on the Company's website.

On 3 August 2015, the Company announced that up until 31 July 2015 it had acquired 161,426 treasury shares on the market regulated and managed by Borsa Italiana, equal to 0.57% of the share capital.

Business outlook

The results achieved in the first half of 2015 confirm the planned estimates and forecasted income statement and cash flow projections. This year, the Group is committed to support 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 promoted by the Government 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, including Turkey, with appealing market characteristics for business development.

Financial derivatives

As at 30 June 2015, the Group held no derivatives.

Risk management information

The Company's model is based on integrated and adequate risk management and internal control systems.

This model is meant to ensure the Company's continuity and the adequacy of its processes, activities and services in terms of:

1. business objectives:
    - achievement of objectives set within company strategies;
    - effective and efficient use of organisational resources;
2. governance objectives:
    - ensuring the reliability, accuracy, trustworthiness and timeliness of financial reporting;
    - preservation of the company assets;
    - compliance with laws, regulations, contracts and ethical and company standards;
    - ethical and social responsibility.

Via the Director responsible for the internal control and risk management system and the Internal Audit Manager, the Board of Directors plans, organises and manages initiatives designed to ensure that company targets are achieved by periodically reviewing objectives, changing processes based on changes within and outside the Company, and promoting and maintaining a culture and climate favourably oriented towards risk management within the company.

With a view to Governance Control, the Company has prepared and implements a series of internal procedures and controls to apply corporate governance at all levels, in terms of operational efficiency and business integrity.

The Enterprise Risk Management (ERM) tool manages risks in an integrated manner.

The primary objectives of ERM are:

- identifying business risks and the processes that manage them;
- creating a correlation between risk management processes, decision-making processes and the company strategy;
- ensuring that sufficient risk management processes take place within business processes.

The Company has defined a Corporate Risk Model within its ERM policy, which reflects the types of risk expected in light of the company's activities. Updates are approved annually by the Board of Directors. The Risk Model is the foundation and common language of the process of identifying, evaluating, controlling and reporting priority corporate risks.

The primary business risks identified (strategic, operational, financial and compliance) based on the activities of the Company and its subsidiaries are examined by the entire Board of Directors as well as the members of the Board of Statutory Auditors and the Control and Risks Committee. Meanwhile, the Director responsible for the internal control and risk management system, the Financial Reporting Manager, the Internal Audit Manager, the Organisation and Systems Manager, the Supervisory Body and the Control and Risks Committee are responsible for planning, implementing and managing the internal control system. In addition, in line with the ERM policy, a risk mapping and risk scoring methodology has been adopted which identifies the significance of the risk based on an assessment of global impact, likelihood and control level.

The Company also implements the ERM process and the Risk Self-Assessment, the results of which are disclosed to the Control and Risks Committee and the Board of Directors and are used in the preparation of specific risk-based audit plans.

Information on proceedings in progress

Aside from that reported in the section “Significant events and transactions”, the Company is involved in proceedings for an alleged offence pursuant to Italian Legislative Decree 231 of 2001 relating to the AUSL (Local Health Authority) of Viterbo, for which a former director was charged with a predicate offence in relation to the awarding of a tender for the assignment of the supply of wash-hire services, sterilisation and hire of surgical instruments for the aforementioned AUSL of Viterbo; no significant events occurred in the period. Through its lawyers, the Parent Company prepared defence pleadings demonstrating the groundlessness of the accusation and, as a result, the absolute lack of involvement of the company as well as its former director.

Risk Factors

Servizi Italia S.p.A.'s activities are exposed to various risk types, including interest rate fluctuations and credit, liquidity and cash flow risks.

To minimise such risks, the Group has adopted timescales and control methods which allow the company Management to monitor risks and inform the Board of Directors so that it may approve all transactions involving a commitment by the Company with respect to third-party lenders.

Without prejudice to the principle of continuous monitoring and considering the characteristics of the Group's activities, a review of the risk assessment indicates that the Company has been able to achieve the desired mitigation of the primary operational, financial, strategic and compliance risks identified by taking the planned organisational and operating measures and implementing and documenting control points within company processes.

Security Policy Document

Pursuant to annex B, point 26 of Italian Legislative Decree No. 196/2003 on the Personal data protection code, the directors acknowledge that the Company has worked to uphold personal data protection measures, also in light of the provisions introduced by Italian Legislative Decree No. 196/2003 and Italian Decree Law No. 207 of 30 December 2008, published in Official Gazette No. 300 of 31 December 2008.

Quality, Health, Safety and Environment

The Company takes an integrated approach to Quality, Safety and Environment matters and promotes the development and use of the system as a fundamental element of prevention and continuous operational improvement, with respect for and in systematic dialogue with the relevant social context and in line with international best practices.

In order to become a market leader in terms of service safety and reliability, the Company's organisational structure aims to demonstrate that the activities carried out:

• guarantee and demonstrate that the process is able to systematically produce services that comply with predetermined specifications defined on the basis of customer requirements and applicable regulatory requirements in force;

• aim to increase the level of customer satisfaction via effective management of the quality, safety and environment system and continuous improvement;

• are geared towards protecting the community and the environment, the health and safety of the population and the prevention of pollution in compliance with current legislation.

During the reference period:

- the applicable Managers carried out the audits planned in the company departments as well as at production sites;

- accredited third-party Certification Bodies successfully completed the renewal audits to maintain existing certifications and to obtain them for the new production sites.

Occupational Health and Safety

Several occupational health and safety informational/training/instructional meetings were held during the period involving the top management, the operational managers, the Prevention and Protection Service and the Company Physicians.

In the first half of 2015, the safety team's activities included:

- a review and update of the Risk Assessment Document;
- the implementation of activities to prepare and draft the Interference Risk Assessment Document (D.U.V.R.I.) pursuant to Art. 26 of Italian Legislative Decree 81/08 relating to contracts, sub-contracts or service provision agreements with third-party companies;
- safety coordination at temporary work sites for facility renovation work;
- continuous monitoring of indicators.

Environmental Regulations and energy saving activities

To conduct its business, Servizi Italia S.p.A. is required to observe the provisions of binding environmental regulations (Italian Legislative Decree No. 152 of 3 April 2006, which entered into force on 29 April 2006 - the "Consolidated Environmental Law" or, alternatively, "Decree 152/2006"). The main elements for which the Company has obtained due authorisation from the applicable entities for all production sites are emissions into the atmosphere, water, withdrawals and discharges.

Waste management is implemented at each production site that produces waste: the Company regularly updates the waste register with information on the qualitative and quantitative characteristics of waste and, in line with the methods and timing established and in compliance with binding legislation, it has also registered its operating sites for the application of the electronic waste tracking control system (SISTRI).

During the period, the Company continued with additional energy efficiency actions aimed at primary energy savings, through the reduction of natural gas consumption by production site plants. These energy savings are certified through the issuing of the relative Energy Efficiency Certificates, also referred to as white certificates, established by the Decrees of the Ministry of Productive Activities jointly with the Ministry for the Environment and Land Protection of 20 July 2004 (Ministerial Decree 20/7/04 electricity, Ministerial Decree 20/7/04 gas), as subsequently amended and supplemented by Ministerial Decree 21/12/07 and Ministerial Decree of 28 December 2012, the latter of which sets the national quantitative objectives for the increase in energy efficiency in the 2013-2016 period.

Human resources and industrial relations

The Servizi Italia Group's total employees, including those of the consolidated companies, were as follows as at 30 June 2015:

Company	Executives and Middle managers	White-collar staff	Blue-collar staff	Total
Servizi Italia S.p.A.	8 executives and 18 middle managers	156	1,635	1,817
Servizi Italia Medical S.r.l.	1 middle manager	7	-	8
Lavsim Higienização Têxtil S.A.	2 executives	13	500	515
Maxlav Lavanderia Especializada S.A.	3 executives	9	506	518
Vida Lavanderias Especializada S.A.	-	4	162	166
TOTAL	13 executives and 19 middle managers	189	2,803	3,024

Industrial Relations

The company's relations with the unions have always been characterised by respect for the roles and prerogatives of all parties and have always resulted in shared agreements. Over the years, this has made it possible to maintain union relations based on reciprocal respect and shared expectations.

With regard to its blue-collar and white-collar staff, Servizi Italia S.p.A. applies the national collective labour Agreement for employees of companies in the integrated industrial system of textile and related medical services entered into by Assosistema and the trade unions Femca-Cisl, Filctem-Cgil and Uiltec-Uil (and also separately with UGL) and expired on 30 June 2015. The Industry Executives national collective labour agreement is applied for the Company's managerial staff.

During the period, talks continued with the Trade Union Organisations and the company workers' representatives with the aim of defining shared solutions in light of the market situation, particularly to identify flexible operating and logistics solutions and to continue streamlining the staff, in order to pursue greater efficiency and integration.

Training and development

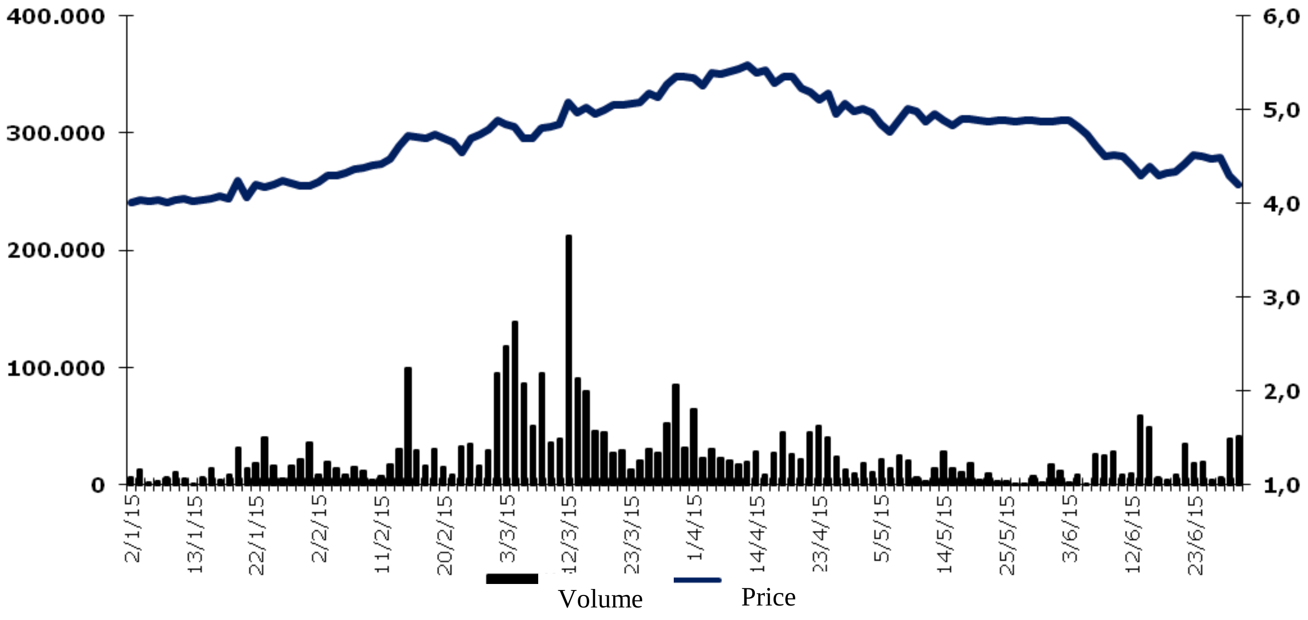
In line with the annual training Plan, the training activities carried out in the first half of 2015 focused on updating the knowledge of all personnel, supporting professional growth for operating as well as technical positions and strengthening the skills of those with roles of responsibility, with the awareness that training represents a strategic leverage for development and company growth. During the half, training activities also addressed the integrated quality/environment/safety system, the use of IT systems, assessments on groups of employees and regulatory updates applicable to the various company departments.

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 30 June 2015 are reported below along with share volume and price trends (in Euros):

Share and stock exchange data	**30 June 2015**
No. of shares making up the share capital	28,371,486
Price at IPO: 4 April 2007	8.50
Price as at 30 June 2015	4.20
Maximum price during the period	5.48
Minimum price during the period	4.01
Average price during the period	4.71
Volumes traded during the period	3,380,362
Average volumes during the period	27,043

Share volumes and prices as at 30 June 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/share capital increase. As regards the “Warrant Servizi Italia S.p.A. 2012 - 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.

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 reference period, the Company met with investors at the "STAR Conference" event in Milan organised by Borsa Italiana on 24-25 March 2015.

The Chairman of the Board of Directors

(Roberto Olivi)

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE SERVIZI ITALIA GROUP AS AT 30 JUNE 2015

Accounting schedules

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of euros)	Notes	30 June 2015	*of which with related parties (Note 8)*	31 December 2014	*of which with related parties (Note 8)*
ASSETS					
Non-current assets					
Property, plant and equipment	**6.1**	126,223	-	129,724	-
Intangible assets	**6.2**	4,132	-	3,471	-
Goodwill	**6.3**	41,908	-	42,602	-
Equity-accounted investments	**6.4**	10,088	-	9,966	-
Equity investments in other companies	**6.5**	3,551	-	3,551	-
Financial receivables	**6.6**	3,015	-	2,714	-
Deferred tax assets	**6.7**	1,404	-	1,382	-
Other assets	**6.8**	4,403	-	4,067	-
Total non-current assets		**194,724**		**197,477**	
Current assets					
Inventories	**6.9**	4,278	-	4,295	-
Trade receivables	**6.10**	76,315	*1,246*	76,169	*1,392*
Current tax receivables	**6.11**	93	-	286	-
Financial receivables	**6.12**	8,272	*5,823*	7,791	*5,710*
Other assets	**6.13**	9,242	-	6,397	-
Cash and cash equivalents	**6.14**	3,378	-	5,178	-
Total current assets		**101,578**		**100,116**	
TOTAL ASSETS		**296,302**		**297,593**	
SHAREHOLDERS´ EQUITY AND LIABILITIES					
Group shareholders' equity					
Share capital	**6.15**	28,124	-	27,906	-
Other reserves and retained earnings	**6.15**	77,216	-	68,903	-
Profit (loss) for the period		6,040	-	13,077	-
Total shareholders´ equity attributable to shareholders of the parent		**111,380**		**109,886**	
Total shareholders´ equity attributable to non-controlling interests		**629**		**1,702**	
TOTAL SHAREHOLDERS´ EQUITY	**6.15**	**112,009**		**111,588**	
LIABILITIES					
Non-current liabilities					
Due to banks and other lenders	**6.16**	32,621	-	28,258	-
Deferred tax liabilities	**6.17**	2,173	-	2,265	-
Employee benefits	**6.18**	9,922	-	9,805	-
Provisions for risks and charges	**6.19**	104	-	126	-
Other financial liabilities	**6.20**	6,023	-	6,194	-
Total non-current liabilities		**50,843**		**46,648**	
Current liabilities					
Due to banks and other lenders	**6.16**	47,414	-	42,791	-
Trade payables	**6.21**	65,137	*9,423*	64,675	*9,095*
Current tax payables	**6.22**	2,879	-	1,023	-
Employee benefits	**6.18**	-	-	1,050	-
Other financial liabilities	**6.23**	71	-	5,799	-
Other payables	**6.24**	17,949	-	24,019	-
Total current liabilities		**133,450**	**-**	**139,357**	**-**
TOTAL LIABILITIES		**184,293**		**186,005**	
TOTAL SHAREHOLDERS´ EQUITY AND LIABILITIES		**296,302**		**297,593**	

CONSOLIDATED INCOME STATEMENT

(thousands of euros)	**Notes**	**30 June 2015**	*of which with related parties (Note 8)*	**30 June 2014**	*of which with related parties (Note 8)*
Revenue from sales	**7.1**	**117,217**	*549*	**115,776**	*555*
Other income	**7.2**	2,591	*274*	2,512	*357*
Raw materials and consumables	**7.3**	(12,529)	*(28)*	(12,555)	*(28)*
Costs for services	**7.4**	(36,539)	*(10,260)*	(36,113)	*(10,887)*
Personnel expense	**7.5**	(37,826)	*(2,035)*	(36,245)	*(2,440)*
Other costs	**7.6**	(729)	*(28)*	(920)	*(17)*
Depreciation, amortisation, impairment and provisions	**7.7**	(22,476)	-	(21,701)	-
Operating profit		**9,709**		**10,754**	
Financial income	**7.8**	552	*34*	1,005	*44*
Financial expense	**7.9**	(1,917)	-	(2,645)	-
Income/(expense) from equity investments in other companies	**7.10**	-	-	123	-
Revaluation/impairment of equity-accounted investments	**6.4**	95	-	164	-
Profit before tax		**8,439**		**9,401**	
Income taxes	**7.11**	(2,503)		(3,233)	
Profit (loss) for the period		**5,936**		**6,168**	
of which: Attributable to shareholders of the parent		6,040		6,026	
Attributable to non-controlling interests		(104)		142	
Basic earnings per share (in Euros)	**7.12**	**0.21**		**0.21**	
Diluted earnings per share (in Euros)	**7.12**	**0.21**		**0.21**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euros)	**30 June 2015**	**30 June 2014**
Profit (loss) for the period	5,936	6,168
Other comprehensive income that will not be reclassified to the Income Statement		
Actuarial gains (losses) on defined benefit plans	-	-
Income taxes on other comprehensive income	-	-
Other comprehensive income that may be reclassified to the Income Statement		
Gains (losses) from translation of foreign financial statements	(1,936)	794
Income taxes on other comprehensive income	-	-
Total other comprehensive income after taxes	**(1,936)**	**794**
Total comprehensive income for the period	**4,000**	**6,962**
of which: Attributable to shareholders of the parent	4,060	6,697
Attributable to non-controlling interests	(60)	265

CONSOLIDATED CASH FLOW STATEMENT

(thousands of euros)	Notes	as at 30 June 2015	*of which with related parties (Note 8)*	as at 30 June 2014	*of which with related parties (Note 8)*
Cash flow generated (absorbed) by operations					
Profit (loss) before tax		8,439	-	9,401	-
Payment of current taxes		(461)	-	(960)	-
Depreciation and amortisation	**7.7**	22,230	-	20,604	-
Impairment and provisions	**7.7**	246	-	1,097	-
(Revaluation)/impairment of equity investments	**7.10**	(95)	-	(287)	-
Gains/losses on disposal		(80)	-	(5)	-
Interest income and expense accrued		1,365	-	1,639	-
Interest income collected		133	-	293	-
Interest expense paid		(1,541)	-	(1,952)	-
Provisions for employee benefits	**6.17**	306	-	189	-
		30,542		**30,019**	
(Increase)/decrease in inventories	**6.9**	(9)	-	(335)	-
(Increase)/decrease in trade receivables	**6.10**	(1,555)	*146*	1,203	*(38)*
Increase/(decrease) in trade payables	**6.19**	1,754	*328*	3,100	*1,313*
Increase/(decrease) in other assets and liabilities	**6.23 6.24**	(14,937)	-	(1,306)	-
Settlement of employee benefits	**6.17**	(1,307)	-	(394)	-
Cash flow generated (absorbed) by operations		**14,488**		**32,287**	
Cash flow generated (absorbed) from investment activities in:					
Intangible assets	**6.2**	(1,210)	-	(258)	-
Property, plant and equipment	**6.1**	(19,204)	-	(22,058)	-
Dividends received		240	-	123	-
Acquisitions	**6.4 6.5**	-	-	(400)	-
Equity investments	**6.4 6.5**	(267)	-	(156)	-
Cash flow generated (absorbed) by investment activities		**(20,441)**		**(22,749)**	
Cash flow generated (absorbed) from financing activities in:					
Financial receivables	**6.6 6.11**	(702)	*(113)*	293	-
Dividends paid	**6.14**	(4,503)	-	(3,781)	-
Purchase of treasury shares	**6.15**	925	-	(222)	-
Current liabilities to banks and other lenders	**6.15**	4,732	-	1,429	-
Non-current liabilities to banks and other lenders	**6.15**	4,410	-	(5,949)	-
Cash flow generated (absorbed) from financing activities		**4,862**		**(8,230)**	
(Increase)/decrease in cash and cash equivalents		**(1,091)**		**1,308**	
Opening cash and cash equivalents	**6.14**	**5,178**		**4,559**	
Effect of exchange rate fluctuations		**709**		**(207)**	
Closing cash and cash equivalents	**6.14**	**3,378**		**6,074**	
Increase/(decrease) in cash and cash equivalents		**(1,091)**	**-**	**1,308**	**-**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(thousands of euros)	**Share capital**	**Share premium reserve**	**Legal Reserve**	**Retained earnings**	**Translation reserve**	**Profit (loss) for the year**	**Reserves and profit (loss) of non-controlling interests**	**Total Shareholders' Equity**
Balance as at 1 January 2014	**27,032**	**40,297**	**3,126**	**19,623**	**(1,342)**	**8,830**	**1,742**	**99,308**
Allocation of profit from the previous year	-	-	454	4,595	-	(5,049)	-	-
Distribution of dividends	-	-	-	-	-	(3,781)	-	(3,781)
Change in the scope of consolidation	-	-	-	(17)	-	-	(383)	(400)
Share capital increase	965	3,251	-	-	-	-	-	4,216
Treasury share transactions	(91)	(316)	-	-	-	-	-	(407)
Comprehensive income for the year	-	-	-	(680)	(88)	13,077	343	12,652
Balance as at 31 December 2014	**27,906**	**43,232**	**3,580**	**23,521**	**(1,430)**	**13,077**	**1,702**	**111,588**
Allocation of profit from the previous year	-	-	606	7,968	-	(8,574)	-	-
Distribution of dividends	-	-	-	-	-	(4,503)	-	(4,503)
Change in the scope of consolidation	-	-	-	1,013	-	-	(1,013)	-
Share capital increase	-	-	-	-	-	-	-	-
Treasury share transactions	219	707	-	-	-	-	-	926
Change in translation reserve	-	-	-	-	(1,981)	-	45	(1,936)
Comprehensive income for the year	-	-	-	-	-	6,040	(104)	5,936
Balance as at 30 June 2015	**28,125**	**43,939**	**4,186**	**32,502**	**(3,411)**	**6,040**	**630**	**112,011**

Notes

1 INTRODUCTION

These half-year condensed consolidated financial statements as at 30 June 2015 of the Servizi Italia Group, subject to a review conducted by the Independent Auditor, have been prepared in compliance with Art. 154 *ter* of Italian Legislative Decree 58/1999 as amended as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), on the basis of the text published in the Official Journal of the European Communities (OJEC). These interim financial statements have been prepared in "condensed" form as established by IAS 34, and therefore must be read together with the Group's consolidated financial statements as at 31 December 2014.

The condensed half-yearly financial report includes the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the statement of changes in consolidated shareholders' equity, the cash flow statement and the notes, in line with the requirements of IFRS.

The half-year condensed consolidated financial statements were drafted in compliance with the IFRS issued by the International Accounting Standards Board and approved by the European Union at the time of drafting of these financial statements. IFRS mean also all revised international accounting standards (IAS) and all interpretations of the International (IFRS) Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

The accounting standards and methods used to prepare the Group's consolidated interim financial statements are the same as those applied in the last annual financial statements. Please also note that the following amendments to standards and interpretations became applicable on 1 January 2015:

- Interpretation IFRIC 21 – Levies was published on 20 May 2013, which provides clarification on the moment of recognition of a liability connected to levies (other than income taxes) imposed by a government authority. The standard deals with both liabilities for levies that fall within the scope of application of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, and those for levies whose timing and amount are certain. The interpretation applies retrospectively for annual periods that start at the latest on 17 June 2014 or after.
- On 12 December 2013, the IASB published the document "Annual Improvements to IFRSs: 2011-2013 Cycle" which acknowledges the amendments to some standards as part of their annual improvement process. The main amendments concern:
  - IFRS 3 Business Combinations – Scope exception for joint ventures. The amendment clarifies that paragraph 2(a) of IFRS 3 excludes the formation of all types of joint arrangements, as defined by IFRS 11, from the scope of application of IFRS 3;
  - IFRS 13 Fair Value Measurement – Scope of portfolio exception (parag. 52). The amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13
  - applies to all contracts included in the scope of application of IAS 39 regardless of whether or not they satisfy the definition of financial assets and liabilities provided by IAS 32;
  - IAS 40 Investment Properties – Interrelationship between IFRS 3 and IAS 40. The amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether the purchase of an investment property falls within the

scope of application of IFRS 3 or IAS 40, reference must be made respectively to the specific indications provided by IFRS 3 or by IAS 40.

The amendments apply for annual periods starting on or after 1 January 2015.

The application of these new standards did not have any impact on the Servizi Italia Group's consolidated interim financial statements.

Accounting standards, amendments and IFRS and IFRIC interpretations approved by the European Union, still not applicable on a mandatory basis and not adopted early by the Group as at 30 June 2015

- On 21 November 2013, the amendment to IAS 19 "Defined Benefit Plans Employee Contributions" was published, which proposes the presentation of contributions (relating solely to the service provided by the employee in the year) made by employees or third parties to defined benefit plans to reduce the service cost in the year in which said contribution is paid. The need for this proposal arose with the introduction of the new IAS 19 (2011), where it is deemed that these contributions are to be interpreted as a part of a post-employment benefit, rather than of a short-term benefit and, therefore, that said contribution must be spread over the years of service of the employee. The amendment applies at the latest for annual periods starting on or after 1 February 2015.
- On 12 December 2013, the document "Annual Improvements to IFRSs: 2010-2012 Cycle" was published, which acknowledges the amendments to some standards as part of their annual improvement process. The main amendments concern:
  - IFRS 2 Share Based Payments – Definition of vesting condition. Amendments were made to the definitions of "vesting condition" and "market condition" and the additional definitions of "performance condition" and "service condition" were added (previously included in the definition of "vesting condition");
  - IFRS 3 Business Combination – Accounting for contingent consideration. The amendment clarifies that a contingent consideration as part of a business combination classified as a financial asset or liability must be remeasured at fair value at the close of each reporting period and the fair value changes must be booked to the income statement or statement of comprehensive income based on the requirements of IAS 39 (or IFRS 9);
  - IFRS 8 Operating segments – Aggregation of operating segments. The amendments require an entity to disclose the judgments made by management in applying the aggregation criteria for operating segments, including a description of the operating segments aggregated and the economic indicators used to determine whether these operating segments have similar economic characteristics;
  - IFRS 8 Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets. The amendments clarify that the reconciliation between the total assets of operating segments and total assets as a whole of the entity must only be presented if the total of the assets of the operating segments is regularly reviewed by the chief operating decision maker of the entity;
  - IFRS 13 Fair Value Measurement – Short-term receivables and payables. The Basis for Conclusions of said standard was amended in order to clarify that, with the issuing of IFRS 13, and the subsequent amendments to IAS 39 and to IFRS 9, the possibility of accounting for current trade receivables and payables without recognising the effects of discounting remains valid, should these effects be immaterial;

- IAS 16 Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortisation. The amendments eliminated the inconsistencies in the recognition of accumulated depreciation when a tangible or intangible asset is subject to revaluation. The requirements set forth in the amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is equal to the difference between the gross carrying amount and the carrying amount net of impairment recorded;
- IAS 24 Related Parties Disclosures – Key management personnel. It is clarified that, in the event in which key management personnel services are provided by an entity (and not by a physical person), this entity is to be considered a related party.

The amendments apply at the latest for annual periods starting on or after 1 February 2015. The directors do not expect the adoption of these amendments to have a significant impact on the Group's consolidated financial statements.

Accounting standards, amendments and IFRS interpretations still not approved by the European Union.

At the reference date of this half-year report, the competent bodies of the European Union have still not concluded the approval process needed for the adoption of the amendments and standards described below.

- On 30 January 2014, the IASB published "IFRS 14 Regulatory Deferral Accounts" which permits only those who adopt the IFRS for the first time to continue to recognise the amounts relating to the activities subject to regulated rates ("Rate Regulation Activities") as per the previous accounting standards adopted. Given the Company/Group is not a first-time adopter, this standard is not applicable.
- On 6 May 2014, the IASB issued some amendments to IFRS 11 Joint Arrangements – Accounting for acquisitions of interests in joint operations" relating to the accounting of the acquisition of interests in a joint operation whose activities constitute a business as per the meaning set out in IFRS 3. The amendments require, in these cases, the principles in IFRS 3 to be applied relating to the recognition of the effects of a business combination.
  The amendments apply as from 1 January 2016 but early application is permitted.
- On 12 May 2014, the IASB issued some amendments to IAS 16 Property, Plant and Equipment and to IAS 38 Intangibles Assets – "Clarification of acceptable methods of depreciation and amortisation". The amendments to IAS 16 establish that the depreciation criteria determined on the basis of revenue are not appropriate, given that, according to the amendment, the revenue generated by an asset which includes the use of the asset subject to depreciation generally reflects factors other than solely consumption of the economic benefits of the asset itself. The amendments to IAS 38 introduce a relative presumption, according to which a depreciation criterion based on revenue is normally considered inappropriate for the same reasons established by the amendments introduced to IAS 16. In the case of intangible assets, this presumption can be overcome, but only in limited and specific circumstances.
  The amendments apply as from 1 January 2016 but early application is permitted.
- On 28 May 2014, the IASB published "IFRS 15 Revenue from Contracts with Customers" which will replace IAS 18 Revenue and IAS 11 Construction Contracts, as well as the interpretations IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services. The standard establishes a new revenue recognition model, which will apply to

all the contracts entered into with the customers with the exception of those which fall within the scope of application of other IAS/IFRS standards such as leasing, insurance agreements and financial instruments. The fundamental steps for the accounting of revenue as per the new model are:

- the identification of the agreement with the customer;
- the identification of the performance obligations of the agreement;
- the determination of the price;
- the allocation of the price to the performance obligations of the agreement;
- the revenue recognition criteria when the entity meets each performance obligation.

The standard applies from 1 January 2017 but early application is permitted (in May 2015 the IASB issued an Exposure Draft, proposing to defer the date of first-time application to 1 January 2018).

- On 30 June 2014, the IASB issued some amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants. The amendments require bearer plants, i.e. fruit trees that will give rise to annual harvests (e.g. grapevines, hazelnut trees) to be accounted for in accordance with IAS 16 (rather than IAS 41). This means that these assets should be valued at cost rather than at fair value less costs to sell (however, the use of the revaluation method proposed by IAS 16 is permitted). The proposed changes are restricted to the trees used to produce seasonal fruits and not to be sold as living plants or harvested as agricultural produce. These trees also fall under the scope of IAS 16 during the phase of biological maturation, i.e. up to the point that they are able to generate agricultural produce.
  The amendments apply as from 1 January 2016 but early application is permitted.
- On 24 July 2014, the IASB published the final version of IFRS 9 – Financial instruments. The document includes the results of the phases relating to the Classification and measurement, impairment and Hedge accounting, of the IASB project targeted at replacing IAS 39. The new standard, which replaces the previous versions of IFRS 9, must be applied to financial statements for periods starting on or after 1 January 2018.
  As a result of the financial crisis of 2008, at the request of the main financial and political institutions, the IASB launched the project aimed at replacing IFRS 9 and proceeded in phases. In 2009, the IASB published the first version of IFRS 9 which dealt solely with the classification and measurement of financial assets; subsequently, in 2010, criteria were published relating to the classification and measurement of financial liabilities and derecognition (the latter theme was carried from IAS 39 unchanged). In 2013, IFRS 9 was modified to include the general model of hedge accounting. As a result of the current publication, which also includes impairment, IFRS 9 is to be considered completed with the exception of criteria concerning macro hedging, in respect of which the IASB has undertaken an autonomous project.
  The standard introduces new criteria for the classification and measurement of financial assets and liabilities. In particular, with regard to the financial assets the new standard uses a unique approach based on the methods for handling the financial instruments and on the characteristics of the contractual cash flows of said financial assets for the purpose of determining the accounting policies, replacing the various rules envisaged by IAS 39. By contrast, with regard to the financial liabilities, the main change which has taken place concerns the accounting treatment of the fair value changes of a financial liability, designated as a financial liability valued at fair value through profit and loss, in the event that these are due to the change in the creditworthiness of the issuer of said liability. According to the new standard, these changes must be recognised in the statement of "Other comprehensive income" and no longer in the income statement.
  With reference to the impairment model, the new standard requires the estimate of credit losses to be made on the basis of the model of expected losses (and not on the model of incurred losses), by

using supportable information available without undue cost or effort which include historical, current and forecast information. The standard sets out that the same impairment model is to apply to all financial instruments, i.e. to financial assets valued at amortised cost, to those valued at fair value through other comprehensive income, to lease receivables and trade receivables.
Finally, the standard introduces a new hedge accounting model in order to adjust the requirements set out in the current IAS 39, which were sometimes viewed as too stringent and not capable of reflecting companies' risk management policies. The main changes of the document concern:

- increase in the types of transactions eligible for hedge accounting, also including the risks eligible for hedge accounting of non-financial assets/liabilities;
- change of method of accounting for forward contracts and options when they are in a hedge accounting relationship to reduce the profit or loss volatility;
- changes to the effectiveness test through the replacement of the current methods based on the 80-125% parameter with the principle of an "economic relationship" between the hedged item and the hedging instrument; furthermore, a retrospective assessment of hedge effectiveness is no longer required;

The greater flexibility of the new accounting rules is counter-balanced by enhanced disclosure requirements about a company's risk management activities.

- On 11 September 2014, the IASB published the amendment to IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture. The document was published in order to resolve the current conflict between IAS 28 and IFRS 10.
  According to IAS 28, profit or loss on the sale or transfer of a non-monetary asset to a joint venture or associate in exchange for an interest in the latter is limited to the share held in the joint venture or associate by other investors unrelated to the transaction. In contrast, IFRS 10 requires the entire profit or loss to be recognised in the case of a loss of control over a subsidiary, even if the entity continues to hold a non-controlling interest in the same, including, in said case, also the sale or transfer of a subsidiary to a joint venture or an associate. The amendments introduced set out that, in a sale/transfer of an asset or of a subsidiary to a joint venture or an associate, the extent of any profit or loss to be recognised in the financial statements of the seller/transferor depends on whether the assets or the subsidiary sold/transferred constitute a business or not, as defined by IFRS 3. In the event the assets or the subsidiary sold/transferred constitute a business, the entity must recognise the profit or loss on the entire portion held previously; when the assets or subsidiary do not constitute a business, the entity's share of the profit or loss is eliminated. The amendments apply from 1 January 2016; however, a deferment of the date of first-time application is expected.
- On 25 September 2014, the IASB published the document "Annual Improvements to IFRSs: 2012-2014 Cycle". The amendments introduced by the document must be applied for annual periods starting on or after 1 January 2016.
  The document introduces amendments to the following standards:
  - IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The amendment introduces specific guidance to the standard in the event an entity reclassifies an asset (or a disposal group) from the held-for-sale category to the held-for-distribution category (or vice versa), or when the requirements for classifying an asset as held-for-distribution no longer apply. The amendments define that (i) these reclassifications should not be considered a change in a sale plan or a distribution plan and that the same classification and measurement criteria remain valid; (ii) the assets that no longer meet the classification criteria set out for held-for-distribution should be treated in the same way as an asset that ceases to be classified as held-for-sale;

- IFRS 7 – Financial Instruments: Disclosure. The amendments regulate the introduction of additional guidelines for clarifying whether a servicing contract constitutes continuing involvement in a transferred asset for disclosure purposes in relation to the transferred assets. In addition, it is clarified that the disclosure on the offsetting of financial assets and liabilities is not normally explicitly required for interim financial reporting. However, this information could be necessary to meet the requirements of IAS 34, if it is significant information;
- IAS 19 – Employee Benefits. The document introduces the amendments to IAS 19 in order to clarify that the high quality corporate bonds used to determine the discount rate of post-employment benefits should be in the same currency used for the payment of the benefits. The amendments clarify that the depth of the high quality corporate bonds market should be assessed at currency level;
- IAS 34 – Interim Financial Reporting. The document introduces amendments in order to clarify the requirements to meet in the event the information requested is presented in the interim financial report, but outside the interim financial statements. The amendment clarifies that this information is included through a cross-reference from the interim financial statements to other parts of the interim financial report and that this document is available to financial statement readers according to the same method and timescales as the interim financial statements.

- On 18 December 2014, the IASB published the amendment to IAS 1 - Disclosure Initiative. The amendments aim to clarify elements of disclosure which may be perceived as impediments to a clear and intelligible drafting of the financial statements. The following changes were made:
  - Materiality and aggregation: it was clarified that a company should not obscure information by adding to it or subtracting from it and that considerations relating to materiality apply to financial statements, notes to financial statements and specific IFRS information requirements. The disclosures specifically required by the IFRS should only be provided if the information is material;
  - Statement of financial position and statement of comprehensive income: it is clarified that the list of items specified by IAS 1 for these statements can be disaggregate or aggregate depending on the case. A guideline is also provided on the use of sub-totals within the tables;
  - Presentation of elements of Other Comprehensive Income (“OCI”): it is clarified that the share of OCI of associates and joint ventures consolidated using the equity method should be presented in aggregate in a single item, in turn divided between components susceptible or not to future income statement reclassifications;
  - Notes to the financial statements: it is clarified that the entities enjoy flexibility in defining the structure of the notes to the financial statements and guidelines are provided on how to systematically order these notes, e.g.:
    i. Giving prominence to those that are most relevant to an understanding of the equity and financial position (e.g. grouping together information about particular activities);
    ii. Grouping together items measured similarly (e.g. assets measured at fair value);
    iii. Following the order of items in the statements.

  The amendments introduced by the document must be applied for annual periods starting on or after 1 January 2016.

- On 18 December 2014, the IASB published the document “Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)”, containing

amendments to issues that emerged following the application of the consolidation exception granted to investment entities. The amendments introduced by the document must be applied for annual periods starting on or after 1 January 2016; in any case, early adoption is permitted.
With reference to IFRS 9 and IFRS 15 described above, the Group is evaluating the implementation criteria and the impacts on its consolidated financial statements, while with reference to the other standards and interpretations detailed above, it is not envisaged that the adoption will lead to significant impacts on the measurement of the assets, liabilities, costs and revenues of the Group.
The half-year financial report was approved by the Board of Directors of Servizi Italia S.p.A. on 7 August 2015.

1.1 Activities

The Group primarily works in the domestic market and in the State of São Paulo (Brazil), in India and in Turkey, in supplying integrated rental, washing and sterilisation services for textiles and surgical instruments to social/welfare and public and private hospital facilities. In particular, the Company offers the following services: (a) wash-hire, including (i) planning and provision of integrated rental, reconditioning (disinfection, washing, finishing and packaging) and logistics (pick-up and distribution to usage centres) services for textile items, mattresses and accessories (pillowcases, curtains), (ii) rental and washing of high visibility "118" emergency service items and (iii) logistics and management of hospital wardrobes; (b) linen sterilisation services, including the planning and rental of sterile medical devices for operating theatres (linens for operating theatres and scrubs) packed in sets for the operating theatre, in cotton or in re-usable technical fabric, as well as personal protection equipment (gloves, masks); and (c) surgical instrument sterilisation services including (i) planning and provision of washing, packaging and sterilisation services for surgical instruments (owned or rented) and accessories for operating theatres and (ii) planning, installation and renovation of sterilisation centres.

2 GROUP

Servizi Italia S.p.A. is a subsidiary of the Coopservice S.Coop.p.A. Group, registered office in Reggio Emilia, which holds a controlling shareholding via the Company Aurum S.p.A., registered office at Via Rochdale no. 5, Reggio Emilia.

3 CONSOLIDATION PRINCIPLES AND ACCOUNTING STANDARDS

3.1 Consolidation principles

The half-year condensed consolidated financial statements as at 30 June 2015 include the financial statements of Servizi Italia S.p.A. and of the companies over which it exercises direct or indirect control, beginning on the date on which it is acquired and until the date on which it is no longer held. Control is exercised based on a direct or indirect holding of the majority of shares with voting rights, or the exercise of dominant influence, i.e., the power to determine, including indirectly on the basis of contractual or legal agreements, the financial and operating decisions of the entity and obtain the relative benefits, even regardless of shareholding. Control is determined by considering the existence of potential voting rights that may be exercised at the reporting date.

The financial statements consolidated line-by-line were prepared as at 30 June 2015 and have been adjusted as required to bring them into line with the accounting standards of Servizi Italia S.p.A..

The consolidation criteria are the same as those applied in the Group's consolidated financial statements as at 31 December 2014.

3.2 Scope of consolidation

The scope of consolidation includes the following subsidiaries (consolidated line-by-line):

(thousands)	**Registered offices**	**Currency**	**Share capital as at 30 June 2015**	**Shareholding as at 30 June 2015**	**Shareholding as at 31 December 2014**
San Martino 2000 S.c.r.l.	Genoa	EUR	10	60%	60%
Se.sa.tre. S.c.r.l.	Genoa	EUR	20	60%	60%
Servizi Italia Medical S.r.l.	Castellina di Soragna (PR)	EUR	200	100%	100%
SRI Empreendimentos e Participacoes LTDA	São Paulo (Brazil)	R$	97,001	100%	100%
Lavsim Higienização Têxtil S.A.	São Roque, SP (Brazil)	R$	550	100%	50%
Maxlav Lavanderia Especializada S.A.	Jaguariúna, SP (Brazil)	R$	2,825	50.1%	50.1%
Vida Lavanderias Especializada S.A.	Santana de Parnaíba SP (Brazil)	R$	1,900	50.1%	50.1%

Investments in associates and jointly controlled companies are measured using the equity method.

(thousands of euros)	**Registered offices**	**Currency**	**Share capital as at 30 June 2015**	**Shareholding as at 30 June 2015**	**Shareholding as at 31 December 2014**
Centro Italia Servizi S.r.l.	Arezzo	EUR	10	50%	50%
CO.SE.S S.c.r.l.	Perugia	EUR	10	25%	25%
PSIS S.r.l.	Padua	EUR	10,000	50%	50%
Ekolav S.r.l.	Lastra a Signa (FI)	EUR	100	50%	50%
AMG S.r.l.	Busca (CN)	EUR	100	50%	50%
Steril Piemonte S.c.r.l.	Turin	EUR	4,000	50%	50%
Iniziative Produttive Piemontesi S.r.l.	Turin	EUR	2,500	37.63%	37.63%
SE.STE.RO. S.r.l.	Castellina di Soragna (PR)	EUR	400	25%	25%
Piemonte Servizi Sanitari S.c.r.l.	Turin	EUR	10	30%	30%
Shubhram Hospital Solutions Private Limited	New Delhi - India	INR	85,200	51%	51%
SAS Sterilizasyon Servisleri A.Ş.	Istanbul, Turkey	TL	500	51%	51%

The following exchange rates were used to consolidate the companies that prepare their financial statements in a currency other than the Euro, which is used in the consolidated financial statements of the Servizi Italia Group:

Currency	**Average exchange rate as at 30 June 2015**	**Final exchange rate as at 30 June 2015**	**Average exchange rate as at 30 June 2014**	**Final exchange rate as at 31 December 2014**
Brazilian Real (R$)	3.310148	3.4699	3.1495	3.2207
Turkish Lira (TL)	2.862006	2.9953	2.9675	2.8218
Indian Rupee (INR)	70.122366	71.1873	-	76.7190

3.3 Accounting standards and basis of preparation

The accounting standards and basis of preparation, reported in the introduction to the Notes to the financial statements, are the same as those used to prepare the consolidated financial statements as at 31 December 2014, which should be referred to for a description.

The condensed consolidated half-year financial statements as at 30 June 2015 were prepared on the basis of the going concern assumption.

4 RISK MANAGEMENT POLICY

Within the Servizi Italia Group, specific organisational directives, centrally issued and managed, govern risk management and control over all transactions relevant to the composition of financial and/or trade assets and liabilities.

The Servizi Italia Group's activities are exposed to various risk types, including interest rate fluctuations and credit, liquidity and cash flow risks.

To minimise such risks, the Servizi Italia Group has adopted timescales and control methods which allow the company management to monitor risks and inform the Board of Directors so that it may approve all transactions involving a commitment by the Company with respect to third parties.

The principal internal and external risks to which the Group is exposed are described in the directors' report accompanying the separate financial statements. A description of market risks and the relative hedging policies is provided below.

4.1 Type of risks hedged

Exchange rate risk

The investments in Brazil, Turkey and India launch the Company into an international context, exposing it to risk generated by fluctuations in the Euro/Real, Euro/Turkish Lira and Euro/Indian Rupee exchange rates.

Under the co-ordination of the Administration, Finance and Audit division, the Group handles the exposure to exchange rate risk on currency flows marginally exposed centrally, since there is no significant impact on the cash flows with respect to the reference currency. The same applies to the translation risk with reference to the conversion of the results and assets and liabilities of the financial statements of the foreign subsidiaries. The Company also has decided not to implement hedging transactions for the Euro/Real and Euro/Turkish Lira and Euro/Indian Rupee exchange rates since no inflows of capital are envisaged over the short term, since they are invested to support the growth and development in the respective geographic areas.

Credit risk

There are significant concentrations of credit by customer and geographical area, and extended collection timescales. Around 18.5% of turnover comes from customers in the Lombardy Region, roughly 13.8% from customers in the Emilia Romagna Region, around 12.0% from customers in the Liguria Region, roughly 11.4% from customers in the Tuscany Region and approximately 11.0% from customers in the Veneto Region. In light of the fact that customers are predominantly public companies, default risk is deemed low. However, these customers have extended payment times which depend on loans received by the local health units and hospitals from the Regions. Currently, the average days sales outstanding are 117.

Liquidity risk

To correctly manage liquidity risk, an adequate level of cash and cash equivalents must be maintained. In light of the predominantly public nature of the group's customers and the average collection times, cash and cash equivalents are obtained primarily from accounts receivable financing and, to a lesser extent, from medium-term, unsecured credit lines. The Group also uses factoring without recourse.

Interest rate risk

The Group's net financial debt primarily comprises short-term liabilities which, as at 30 June 2015, represent approximately 59.24% of its debt, at an average annual rate of around 2.10%. Due to the global financial crisis, the Company is monitoring the market and assessing the appropriateness of taking out hedging transactions on the rates. The table below demonstrates the effect that would be generated by a 0.5% increase or decrease in rates.

(thousands of euros)	**0.5% rate increase**		**0.5% rate decrease**	
	30 June 2015	**31 December 2014**	**30 June 2015**	**31 December 2014**
Financial receivables	+34	+66	(34)	(66)
Financial payables	+217	+449	(217)	(449)
Factoring of receivables	+192	+507	(192)	(507)

4.2 Fair value information

The Group does not hold financial instruments measured at fair value. Therefore, no classification based on input quality is provided. Financial assets and financial liabilities are recognised at amortised cost. For equity investments in other companies, price quotations in active markets are not available. Therefore, their fair value cannot be measured reliably. Such equity investments are measured at cost, if applicable less impairment losses or capital repayments.

5 SEGMENT REPORTING

The Servizi Italia Group's segment reporting is organised as follows:

- *Wash-hire:* this includes (i) planning and provision of integrated rental, reconditioning (disinfection, washing, finishing and packaging) and logistics (pick-up and distribution to usage centres) services for textile items, mattresses and accessories (pillowcases, curtains), (ii) rental and washing of high visibility "118" emergency service items and (iii) logistics, transport and management of hospital wardrobes;

- *Linen sterilisation (Steril B):* this includes the planning and rental of sterile medical devices for operating theatres (linens for operating theatres and scrubs) packed in kits for the operating theatre, in cotton or in re-usable technical fabric, as well as personal protection equipment (gloves, masks);

- *Surgical instrument sterilisation (Steril C):* includes (i) planning and provision of washing, packaging and sterilisation services for surgical instruments (owned or rented) and accessories for operating theatres and (ii) planning, installation and renovation of sterilisation centres.

In terms of geographical areas, please note that the Servizi Italia Group:

- works almost exclusively in Italy, except for the Brazilian companies Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A. and Vida Lavanderias Especializada S.A., held through the subsidiary SRI Empreendimentos e Participações Ltda.
- offers the same types of services in each geographical area in Italy and abroad.

As a result, information is not presented by geographical area, with the exception of revenue, which is broken down by region in paragraph 7.1.

The Servizi Italia Group considers the breakdown by business area to be more significant. The core business areas are identified based on how the Group is managed, how management responsibilities are attributed and how business reporting is analysed by the management.

(thousands of euros)	**Half-year ended as at 30 June 2015**			
	Wash-hire	**Steril B**	**Steril C**	**Total**
Revenue from sales and services	88,207	10,120	18,890	117,217
Other income	1,283	122	1,186	2,591
Raw materials and materials	(8,614)	(2,667)	(1,248)	(12,529)
Costs for services	(26,750)	(2,995)	(6,794)	(36,539)
Personnel expense	(29,585)	(2,280)	(5,961)	(37,826)
Other costs	(582)	(32)	(115)	(729)
EBITDA (a)	**23,959**	**2,268**	**5,958**	**32,185**
Depreciation, amortisation and impairment	(18,052)	(1,066)	(3,358)	(22,476)
Operating profit (EBIT)	**5,907**	**1,202**	**2,600**	**9,709**
Financial income and expense and income and expense from equity investments in other companies				(1,270)
Profit before tax				**8,439**
Income taxes				(2,503)
Profit (loss) for the year				**5,936**
Of which portion attributable to non-controlling interests				(104)
Of which portion attributable to shareholders of the parent				**6,040**

(thousands of euros)	**Half-year ended as at 30 June 2014**			
	Wash-hire	**Steril B**	**Steril C**	**Total**
Revenue from sales and services	87,921	10,464	17,391	115,776
Other income	1,314	137	1,061	2,512
Raw materials and materials	(8,484)	(2,850)	(1,221)	(12,555)
Costs for services	(27,059)	(2,873)	(6,181)	(36,113)
Personnel expense	(28,657)	(2,279)	(5,309)	(36,245)
Other costs	(672)	(30)	(218)	(920)
EBITDA (a)	**24,363**	**2,569**	**5,523**	**32,455**
Depreciation, amortisation, impairment and provisions	(18,075)	(870)	(2,756)	(21,701)
Operating profit (EBIT)	**6,288**	**1,699**	**2,767**	**10,754**
Financial income and expense and income and expense from equity investments in other companies				(1,353)
Profit before tax				**9,401**
Income taxes				(3,233)
Profit (loss) for the period				**6,168**

(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, impairment and provisions.

Revenue from wash-hire services increased by 0.3% over the previous period, from Euro 87,921 thousand in the first half of 2014 to Euro 88,207 thousand in the first half of 2015. 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, I.N.M.I. - Lazzaro Spallanzani, Istituto Europeo di Oncologia S.r.l., Centro Cardiologico Monzino S.p.A. and AUSL (Local Health Authority) of Piacenza, the increase in existing contracts (such as Niguarda Ca' Granda Hospital in Milan and Local Health Unit 18 Rovigo) and the rise in the revenue of Brazilian companies (Euro 11,551 thousand as at 30 June 2015 compared to Euro 10,499 thousand as at 30 June 2014; based on the same exchange rate, revenue would have been Euro 589 thousand higher).

In terms of margins, the wash-hire EBITDA was 27.2% compared to 27.7% in the previous year, and EBIT decreased from 7.2% to 6.7%. The increase in operating costs (particularly personnel expense saw an increase of 3.2% in absolute terms) affected turnover to the tune of 74.3%, compared to 73.8% in the first half of 2014. At EBIT level, amortisation, depreciation, impairment and provisions recorded growth over the same period in the previous year, due to higher linen depreciation of the Brazilian companies and due to the accounting of the non-compete agreement stipulated with the previous CEO, as well as the impact of the amortisation of the customer portfolio of the incorporated company Si.Gi. Servizi Ospedalieri S.r.l..

Revenue from linen sterilisation services decreased by 3.3% to Euro 10,120 thousand, accounting for 8.6% of total sales. The fall in line revenue is linked to the end of the contract with the Legnano Hospital and the reduction in the turnover of the customer Careggi Hospital of Florence (in the latter case, the use of sterilised technical textile for the operating theatre decreased since the entity has opted for the single-use product) despite the increase in the turnover of customers such as ESTAV Centro, Udine Hospital and the San Paolo Hospital of Milan. In terms of margins, the EBITDA of the linen sterilisation business stood at 22.4% compared to 24.6% in the previous year, and EBIT increased to 11.9% from 16.2%.

Turnover in the surgical instrument sterilisation segment grew by 8.6% compared to the first half of the previous 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 and the new contract for the Spedali Civili Hospital in Brescia. Surgical instrument sterilisation is the segment with the highest profitability in terms of EBITDA, at 31.5%, while its EBIT amounted to 13.8%. With respect to the first half of 2014, margins were affected by greater depreciation of surgical instruments deriving from the ramp-up phases of the new contracts and the maintenance costs on said instruments.

The information in the tables below represents the assets directly attributable to investments by business segment.

(thousands of euros)	**Half-year ended as at 30 June 2015**			
	Wash-hire	**Steril B**	**Steril C**	**Total**
Total revenue from sales and services	**88,207**	**10,120**	**18,890**	**117,217**
Investments in property, plant and equipment and intangible assets	17,170	1,255	2,570	20,995
Depreciation of property, plant and equipment and amortisation of intangible assets	18,052	1,066	3,358	22,476
Net book value of property, plant and equipment and intangible assets	**88,816**	**5,897**	**35,642**	**130,355**

(thousands of euros)	Year ended as at 31 December 2014			
	Wash-hire	**Steril B**	**Steril C**	**Total**
Total revenue from sales and services	**176,594**	**20,456**	**37,297**	**234,347**
Investments in property, plant and equipment and intangible assets	34,976	1,718	5,861	42,555
Depreciation of property, plant and equipment and amortisation of intangible assets	34,879	2,065	5,987	42,931
Net book value of property, plant and equipment and intangible assets	**91,355**	**6,007**	**35,833**	**133,195**

5.1 Seasonality

The Company's economic and financial performance is not affected by particular significant cyclical or seasonal trends.

6 STATEMENT OF FINANCIAL POSITION

6.1 Property, plant and equipment

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

(thousands of euros)	**Land and Buildings**	**Plant and machinery**	**Freely transferable assets**	**Equipment**	**Other assets**	**Construction in progress**	**Total**
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)
Balance as at 1 January 2014	**1,316**	**52,210**	**15,335**	**18,411**	**33,185**	**9,475**	**129,932**
Translation differences	1	88	12	1	71	1	174
Change in the scope of consolidation	-	-	-	4	14	-	18
Purchases	84	5,711	1,138	5,485	28,727	970	42,115
Disposals	-	(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)	-
Balance as at 31 December 2014	**1,286**	**51,676**	**16,456**	**22,194**	**35,750**	**2,362**	**129,724**
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)
Balance as at 1 January 2015	**1,286**	**51,676**	**16,456**	**22,194**	**35,750**	**2,362**	**129,724**
Translation differences	(5)	(593)	(106)	(4)	(291)	(2)	(1,001)
Purchases	10	1,318	320	1,587	15,336	1,211	19,782
Disposals	-	(242)	-	(2)	(109)	(229)	(582)
Depreciation	(60)	(3,993)	(1,500)	(2,820)	(13,327)	-	(21,700)
Reclassifications	-	157	5	699	100	(961)	-
Balance as at 30 June 2015	**1,231**	**48,323**	**15,175**	**21,654**	**37,459**	**2,381**	**126,223**
Historical cost	2,314	117,586	35,591	58,630	103,412	2,381	319,914
Accumulated depreciation	(1,083)	(69,263)	(20,416)	(36,976)	(65,953)	-	(193,691)
Balance as at 30 June 2015	**1,231**	**48,323**	**15,175**	**21,654**	**37,459**	**2,381**	**126,223**

Notes on the main changes:

Plant and machinery

The increases in the first half of 2015 mainly concern investments in plant and machinery for the following facilities: Podenzano (Euro 143 thousand), Castellina di Soragna (Euro 110 thousand), Montecchio Precalcino (Euro 76 thousand), Genova Bolzaneto (Euro 62 thousand), Travagliato (Euro

34 thousand) and Pavia di Udine (Euro 20 thousand), for the new contract with Viterbo AUSL (Euro 292 thousand) and for the start of the new contracts of the Piacenza LHU (Euro 61 thousand), the Garbagnate Hospital (Euro 54 thousand) and of Centro Cardiologico Monzino S.p.A. (Euro 26 thousand) as well as for the Brazilian companies Lavsim Higienização Têxtil S.A. (Euro 173 thousand) and Maxlav Lavanderia Especializada S.A. (Euro 152 thousand).

Freely transferable assets

These mainly refer to investments made at customers to construct and renovate existing plants used for washing and sterilisation activities. Therefore, the Company maintains control over, obtains benefits from and bears the operating risks of these plants. The entity maintains ownership of the plants at the end of the wash-hire/washing/sterilisation contract. On the basis of contractual commitments, the Group bore the cost of the partial renovation and expansion of the industrial laundry facilities owned by the contracting entities, to increase the efficiency of the rented linen washing and sanitation service. These costs have been amortised in accordance with the amortisation schedules linked to the duration of the existing contract with the contracting entities, which is less than the useful life of the works completed.

Industrial and commercial equipment

The changes in the half ended at 30 June 2015 relate to the increases of Euro 1,587 thousand, of which Euro 949 thousand relating to the purchase of surgical instruments. The item includes reclassifications of Euro 699 thousand, of which Euro 638 thousand relating to the launch of the latest surgical specialisations of the Udine “Santa Maria della Misericordia” University Hospital.

Other assets

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Linens and mattresses	35,196	33,547
Furniture and fixtures	170	174
Electronic machinery	963	885
Cars	47	65
Motor vehicles	1,022	1,012
Telephone switchboards	52	55
Other	9	12
Total	**37,459**	**35,750**

Purchases amounting to Euro 14,862 thousand in the first half of 2015 refer primarily to investments in linens to ensure increasingly efficient inventory management, both for the partial renewal of contracts and for the first supply relating to contracts acquired during the year in question.

Construction in progress

These are investments under way at the end of the first half.

The item is broken down as follows as at 30 June 2015:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Sterilisation centre investments	1,692	1,855
Laundering facility investments	482	362
Investments on contracts	134	118
Investments in the production sites of the subsidiary Lavsim Higienização Têxtil S.A.	73	27
Total	**2,381**	**2,362**

The increases in the first half of 2015 totalled Euro 1,211 thousand, of which Euro 936 thousand relate to the construction of the new sterilisation facility of the "G. Martino" University Hospital of Messina.

The reclassifications in the first half primarily concern the launch of the latest surgical specialisations with the start of use of the instruments of the "Santa Maria della Misericordia" University Hospital of Udine for a total of Euro 638 thousand.

6.2 Intangible assets

This item changed as follows:

(thousands of euros)	**Trademarks and Software**	**Customer contract portfolio**	**Other intangible assets**	**Intangible assets in progress and down payments**	**Total**
Historical cost	2,684	4,378	-	506	7,568
Accumulated amortisation	(2,195)	(3,261)	-	-	(5,456)
Balance as at 1 January 2014	**489**	**1,117**	**-**	**506**	**2,112**
Translation differences	-	-	-	2	2
Change in the scope of consolidation	-	1,708	-	-	1,708
Purchases	80	-	-	360	440
Disposals	-	-	-	-	-
Amortisation	(395)	(396)	-	-	(791)
Reclassifications	302	-	-	(302)	-
Balance as at 31 December 2014	**476**	**2,429**	**-**	**566**	**3,471**
Historical cost	2,916	3,643	-	566	7,125
Accumulated amortisation	(2,440)	(1,214)	-	-	(3,654)
Balance as at 1 January 2015	**476**	**2,429**	**-**	**566**	**3,471**
Translation differences	(1)	-	-	(19)	(20)
Purchases	135	-	1,016	62	1,213
Disposals	(1)	-	-	-	(1)
Amortisation	(228)	(205)	(97)	-	(530)
Rounding	(1)	-	-	-	(1)
Reclassifications	165	-	-	(165)	-
Balance as at 30 June 2015	**545**	**2,224**	**919**	**444**	**4,132**
Historical cost	3,174	6,056	1,016	444	10,690
Accumulated amortisation	(2,629)	(3,832)	(97)	-	(6,558)
Balance as at 30 June 2015	**545**	**2,224**	**919**	**444**	**4,132**

The increase in intangible assets is essentially due to the accounting of the non-compete agreement stipulated with the previous CEO which provides for the obligation not to carry out, in the areas identified, activities in competition with the Group for a period of two years. This amount is amortised using the *pro rata temporis* method based on the duration of the agreement which expires on 22 April 2017.

6.3 Goodwill

Goodwill is allocated to the Servizi Italia Group's cash generating units identified on the basis of geographical area, which reflects the areas of operation of the companies acquired over the years.

Goodwill is allocated by geographical area as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
North Italy area	22,377	22,377
North-East Italy Trentino area	10,566	10,566
Brazil 1 Area (Lavsim)	3,755	4,045
Brazil 2 Area (Maxlav. and Vida)	5,210	5,614
Total	**41,908**	**42,602**

The change in the first half is entirely attributable to differences from the translation into Euros of goodwill arising from acquisitions in Brazil.

At the date of approval of these half-year consolidated financial statements, no facts or events have taken place that may indicate an impairment loss in the goodwill recognised and tested for impairment at the end of 2014.

6.4 Equity-accounted investments

The item Equity-accounted investments changed as follows:

(thousands of euros)	**Change during the half as at 30 June 2015**					
	1 January 2015	**Increases**	**Decreases**	**Revaluations**	**Impairments**	**as at 30 June 2015**
Associates						
Centro Italia Servizi S.r.l.	390	-	(240)	20	-	170
CO.SE.S S.c.r.l.	3	-	-	-	-	3
PSIS S.r.l.	3,957	-	-	87	-	4,044
Ekolav S.r.l.	55	-	-	23	-	78
Steril Piemonte S.c.r.l.	1,973	-	-	-	-	1,973
AMG S.r.l.	2,198	-	-	37	-	2,235
Iniziative Produttive Piemontesi S.r.l.	1,149	-	-	-	(1)	1,148
SE.STE.RO. S.r.l.	123	-	-	5	-	128
Piemonte Servizi Sanitari S.c.r.l.	3	-	-	-	-	3
SAS Sterilizasyon Servisleri A.Ş.	52	-	-	-	(16)	36
Shubhram Hospital Solutions Private Limited	63	267	-	-	(60)	270
Total	**9,966**	**267**	**(240)**	**172**	**(77)**	**10,088**

6.5 Equity investments in other companies

This item changed as follows in the first half of 2015:

(thousands of euros)	**Change during the half as at 30 June 2015**			
	1 January 2015	**Increases**	**Impairment losses/Decreases**	**as at 30 June 2015**
Asolo Hospital Service S.p.A.	464	-	-	464
Prosa S.p.A.	462	-	-	462
PROG.ESTE S.p.A.	1,212	-	-	1,212

Progeni S.p.A.	380	-	-	380
Sesamo S.p.A.	353	-	-	353
CCFS Consorzio Coop. Finanziario	14	-	-	14
Gesteam S.r.l.	9	-	-	9
Consorzio Lani Energie	1	-	-	1
Summano Sanità S.p.A.	11	-	-	11
Project Ca' Arnaldi S.r.l.	9	-	-	9
Consorzio Nazionale Servizi	13	-	-	13
Synchron Nuovo San Gerardo S.p.A.	344	-	-	344
SPV Arena Sanità	278	-	-	278
Other	1	-	-	1
Total	**3,551**	**-**	**-**	**3,551**

6.6 Non-current financial receivables

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Prosa S.p.A.	434	434
Sesamo S.p.A.	353	353
Progeni S.p.A.	982	982
Prog.Este S.p.A.	531	531
Summano Sanità S.p.A.	6	6
Arena Sanità S.p.A.	188	21
Ospedale Irmandade de Santa Casa de Misericordia de São Paulo	294	387
Synchron S.p.A.	227	-
Total	**3,015**	**2,714**

Financial receivables relate to interest-bearing loans granted to the companies Prosa S.p.A., Sesamo S.p.A., Progeni S.p.A., Prog.Este S.p.A., Summano Sanità S.p.A., Arena Sanità S.p.A. and Synchron S.p.A. with a term equal to the global service agreements for which they were established (expiring on 21 February 2031, 31 December 2037, 31 December 2033, 31 December 2031 and 31 December 2035, 20 August 2032 and 14 June 2042 respectively), as well as the loans granted to Irmandade de Santa Casa de Misericordia Hospital in São Paulo as part of the activities carried out by the Brazilian subsidiaries. The interest accrued on the loan granted to Arena Sanità S.p.A. was capitalised in the half.

6.7 Deferred tax assets

This item changed as follows:

(thousands of euros)	**Share capital increase costs**	**Property, plant and equipment**	**Employee benefits**	**Other costs with deferred deductibility**	**Total**
Deferred tax assets as at 1 January 2014	**79**	**-**	**-**	**574**	**653**
Change in the scope of consolidation	-	-	-	2	2
Changes recognised in the income statement	(26)	430	-	143	547
Changes recognised under shareholders' equity	40	-	-	-	40
Changes recognised in other comprehensive income	-	-	140	-	140
Deferred tax assets as at 31 December 2014	**93**	**430**	**140**	**719**	**1,382**
Change in the scope of consolidation	-	-	-	-	-

Changes recognised in the income statement	(18)	117	-	(77)	22
Changes recognised under shareholders' equity	-	-	-	-	-
Changes recognised in other comprehensive income	-	-	-	-	-
Deferred tax assets as at 30 June 2015	**75**	**547**	**140**	**642**	**1,404**

There are no deferred tax assets not recognised in the financial statements because they were considered non-recoverable.

6.8 Other non-current assets

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Substitute tax Italian D.L. 185 subsequent years	2,010	2,139
Receivables for IRES reimbursement request pursuant to Art. 2c.1-quater Italian D.L. 201	1,845	1,832
Other non-current assets	548	96
Total	**4,403**	**4,067**

The increase in the item relates mainly to Euro 460 thousand of receivables due from the customers of the subsidiary Lavsim Higienização Têxtil S.A, classified as non-current in line with the expected collection times.

6.9 Inventories

Inventories at year-end primarily included washing products, chemical products, packaging, consumables, single-use materials and procedure kits.

6.10 Trade receivables

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Due from third parties	75,352	75,009
Due from associates	761	814
Due from parent companies	202	346
Total	**76,315**	**76,169**

6.10.1 Trade receivables due from third parties

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Due from customers	80,801	80,344
Bad debt provision	(5,449)	(5,335)
Total	**75,352**	**75,009**

During the first half, the Servizi Italia Group transferred the receivables described below.

- transfer without recourse to Credemfactor S.p.A. of Euro 22,961 thousand in trade receivables for consideration of Euro 22,845 thousand;
- transfer without recourse to Mediofactoring S.p.A. of Euro 7,078 thousand in trade receivables for consideration of Euro 7,039 thousand;
- participation in the transfer without recourse to Unicredit Factoring S.p.A. of Euro 4,625 thousand in trade receivables due from Lazio Region local health units and hospitals for consideration of Euro 4,592 thousand;
- trade receivables were factored without recourse to Unicredit Factoring S.p.A. for Euro 3,739 thousand, for a consideration of Euro 3,720 thousand.

The bad debt provision changed as follows in the first half of 2015 and in 2014:

(thousands of euros)	
Balance as at 1 January 2014	**5,138**
Write-offs	(454)
Adjustments	(26)
Provisions	677
Balance as at 31 December 2014	**5,335**
Write-offs	(150)
Adjustments	(40)
Provisions	304
Balance as at 30 June 2015	**5,449**

6.10.2 Trade receivables due from associates and jointly controlled companies

The balance of Euro 761 thousand as at 30 June 2015 includes trade receivables mainly from the companies PSIS S.r.l. (Euro 206 thousand), AMG S.r.l. (Euro 278 thousand), Ekolav S.r.l. (Euro 46 thousand), Steril Piemonte S.c.r.l. (Euro 187 thousand) and Se.Ste.Ro. S.r.l. (Euro 32 thousand).

6.11 Current tax receivables

The amount refers to current tax receivables accrued from consolidated companies.

6.12 Current financial receivables

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Asolo Hospital Service S.p.A.	1,754	1,648
P.S.I.S. S.r.l.	3,894	3,800
Ekolav S.r.l.	184	170
AMG S.r.l.	501	500
Steril Piemonte S.c.r.l.	1,153	1,150
Iniziative Produttive Piemontesi S.r.l.	91	90
Gesteam S.r.l.	321	300
Ospedale Irmandade de Santa Casa de Misericordia de São Paulo	137	133
Sesamo S.p.A.	126	-
Other	111	-
Total	**8,272**	**7,791**

Financial receivables are for loans granted to the companies indicated above, which are due within the year or repayable on demand. The increase compared to 31 December 2014 is essentially due to interest accrued on individual loans and still not collected.

6.13 Other current assets

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Due from others	7,591	5,502
Prepayments	1,521	826
Guarantee deposits receivable	105	69
Accrued income	25	-
Total	**9,242**	**6,397**

Other current assets rose from Euro 6,397 thousand as at 31 December 2014 to 9,242 thousand as at 30 June 2015. Due from others mainly includes charge-backs of consortium costs to the non-controlling shareholder of the subsidiaries Se.Sa.Tre. S.c.r.l. and San Martino 2000 S.c.r.l.. Prepayments increased primarily as a result of rentals and insurance premiums that will fall due in the second half of the year. The item “Guarantee deposits receivable” includes security deposits for energy utilities and rentals.

6.14 Cash and cash equivalents

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Bank and postal deposits	3,336	5,110
Cheques	8	25
Cash at bank and in hand	34	43
Total	**3,378**	**5,178**

Cash and cash equivalents fell by Euro 1,800 thousand as at 30 June 2015 compared to 31 December 2014. The changes in cash and cash equivalents can be analysed by looking at the cash flow statement which shows the positive or negative contribution from the other balance sheet items to the final result, in terms of the creation and absorption of liquidity.

6.15 Shareholders' equity

As at 30 June 2015, the fully subscribed and paid-up share capital of Servizi Italia S.p.A. was broken down into 28,371,486 ordinary shares with a nominal amount of Euro 1 each. During the first half of 2015, the Company purchased 78,500 treasury shares with a value of Euro 364 thousand, equivalent to 0.28% of the share capital, at the average purchase price of Euro 4.64 per share and sold 297,000 treasury shares for a value of Euro 1,289 thousand, equating to 1.05% of the share capital at an average sale price of Euro 4.34 per share. Following these transactions, the Company held 247,226 treasury shares amounting to 0.87% of the share capital as at 30 June 2015. The equivalent value of the treasury shares held on 30 June 2015, equal to Euro 1,118 thousand, was classified as decreasing the share capital for the par value of the same, equating to Euro 247 thousand, and as reducing the share premium reserve for the excess of the purchase value with respect to the par value, amounting to Euro 871 thousand. The legal reserve and retained earnings/(losses) increased due to the allocation of the profit from 2014, along with the payment of dividends.

6.16 Due to banks and other lenders

The item is broken down as follows:

(thousands of euros)	as at 30 June 2015			as at 31 December 2014		
	Current	Non-current	Total	Current	Non-current	Total
Due to banks	46,592	31,397	**77,989**	41,667	27,013	**68,680**
Due to other lenders	822	1,224	**2,046**	1,124	1,245	**2,369**
Total	**47,414**	**32,621**	**80,035**	**42,791**	**28,258**	**71,049**

6.16.1 Due to banks

The portion of the liabilities falling due beyond 12 months relating to the item Due to banks changed as at 30 June 2015 when compared to 31 December 2014, due to the reimbursement of the amounts due in the year and the taking out of two new unsecured loans, the first of which with Banca Carige Italia S.p.A. for Euro 10,000 thousand (residual debt falling due after 12 months of Euro 7,551 thousand), with a duration of five years, and the second with Cassa di Risparmio di Parma e Piacenza S.p.A. for Euro 10,000 thousand (residual debt falling due after 12 months of Euro 7,545 thousand), with a duration of four years; these actions are targeted at maintaining a balanced ratio of short to medium-term borrowing. The item in question also includes unsecured loans taken out with Cassa di Risparmio in Bologna S.p.A. (residual debt falling due after 12 months of Euro 10,500 thousand), with Banca Popolare dell’Emilia Romagna Soc. Coop. (residual debt falling due after 12 months of Euro 5,000 thousand) and the portion of payables falling due after the year of the Brazilian subsidiaries amounting to Euro 801 thousand. The loan taken out with Cassa di Risparmio in Bologna S.p.A. in 2012 requires a net financial position of less than 1.5 times the value of shareholders’ equity (covenant) to be maintained. The loans stipulated with Banca popolare dell’Emilia Romagna Soc. Coop. and Banca Nazionale del Lavoro S.p.A. require the maintenance of a net financial position of less than 2 times the value of shareholders’ equity and less than 2.5 times the Ebitda (covenant). The loans stipulated with Cassa di Risparmio in Bologna S.p.A. in 2014 and with Cassa di Risparmio di Parma e Piacenza S.p.A. in 2015 require the maintenance of a net financial position of less than 1.5 times the value of shareholders’ equity and less than 2.5 times the Ebitda (covenant). All of the above covenants have been respected at the reporting date.

Amounts due to banks are shown below by maturity:

(thousands of euros)	as at 30 June 2015	as at 31 December 2014
Less than or equal to 6 months	39,520	34,285
6 to 12 months	7,072	7,383
1 to 5 years	31,397	27,012
More than 5 years	-	-
Total	**77,989**	**68,680**

Non-current amounts due to banks are broken down by maturity as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
1 to 2 years	9,970	9,625
2 to 5 years	21,427	17,387
More than 5 years	-	-
Total	**31,397**	**27,012**

6.16.2 Due to other lenders

Current payables to other lenders as at 30 June 2015 include the payable due from the subsidiary Se.Sa.Tre. S.c.r.l. to the non-controlling shareholder Servizi Ospedalieri S.p.A. of Euro 697 thousand (Euro 719 thousand as at 31 December 2014), the payable to the Viterbo local health authority of Euro 50 thousand resulting from the double payment of invoices due to customer error and financial payables of the Brazilian subsidiaries amounting to Euro 75 thousand.

As at 30 June 2015, non-current amounts are attributable to the financial payable to the non-controlling shareholder of the subsidiary Se.Sa.Tre. S.c.r.l. of Euro 1,202 thousand (Euro 1,202 thousand as at 31 December 2014 as well) and financial payables of the Brazilian subsidiaries of Euro 22 thousand.

Payables to other lenders are broken down by maturity below.

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Less than or equal to 6 months	104	377
6 to 12 months	718	747
1 to 5 years	1,224	1,245
More than 5 years	-	-
Total	**2,046**	**2,369**

Non-current amounts due to other lenders are broken down by maturity as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
1 to 2 years	707	721
2 to 5 years	517	525
More than 5 years	-	-
Total	**1,224**	**1,245**

6.17 Deferred tax liabilities

Deferred tax liabilities are broken down below by nature of the timing differences that generated them:

(thousands of euros)	**Leasing**	**Employee benefits**	**Property, plant and equipment and intangible assets**	**Goodwill**	**Other**	**Total**
Deferred tax liabilities as at 1 January 2014	**376**	**125**	**396**	**1,091**	**-**	**1,988**
Change in the scope of consolidation	-	-	536	-	-	536
Changes recognised in the income statement	(138)	(7)	(111)	115	-	(141)
Changes recognised in other comprehensive income	-	(118)	-	-	-	(118)
Deferred tax liabilities as at 31 December 2014	**238**	**-**	**821**	**1,206**	**-**	**2,265**
Changes recognised in the income statement	(66)	-	(87)	58	3	(92)
Changes recognised in other comprehensive income	-	-	-	-	-	-
Deferred tax liabilities as at 30 June 2015	**172**	**-**	**734**	**1,264**	**3**	**2,173**

6.18 Employee benefits

This item changed as follows:

(thousands of euros)	as at 30 June 2015	as at 31 December 2014
Opening balance	**10,855**	**9,732**
Change in the scope of consolidation	-	219
Provision net of transfers to pension funds	306	271
Financial expense	68	273
Actuarial (gains)/losses	-	937
Transfers (to)/from other provisions	-	-
(Uses net of transfers to pension funds)	(1,307)	(577)
Closing balance	**9,922**	**10,855**

The item includes the Provision for Employee Severance Indemnity recognised to the employees of Italian group companies and identified as a defined benefit plan.

This item also includes the amount accrued on the LTI-Cash 2015-2017 variable remuneration plan for Directors, Managers, Senior Managers and Executives, based on which a bonus is disbursed at the end of the three-year period if certain economic and financial targets are met and in relation to the Servizi Italia share price.

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 around Euro 1,050 thousand.

6.19 Provisions for risks and charges

The item is broken down as follows:

(thousands of euros)	as at 30 June 2015	as at 31 December 2014
Opening balance	**126**	**343**
Increases	-	64
Decreases	(22)	(281)
Other changes	-	-
Closing balance	**104**	**126**

The item refers to provisions for the risks of labour disputes allocated in previous years in the financial statements of the parent company and of the Brazilian subsidiaries.

6.20 Other non-current financial liabilities

The item decreased by Euro 171 thousand from Euro 6,194 thousand to Euro 6,023 thousand. This fall was due to financial liabilities from the put options recognised to the non-controlling shareholders of Maxlav Lavanderia Especializada S.A. and Vida Lavanderias Especializada S.A. with reference to the remaining non-controlling interests.

6.21 Trade payables

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Due to suppliers	57,212	56,477
Due to associates	3,558	3,621
Due to parent companies	4,367	4,577
Total	**65,137**	**64,675**

6.21.1 Due to suppliers

The balance as at 30 June 2015 refers entirely to trade payables due within 12 months.

6.21.2 Due to associates and the parent company

The balance as at 30 June 2015 mainly refers to trade payables due to the associates Steril Piemonte S.c.r.l. (Euro 756 thousand), Centro Italia Servizi S.r.l. (Euro 472 thousand), Ekolav S.r.l. (Euro 541 thousand), AMG S.r.l. (Euro 543 thousand) and SE.STE.RO. S.r.l. (Euro 437 thousand).

Trade payables due to the parent company Coopservice S.Coop.p.A. are mainly for transport services.

6.22 Current tax payables

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Advance payments for taxes	306	4,972
Tax payables	(3,185)	(5,995)
Total	**(2,879)**	**(1,023)**

The increase in current tax payables is due mainly to the different timing recognition of the payment of advances of current IRES and IRAP taxes compared to 31 December 2014.

6.23 Other current financial liabilities

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Liability for put options and earn-out on Lavsim Higienização Têxtil S.A.	-	5,722
Liability for earn-out on Maxlav Lavanderia Especializada S.A. and Vida Lavanderias Especializada S.A.	71	77
Total	**71**	**5,799**

The change in this item arose from the payment on 16 January 2015 of the amount due for the exercising of the put option 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.

6.24 Other current payables

The table below provides a breakdown of other current liabilities.

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Accrued liabilities	29	12
Deferred income	984	964
Due to social security and welfare institutions	4,214	4,937
Other payables	12,722	18,106
Total	**17,949**	**24,019**

The item decreased by Euro 6,070 thousand from Euro 24,019 thousand as at 31 December 2014 to Euro 17,949 thousand as at 30 June 2015. This difference was caused by 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.

6.24.1 Due to social security and welfare institutions

Amounts due to social security include contributions to INPS/INAIL/INPDAI (National Social Security Institution/Italian Institution for Insurance Against Workplace Accidents/National Welfare Institute for Industrial Managerial Employees) totalling Euro 4,214 thousand, all falling due within the year.

6.24.2 Other payables

The item is broken down as follows:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Due to employees	10,318	8,980
Employee/professional IRPEF (personal income tax) payable	1,381	1,711
Current and deferred VAT payable	22	6,761
Other payables	1,001	654
Total	**12,722**	**18,106**

The increase in the item Other payables is due mainly to the recognition of the current payable for the non-compete agreement amounting to Euro 516 thousand described in previous paragraph 6.2.

6.25 Net financial debt

The Group’s net financial debt as at 30 June 2015 and as at 31 December 2014 is shown below.

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Cash and cash equivalents in hand	42	68
Cash at bank	3,336	5,110
Cash and cash equivalents	**3,378**	**5,178**
Current financial receivables	8,272	7,791
Current liabilities to banks and other lenders	(47,414)	(42,791)
Current net financial debt	**(39,142)**	**(35,000)**
Non-current liabilities to banks and other lenders	(32,621)	(28,257)
Non-current net financial debt	**(32,621)**	**(28,257)**
Net financial debt	**(68,385)**	**(58,079)**

The net financial debt as at 30 June 2015 shows an increase of Euro 10,306 thousand compared to 31 December 2014, as a result of both the payment of the price related to the acquisition of the remaining 50% of the share capital of the company Lavsim Higienização Têxtil S.A., equal to Euro 6,094 thousand, calculated on the basis of and exchange rate of 3.0357 at the payment date of 16 January 2015, and due to lower cash flows generated by the receivables from customers of the public administration due to the introduction of the split payment regulation introduced in Italy with the 2015 Stability Law.

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 payables" and the value of "Other non-current financial liabilities" in "Other non-current liabilitiess".

(thousands of euros)	**as at 30 June 2015**	*of which with related parties*	**as at 31 December 2014**	*of which with related parties*
A. Cash	42	-	68	-
B. Other cash equivalents	3,336	-	5,110	-
C. Securities held for trading	-	-	-	-
D. Cash and cash equivalents (A) + (B) + (C)	**3,378**		**5,178**	
E. Current financial receivables	8,272	*5,710*	7,791	*5,710*
F. Current bank borrowings	(30,868)	-	(26,391)	-
G. Current portion of non-current borrowings	(16,546)	-	(16,400)	-
H. Other current financial liabilities	(71)	-	(5,799)	-
I. Current financial debt (F) + (G) + (H)	**(47,485)**		**(48,590)**	
J. Current net financial debt (I) - (E) - (D)	**(35,835)**		**(35,621)**	
K. Non-current bank borrowings	(32,621)	-	(28,258)	-
L. Bonds issued	-	-	-	-
M. Other non-current liabilitiess	(6,023)	-	(6,194)	-
N. Non-current financial debt (K) + (L) + (M)	**(38,644)**		**(34,452)**	
O. Net financial debt (J) + (N)	**(74,479)**		**(70,073)**	

6.26 Financial guarantee contracts

The table below lists the guarantees given by the company, existing as at 30 June 2015 and as at 31 December 2014:

(thousands of euros)	**as at 30 June 2015**	**as at 31 December 2014**
Guarantees issued by banks and insurance companies for tenders	49,155	51,229
Guarantees issued by banks and insurance companies for lease agreements and utilities	581	549
Guarantees issued by banks and insurance companies in favour of third parties	35,804	34,215
Owned assets held by third parties	49	49
Pledge on Asolo Hospital Service shares to back loans granted to the Project Companies	464	464
Pledge on Sesamo shares to back loans granted to the Project Companies	237	237
Pledge on Prog.Este shares to back loans granted to the Project Companies	1,212	1,212
Pledge on Progeni shares to back loans granted to the Project Companies	380	380
Total	**87,882**	**88,335**

Guarantees issued by banks and insurance companies for tenders: these were issued on behalf of the company in favour of customers or potential customers for participation in tenders, to guarantee the correct execution of the service.

Guarantees issued by banks and insurance companies for lease agreements and utilities: these were issued on behalf of the company to guarantee the payment of lease instalments and invoices for the supply of electricity and gas.

Guarantees issued by banks and insurance companies in favour of third parties: these are guarantees issued to back the payment of the company's portion of the project financing and guarantees issued in favour of PSIS S.r.l., Steril Piemonte S.c.r.l., I.P.P. S.r.l., Ekolav S.r.l. and Shubhram Hospital Solutions Private Limited to back loan agreements.

Mortgage loans on owned property: the company has not granted liens on owned property and has no mortgage loans.

Pledge on Asolo Hospital Service, Sesamo, Progeni and Prog.Este shares to back loans granted to the project companies: this pledge was granted to the banks providing the project financing on the shares representing the company's shareholding in the special purpose entity.

7 INCOME STATEMENT

7.1 Revenue from sales

The item is broken down as follows by business:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Wash-hire	88,207	87,921
Steril B	10,120	10,464
Steril C	18,890	17,391
Revenue from sales	**117,217**	**115,776**

Revenue and services by geographical area are broken down as follows:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Abruzzo	7	5
Basilicata	209	223
Campania	21	20
Emilia Romagna	16,168	16,215
Friuli Venezia Giulia	8,679	7,180
Lazio	6,582	6,788
Liguria	14,081	13,984
Lombardy	21,535	22,231
Marche	1,779	1,737
Piedmont	5,244	5,094
Sicily	1,547	1,542
Tuscany	13,363	13,456
Trentino Alto Adige	2,787	2,738
Umbria	130	132
Valle D'Aosta	602	639
Veneto	12,922	13,280
EEC Revenue	11	13
Non-EEC Revenue (BRAZIL)	11,550	10,499
Total	**117,217**	**115,776**

7.2 Other income

This balance mainly includes ordinary gains of Euro 129 thousand from the disposal of assets, recoveries of costs and personnel attributable to third parties for Euro 520 thousand, charge-backs of Euro 1,313 thousand for consortium costs, non-recurring income of Euro 239 thousand and other income of Euro 371 thousand.

7.3 Raw materials and consumables

As at 30 June 2015, consumption of raw materials amounted to Euro 12,529 thousand, down by Euro 26 thousand compared to the same period of the previous year, primarily associated with washing products, chemical products, packaging, consumables, single-use materials and procedure kits.

7.4 Costs for services

The item is broken down as follows:

(thousands of euros)	Half-year ended as at 30 June	
	2015	**2014**
External laundering and other industrial services	(9,949)	(10,166)
Travel and transport	(6,085)	(5,968)
Utilities	(6,030)	(6,117)
Administrative costs	(1,534)	(1,506)
Consortium and sales costs	(4,526)	(4,420)
Personnel expense	(1,040)	(999)
Maintenance	(2,904)	(2,508)
Use of third-party assets	(3,926)	(3,881)
Other services	(545)	(548)
Total	**(36,539)**	**(36,113)**

External laundering and other industrial services fell by Euro 217 thousand compared to the same period of 2014. The reduction in the item is attributable essentially to lower use of the external laundering service, partially offset by the increase in the linen store service at new customers such as the Local Health Unit no. 3 Alto - Collinare - Medio Friuli, Istituto Europeo di Oncologia S.r.l., Centro Cardiologico Monzino S.p.A. and the Niguarda Ca’ Granda Hospital of Milan, and the increase in the service at existing customers like the Reggio Emilia Hospital and Reggio Emilia LHU.

Travel and transport costs increased to Euro 117 thousand as a result of the redefinition of the Group's production logistics and new services provided for the customers Frosinone LHA, I.N.M.I. - Lazzaro Spallanzani, Istituto Europeo di Oncologia S.r.l. and Centro Cardiologico Monzino S.p.A..

Utilities fell by Euro 87 thousand, mainly due to a fall in consumption achieved thanks to greater production efficiencies.

Administrative costs rose from Euro 1,506 thousand as at 30 June 2014 to Euro 1,534 thousand as at 30 June 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 rose from Euro 4,420 thousand as at 30 June 2014 to Euro 4,526 thousand as at 30 June 2015. The lower charge-backs of costs received for the temporary joint consortia of the customers LHA AL of Alessandria, San Giovanni Addolorata Hospital in Rome and LHA 8 Arezzo are in contrast to the higher sales consultancy costs.

Maintenance increased by Euro 396 thousand from Euro 2,508 thousand to Euro 2,904 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 186 thousand).

Costs for the use of third-party assets rose by Euro 45 thousand compared to the first half of 2014. This increase is due to the Istat adjustments of existing rentals (in particular, in Brazil the increase came to Euro 22 thousand) and the increase, compared to the same period in the previous year, in the rental of anti-decubitus mattresses for existing customers and for the new customer I.N.M.I - Lazzaro Spallanzani.

7.5 Personnel expense

The item is broken down as follows:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Costs for directors´ fees	(566)	(529)
Salaries and wages	(26,321)	(24,969)
Temporary work	(759)	(1,196)
Social security charges	(8,663)	(8,250)
Employee severance indemnity	(1,439)	(1,281)
Other costs	(78)	(20)
Total	**(37,826)**	**(36,245)**

The rise in personnel expense compared to the same period of the previous year is essentially related to the increase in wages and salaries as established in the national collective labour agreement in two contractual instalments: the first in January 2015 and the second in June 2015. In addition to these increases is the hiring of new personnel at the surgical instrument sterilisation centres in Brescia and Udine and the increase of Euro 188 thousand in the personnel expense of the Brazilian companies.

The table below shows the average breakdown of personnel:

	Personnel as at 30 June	
	2015	**2014**
Executives	12	11
Middle managers	19	21
White-collar staff	174	175
Blue-collar staff	2,746	2,761
Total	**2,951**	**2,968**

7.6 Other costs

The item is broken down as follows:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Tax-related expense	(92)	(96)
Contingent liabilities	(168)	(303)
Membership fees	(105)	(101)
Gifts to customers and employees	(6)	(3)
Other	(358)	(417)
Total	**(729)**	**(920)**

7.7 Depreciation, amortisation, impairment and provisions

The item is broken down as follows:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Amortisation of intangible assets	(530)	(371)
Depreciation of property, plant and equipment	(21,700)	(20,233)
Provision for Bad Debt	(264)	(282)
(Allocations)/Uses of provision for sundry risks	18	(815)
Total	**(22,476)**	**(21,701)**

The depreciation of property, plant and equipment rose by 7.3%, while the amortisation of intangible assets rose by 42.9%.

The change in the amortisation of intangible assets refers mainly to the effects of the recognition of the non-compete agreement stipulated with the previous CEO and the impact of the amortisation of the customer portfolio of the incorporated company Si.Gi. Servizi Ospedalieri S.r.l..

In particular, the increase in property, plant and equipment rise was realised in the Brazilian area, due to an increase in the depreciation of linen and new production lines, while in the Italian area, depreciation rose with respect to surgical instruments, whose relative impact increased due to the ramp-up phases of the new sterilisation contracts.

The item “provisions for losses” as at 30 June 2014, reflected the allocation of Euro 815 thousand to the provision for risks, relating to a dispute with the Genoa Port Authority, subsequently released on the basis of the opinion of its legal representatives.

7.8 Financial income

The item is broken down as follows:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Bank interest income	87	80
Default interest	304	713
Interest income on loans to third-party companies	116	145
Other financial income	45	67
Total	**552**	**1,005**

Bank interest income is basically in line with the amount as at 30 June 2014, while default interest decreased due to the settlement agreement with AUSL (Local Health Authority) of Modena in 2014, entailing the recognition of Euro 423 thousand in interest. Interest income on loans to third-party companies fell as a result of the reduction in the Euribor reference rate. Other financial income was essentially stable.

7.9 Financial expense

The item is broken down as follows:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Interest expense and bank commission	(1,158)	(1,350)
Interest and expense to other lenders	(215)	(501)
Financial expense on employee benefits	(78)	(142)
Other financial expense	(351)	(652)
Total	**(1,802)**	**(2,645)**

The fall in the item “Interest expense and bank commission” is essentially linked to the reduction in the rates applied by banks to the credit facilities used. The decrease in the item “Interest and expense to other lenders” decreased as a result of the reduction in both the spreads renegotiated with the banks and the total amount transferred as part of without recourse factoring transactions. Other financial expense fell primarily due to the decrease in expenses accrued on the payable relating to the put options associated with the acquisition of the remaining 50.0% of the Brazilian company Lavsim Higienização Têxtil S.A., given said entity was acquired on 16 January 2015.

7.10 Income and expense from equity investments

No income and expense from equity investments was recorded as at 30 June 2015.

7.11 Income taxes

The item is broken down as follows:

(thousands of euros)	**Half-year ended as at 30 June**	
	2015	**2014**
Current taxes	(2,633)	(3,525)
Deferred tax assets/(liabilities)	130	292
Total	**(2,503)**	**(3,233)**

The tax rate fell from 34.4% as at 30 June 2014 to 29.7% as at 30 June 2015. The decrease in the tax charge was mainly determined, in the Italian area, by the new IRAP regulations introduced by the 2015 Stability Law which makes provision, from 1 January 2015, for the deduction, in addition to flat-rate and analytical deductions relating to the cost of labour, of also the amount relating to the difference between the total cost of labour (relating to open-ended contracts) and deductions due.

7.12 Earnings per share

Basic and diluted earnings per share are calculated in the tables below.

(thousands of euros)	Half-year ended as at 30 June	
	2015	**2014**
Profit/loss attributable to shareholders of the parent company	6,040	6,026
Average number of shares	28,137	28,137
Basic earnings per share	**0.21**	**0.21**

(thousands of euros)	Half-year ended as at 30 June	
	2015	**2014**
Profit/loss for the year attributable to the Group:	6,040	6,026
Average number of shares outstanding	28,137	28,137
Number of shares with dilutive effect	698	919
Average number of shares used to calculate diluted EPS	28,835	29,056
Diluted earnings per share	**0.21**	**0.21**

The earnings per share as at 30 June 2014 changed compared to the 2014 half-year report due to the share capital increase in October 2014, involving the subscription of 789,036 "Warrant Servizi Italia S.p.A. 2012 – 2015", equivalent to 197,259 shares. The profit for the previous period is therefore placed in relation to the new number of shares in circulation.

8 TRANSACTIONS WITH GROUP COMPANIES AND RELATED PARTIES

The Servizi Italia Group's transactions with associates, jointly controlled companies, parent companies and other related parties mainly relate to:

- dealings associated with commercial service agreements;
- loans granted and obtained.

All of these transactions are carried out in the ordinary course of business and are governed by arm's length agreements.

Transactions with related parties of the Servizi Italia Group with an impact on the income statement are shown below as at 30 June 2015 and as at 30 June 2014:

(thousands of euros)	30 June 2015						
Income statement	**Sale of goods and services**	**Other income**	**Purchase of goods and services**	**Personnel expense**	**Purchases of property, plant and equipment and intangible assets**	**Other costs**	**Financial income**
Coopservice S.Coop.p.A. (parent company)	177	19	5,200	-	1	8	-
Aurum S.p.A. (parent company)	-	-	-	-	-	-	-
Centro Italia Servizi S.r.l. (joint control)	1	3	482	-	-	-	-
Consorzio Co.Se.S. (associate)	-	-	314	-	-	-	-
Shubhram Hospital Solutions Private Limited (associate)	-	-	-	-	-	-	-
S.A.S. Sterilizasyon Servisleri A.Ş. (associate)	-	-	-	-	-	-	-
SE.STE.RO. S.r.l. (associate)	16	32	251	-	-	2	-
PSIS S.r.l. (associate)	95	62	13	-	16	-	29
Amg S.r.l. (associate)	167	-	446	-	-	-	1

Ekolav S.r.l. (associate)	-	-	673	-	1	-	1
Steril Piemonte S.c.r.l. (associate)	7	153	765	-	-	-	3
Piemonte Servizi Sanitaria S.c.r.l. (associate)	-	-	360	-	-	-	-
Iniziative Produttive Piemontesi S.r.l. (associate)	65	-	260	-	-	-	-
Elettrica Gover S.r.l. (affiliated company)	-	-	1	-	11	-	-
Focus S.p.A. (affiliated company)	-	-	1,251	-	-	11	-
Archimede S.p.A. (affiliated company)	-	5	-	582	-	-	-
New Fleur S.r.l. (affiliated company)	21	-	252	-	-	7	-
Ad Personam S.r.l. (affiliated company)	-	-	19	-	-	-	-
Electric System S.r.l. (affiliated company)	-	-	1	-	-	-	-
Total	**549**	**274**	**10,288**	**582**	**29**	**28**	**34**

(thousands of euros)	**30 June 2014**						
Income statement	**Sale of goods and services**	**Other income**	**Purchase of goods and services**	**Personnel expense**	**Purchases of property, plant and equipment and intangible assets**	**Other costs**	**Financial income**
Coopservice S.Coop.p.A. (parent company)	178	20	5,063	-	-	6	-
Aurum S.p.A. (parent company)	-	-	-	-	-	-	-
Electric System S.r.l. (affiliated company)	-	-	1	-	-	-	-
Si.Gi. S.r.l. (associate)	-	-	13	-	-	-	-
Centro Italia Servizi S.r.l. (joint control)	1	3	497	-	-	-	-
Consorzio Co.Se.S. (associate)	-	-	325	-	-	-	-
SE.STE.RO. S.r.l. (associate)	18	33	271	-	-	-	-
PSIS S.r.l. (joint control)	115	110	-	-	-	-	34
Amg S.r.l. (joint control)	152	26	505	-	-	-	2
Ekolav S.r.l. (associate)	-	-	576	-	1	-	1
Steril Piemonte S.c.r.l. (joint control)	7	151	825	-	-	-	6
Piemonte Servizi Sanitaria S.c.r.l. (associate)	-	-	361	-	-	-	-
Iniziative Produttive Piemontesi S.r.l. (associate)	74	-	344	-	-	-	1
Elettrica Gover S.r.l. (affiliated company)	-	-	13	-	113	-	-
Focus S.p.A. (affiliated company)	-	-	1,276	-	-	10	-
Archimede S.p.A. (affiliated company)	-	-	-	1,126	-	1	-
New Fleur S.r.l. (affiliated company)	10	-	832	-	-	-	-
Ad Personam S.r.l. (affiliated company)	-	-	13	-	-	-	-
S.A.S. Sterilizasyon Servisleri A.Ş. (joint control)	-	14	-	-	-	-	-
Total	**555**	**357**	**10,915**	**1,126**	**114**	**17**	**44**

Aside from the figures shown above, “Personnel expense” as at 30 June 2015 includes directors’ fees of Euro 604 thousand (of which Euro 38 thousand for social security charges) and executive personnel expense of Euro 849 thousand. As at 30 June 2014, directors’ fees amounted to Euro 563 thousand (of which Euro 34 thousand for social security charges) and executive personnel expense came to Euro 751 thousand.

Transactions with related parties of the Servizi Italia Group with an impact on the statement of financial position are shown below as at 30 June 2015 and as at 31 December 2014:

(thousands of euros)	30 June 2015				
Statement of financial position	**Amount of trade receivables**	**Amount of trade payables**	**Amount of financial receivables**	**Amount of financial payables**	**Amount of other liabilities**
Coopservice S.Coop.p.A. (parent company)	202	4,367	-	-	-
Aurum S.p.A. (parent company)	-	-	-	-	-
Centro Italia Servizi S.r.l. (joint control)	4	472	-	-	-
Consorzio Co.Se.S. (associate)	-	342	-	-	-
SE.STE.RO. S.r.l. (associate)	53	437	-	-	-
PSIS S.r.l. (associate)	369	67	3,894	-	-
Amg S.r.l. (associate)	278	543	501	-	-
Ekolav S.r.l. (associate)	45	542	184	-	-
Steril Piemonte S.c.r.l. (associate)	189	756	1,153	-	-
Piemonte Servizi Sanitaria S.c.r.l. (associate)	-	285	-	-	-
Iniziative Produttive Piemontesi S.r.l. (associate)	46	115	91	-	-
SAS Sterilizasyon Servisleri A.Ş. (associate)	-	-	-	-	-
Shubhram Hospital Solutions Private Limited (associate)	10	-	-	-	-
Elettrica Gover S.r.l. (affiliated company)	-	12	-	-	-
Focus S.p.A. (affiliated company)	-	1,017	-	-	-
Archimede S.p.A. (affiliated company)	-	214	-	-	-
Electric System S.r.l. (affiliated company)	-	-	-	-	-
New Fleur S.r.l. (affiliated company)	50	239	-	-	-
Ad Personam S.r.l. (affiliated company)	-	15	-	-	-
Total	**1,246**	**9,423**	**5,823**	-	-

(thousands of euros)	31 December 2014				
Statement of financial position	**Amount of trade receivables**	**Amount of trade payables**	**Amount of financial receivables**	**Amount of financial payables**	**Amount of other liabilities**
Coopservice S.Coop.p.A. (parent company)	346	4,577	-	-	-
Aurum S.p.A. (parent company)	-	-	-	-	-
Centro Italia Servizi S.r.l. (joint control)	8	637	-	-	-
Consorzio Co.Se.S. (associate)	-	314	-	-	-
SE.STE.RO. S.r.l. (associate)	184	507	-	-	-
PSIS S.r.l. (associate)	353	34	3,800	-	-
Amg S.r.l. (associate)	208	488	500	-	-
Ekolav S.r.l. (associate)	120	522	170	-	-
Steril Piemonte S.c.r.l. (associate)	109	507	1,150	-	-
Piemonte Servizi Sanitaria S.c.r.l. (associate)	-	416	-	-	-
Iniziative Produttive Piemontesi S.r.l. (associate)	35	196	90	-	-
SAS Sterilizasyon Servisleri A.Ş. (associate)	-	-	-	-	-
Shubhram Hospital Solutions Private Limited (associate)	2	-	-	-	-
Elettrica Gover S.r.l. (affiliated company)	2	113	-	-	-
Focus S.p.A. (affiliated company)	-	-	-	-	-
Archimede S.p.A. (affiliated company)	-	280	-	-	-
Electric System S.r.l. (affiliated company)	-	-	-	-	-
New Fleur S.r.l. (affiliated company)	25	494	-	-	-
Ad Personam S.r.l. (affiliated company)	-	10	-	-	-
Total	**1,392**	**9,095**	**5,710**	-	-

The following paragraphs describe the most significant transactions broken down by company.

Coopservice Soc.Coop.p.A.

Revenue from sales and the associated trade receivables as at 30 June 2015 refer primarily to linen washing services provided to the parent company. The Servizi Italia Group also purchases transport services for linen and surgical instrument pick-up and delivery (Euro 4,479 thousand), cleaning and security services (Euro 379 thousand) and linen store services (Euro 230 thousand) from its parent company.

Focus S.p.A.

Transactions with Focus S.p.A. relate to lease agreements on the Castellina di Soragna, Montecchio Precalcino, Ariccia and Genoa Bolzaneto properties. The first agreements are for six years and renewable for another six, while the Genoa Bolzaneto agreement is for fourteen years and renewable for another six. The total consideration for leased properties amounted to Euro 1,251 thousand in the first half of 2015.

Archimede S.p.A.

Transactions with Archimede S.p.A. are associated with temporary staff leasing service agreements.

New Fleur S.r.l.

Transactions with New Fleur S.r.l. are primarily for laundry services rendered.

Centro Italia Servizi S.r.l.

As at 30 June 2015, revenue from sales of goods and services and the relative trade receivables due from Centro Italia Servizi S.r.l. refer to the sale of assets to be used in the wash-hire business carried out by this associate at the Arezzo hospital. On the other hand, purchase costs and the relative trade payables regard the charge-back of costs incurred by Centro Italia Servizi S.r.l., which are divided amongst the shareholders on the basis of their shareholdings.

Steril Piemonte S.c.r.l.

As at 30 June 2015, revenue from the sale of goods and services and purchase costs linked to Steril Piemonte S.c.r.l. refer to the chargeback of costs incurred by the Company and by the Consortium for surgical instrument sterilisation activities at ASL (Local Health Authority) AL Piedmont Region. The financial receivable is for a Euro 1,153 thousand loan granted to the associate.

Iniziative Produttive Piemontesi S.r.l.

Revenue from the sale of goods and services to Iniziative Produttive Piemontesi S.r.l. as at 30 June 2015 primarily relates to the sale of single-use Medical Devices for Euro 65 thousand, whereas purchase costs relate to charge-backs of Euro 260 thousand for supplies of sterile kits for the Ordine Mauriziano Hospital in Turin and the Desio e Vimercate Hospital. The financial receivable is for a Euro 91 thousand loan granted to the associate.

Ekolav S.r.l.

Purchases of goods and services and the relative trade payables due to Ekolav S.r.l. are primarily for laundering and transport services. The financial receivable is for a Euro 184 thousand loan granted to the associate.

PSIS S.r.l.

Revenue from the sale of goods and services and the associated trade receivables due from PSIS S.r.l. are mainly for the administrative management service charge of Euro 38 thousand and sales of single-use medical devices for Euro 95 thousand. The financial receivables of Euro 3,894 thousand are for internal financing granted to support current investments.

AMG S.r.l.

Economic transactions carried out with AMG S.r.l. are mainly for external laundering services at the Asti, Casale Monferrato, Vercelli and Turin 3 LHAs and (Euro 446 thousand), and revenue derives from linen sterilisation services. The Company has granted A.M.G. S.r.l. a loan of Euro 501 thousand to support current investments.

SE.STE.RO. S.r.l.

Purchases of goods and services and the relative trade payables due to Se.Ste.Ro. S.r.l. are primarily for the sterilisation service for Bambino Gesù Paediatric Hospital in Rome.

8.1 Company officers' fees

Economic transactions with the company officers as at 30 June 2015 are summarised below:

- Board of Directors: Euro 566 thousand (recognised as personnel expense);
- Board of Statutory Auditors: Euro 60 thousand (recognised as Costs for services).

9 INCOME FROM NON-RECURRING, ATYPICAL AND/OR UNUSUAL TRANSACTIONS

During the half, there were no non-recurring, atypical and/or unusual transactions as defined in Consob communication No. 6064293 of 28 July 2006.

The Chairman of the Board of Directors

(Roberto Olivi)

Certification of the half-year condensed financial statements pursuant to Art. 81-ter of Consob regulation No. 11971 of 14 May 1999 as amended

Castellina di Soragna, Italy, 7 August 2015

1. In consideration of the provisions of Art. 154-bis, paragraphs 3 and 4 of Italian Legislative Decree No. 58 of 24 February 1998, the undersigned Enea Righi, in his capacity as "CEO", and Ilaria Eugeniani, in her capacity as "Financial Reporting Manager" of Servizi Italia S.p.A., certify:

   - the adequacy in relation to the characteristics of the company and
   - the effective application of the administrative and accounting procedures to prepare the half-year condensed consolidated financial statements from 1 January 2015 to 30 June 2015.

2. It is also certified that:

   2.1. the half-year condensed consolidated financial statements:

   a) have been prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

   b) correspond to the books and accounting entries;

   c) provide a suitably true and fair view of the financial position, income and cash flows of the issuer and of the consolidated companies.

3. The interim directors' report includes a reliable analysis of the significant events that took place in the first six months of the year and their impact on the half-year condensed financial statements, along with a description of the principal risks and uncertainties for the remaining six months of the year. The interim directors' report also includes a reliable analysis of information on related party transactions.

The CEO

Enea Righi

Financial Reporting Manager

Ilaria Eugeniani

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REPORT ON REVIEW OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SERVIZI ITALIA S.p.A.

Introduction

We have reviewed the accompanying half-year condensed consolidated financial statements, which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity and cash flow statement, and related explanatory notes of Servizi Italia S.p.A. and subsidiaries (the "Servizi Italia Group") as of June 30, 2015. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-year interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-year condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-year condensed consolidated financial statements of Servizi Italia Group as of June 30, 2014 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

Other Matter

The consolidated financial statements of Servizi Italia Group for the period ended as of December 31, 2014 and the half-year condensed consolidated financial statements for the period ended as of June 30, 2014 have been respectively audited and reviewed by other auditors that on March 30, 2015 and on August 12, 2014 expressed an unmodified opinion and an unmodified conclusion on those half-year condensed consolidated financial statements.

DELOITTE & TOUCHE S.p.A.

Signed by
Domenico Farioli
Partner

Parma, Italy
August 8, 2015

This report has been translated into the English language solely for the convenience of international readers.