



**PRESS RELEASE**  
**13 March 2018**

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**THE BOARD OF DIRECTORS OF SERVIZI ITALIA APPROVED THE  
CONSOLIDATED RESULTS AT 31 DECEMBER 2017: RECORD RESULTS  
WITH REVENUES, EBITDA AND NET PROFIT GROWTH**

- **Revenues at Euro 252.1 million, +6.1% compared to Euro 237.7 million in 2016**
- **EBITDA at Euro 69.8 million, +9.1% compared to Euro 64.0 million in 2016**
- **EBIT at Euro 16.4 million, +19.1% compared to Euro 13.7 million in 2016**
- **Net profit at Euro 14.4 million, +36.6% compared to Euro 10.5 million in 2016**
- **Dividend of Euro 0.17 per share proposed**
- **Net financial position at Euro 75.6 million compared to Euro 79.6 million at 31 December 2016**

*Castellina di Soragna, 13 March 2018*

The Board of Directors of Servizi Italia, the Italian market leader in the outsourcing of hospital sanitary services, also operating in Brazil, Turkey, India, Albania and Morocco and listed on the STAR segment of the Italian Stock Exchange, today approved the Consolidated Financial Statements at 31 December 2017.

*"2017 ended positively and the Group achieved record results in line with our expectations" - stated **Enea Righi**, Vice President and Chief Executive Officer of Servizi Italia - "Revenues, EBITDA and net profit are in fact at historic highs and allow to propose a distribution of profit based on a pay-out of around 40% for our shareholders.*

*2017 results demonstrate the validity of our strategy, characterized by a solid mix of organic growth, acquisitions and operational efficiency improvement, which makes our business model unique. Thanks to the good work of the entire management, the projects carried out during the year have brought value to the Company. The actions aimed at optimizing costs and continuously seeking efficiency, while generating one-off costs, have enabled us to achieve our management objectives and meet the quality needs of our customers, implementing also the value of social sustainability, an element that is increasingly transversal to our business. In line with the strategies adopted so far, the*



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*main objective for the coming years is to make Servizi Italia even more solid, in order to further increase the competitiveness with strategies aimed at creating value for the company, which will have positive returns for our employees and for the Group's main stakeholders, also focusing on the development of the areas in which we operate".*

**CONSOLIDATED RESULTS AT DECEMBER 31, 2017**

In 2017, Servizi Italia Group reported **consolidated revenues** amounting to **Euro 252.1 million**, up 6.1% compared to Euro 237.7 million in 2016.

The increase was attributable to the consolidation in the Group's financial statements of the Turkish subsidiary company Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd. Şirketi within the wash-hire business line, and to organic growth and consolidation of Steritek S.p.A. within the linen sterilisation business line. With regard to the Brazilian market, the performance was driven by the increase in revenues from new contracts (+10.8%) and from the appreciation of approximately 6.5% of the average Real/Euro exchange rate compared to the previous year.

**All the Group's business lines reported a positive performance** in 2017, with an increase in revenues compared to the previous year:

- **the wash-hire business line** — representing 75.4% of total revenues and including all the activities relating to the washing, rental, collection and reconditioning of linen and mattresses — posted **revenues** totalling **Euro 190.2 million**, up 5.6% compared to Euro 180.1 million in 2016;
- **the linen sterilisation business line** — representing 8.1% of total revenues and including all the activities relating to the sterilisation of the sets and supplies of disposables utilized in surgery for preparing the surgical field and dressing of the medical team — reported **revenues** totalling **Euro 20.5 million**, up 6.9% compared to Euro 19.2 million in 2016;
- **the surgical instrument sterilisation business line** — representing 16.5% of total revenues and including all the activities relating to rental, collection and reconditioning of surgical instruments — reported revenues amounting to **Euro 41.5 million**, up 7.8% compared to Euro 38.5 million in 2016.



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**EBITDA**

Consolidated **EBITDA** was Euro 69.8 million (Euro 64.0 million at 31 December 2016), up 9.1% in absolute terms. This positive performance was mainly attributable to the revenue growth of the wash-hire and surgical instrument sterilisation business lines — driven by the consolidation of the Turkish subsidiary company Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd. Şirketi and the acquisition of Steritek S.p.A. — as well as the tighter operating cost containment in relative terms of utilities, rentals, administrative expenses and third-party personnel.

The following generated an unfavourably impact: increase in staff expenses within the Brazilian area (adjustment of the collective bargaining labour agreements to the inflation rate, hirings due to a rise in washing services following new contracts, appreciation of the Real/Euro exchange rate); the increase in one-off expenses arising from the industrial restructuring and reorganisation activities in the Italian North-Western Area; the settlement payment referring to the registration tax and to accessory charges for the acquisition of Lavanderia Industriale Z.B.M. S.p.A., and the indemnity paid to the company Focus S.p.A. owing the property for the impairment of the latter, after the commissioning of the Company's new headquarters and requalification of the production hub in Castellina di Soragna (Parma).

Net of the one-off components, **adjusted EBITDA**<sup>1</sup> was Euro 71.2 million, up 11.1% in absolute terms and with a relative EBITDA margin of 28.2% (27.6% on a like-for-like consolidation basis), up compared to 26.9% in 2016.

**EBIT**

Consolidated **EBIT** was **Euro 16.4 million** compared to Euro 13.7 million in 2016; relative EBIT margin on revenues was unchanged at 21.2%. The weight of the increase

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<sup>1</sup>Adjusted data do not include non-recurring expenses and referring to industrial restructuring and reorganisation activities in the Italian North-Western Area for Euro 557 thousand, and one-off expenses relating to the indemnity paid to the subsidiary Focus S.p.A. amounting to Euro 408 thousand, and to the payment of the registry tax and ancillary charges of Euro 361 thousand.



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in depreciation of linen within the Italian area was offset by the rise in revenues from the line washing services alone within the Turkish area and consolidated effective 2017.

Net of the one-off components, **adjusted EBIT<sup>2</sup>** was Euro 17.7 million, with a relative EBIT margin of 7.0% (6.3% on a like-for-like consolidation basis), up compared to 5.8% in 2016.

The **result before taxes** also grew to **Euro 17.8 million** compared to Euro 13.1 million in 2016. This performance was driven by the positive results reported by associates and joint ventures, consolidated using the equity method, and the collection of dividends from investee companies.

#### **NET PROFIT**

Consolidated Financial Statement as at 31 December 2017, **net profit** of **Servizi Italia** Group was **Euro 14.4 million**, up 36.6% (in absolute terms) compared to Euro 10.5 million in 2016.

#### **NET FINANCIAL POSITION**

**Net financial position** was **Euro 75.6 million**, improved compared to Euro 79.6 million at 31 December 2016.

#### **SERVIZI ITALIA S.P.A. RESULTS AT 31 DECEMBER 2017**

In 2017, Servizi Italia S.p.A.'s **revenues** amounted to **Euro 211.2 million** overall, up 6.3% compared to Euro 198.8 million in 2016.

**EBITDA** was **Euro 56.5 million**, with a 5.3% increase in absolute terms compared to Euro 53.7 million in 2016.

**EBIT** stood at **Euro 13.5 million** compared to Euro 14.7 million in the previous year.

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<sup>2</sup> Adjusted dates do not include non-recurring expenses and referring to industrial restructuring and reorganisation activities in the Italian North-Western Area for Euro 557 thousand, and one-off expenses relating to the indemnity paid to the subsidiary Focus S.p.A. amounting to Euro 408 thousand, and to the payment of the registry tax and ancillary charges of Euro 361 thousand.



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**Equity** totalled **Euro 142.4 million** compared to Euro 138.5 million as at 31 December 2016 restated.

**Net financial position** was **Euro 76.3 million** compared to Euro 73.4 million as at 31 December 2016.

**DISTRIBUTION OF THE DIVIDEND**

The Board of Directors will submit to the Shareholders' Meeting a proposal to distribute an ordinary unit dividend of Euro 0.17, gross of withholding taxes, for each of the shares outstanding at ex-dividend date, with the exception of treasury shares, for a maximum amount of Euro 5,407,607. Payment date will be 25 April 2018, with ex-dividend date 23 April 2018 and record date 24 April 2018, and it will regard all shares outstanding at ex-dividend date.

**EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

On 19 January 2018, Servizi Italia announced the resignations submitted on 17 January 2018 by Director Emil Anceschi. In assessing the resignations, the Company's Board of Directors observed that the composition of the Board remained however in line with applicable regulations in terms of gender balance and number of Directors who meet independence requirements. In light of the foregoing, and in view of the forthcoming expiry of the term of office of the current Board of Directors, which will occur concurrently with the approval of the Financial Statements for the year ended 31 December 2017, the Board of Directors, having received the favourable opinion of the Board of Statutory Auditors, deemed it appropriate not to co-opt any new director, pursuant to the Articles of Association and Article 2386 of the Italian Civil Code. It will instead directly submit the proposal for the appointment of the entire Board of Directors to the forthcoming Shareholders' Meeting. Further information is provided in the documentation published on the corporate website.

On 31 January 2018, the Company announced the end of the professional relationship with Maurizio Casol, a member of key management personnel and a related party within the meaning of the Regulation approved by Consob resolution No. 17221/2010 and the Related Party Transactions Regulation adopted by Servizi Italia. Further information is provided in the documentation published on the corporate website.



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**OUTLOOK**

Servizi Italia Group's forecasts for 2018 reflect its commitment to consolidate its investments in the countries in which it operates (Italy, Brazil, India and Turkey), the consolidation of the Group's organisational structure and the achievement of significant management efficiency objectives, with the aim of meeting clients' quality requirements and maintaining and improving business margins and profitability. In particular, the strategic action of Servizi Italia Group will develop to achieve the following objectives:

- consolidating its leadership in Italy by bidding on and securing contracts, cross-selling services and growing inorganically with the aim of increasing the value of the wash-hire, sterilisation and new services business lines;
- improving the levels of margins and profitability of the business in the countries where the Group operates. In detail:
  - in Italy, through actions aimed at satisfying health requirements regarding the new models of healthcare organisation at a regional level;
  - in Brazil, through cost containment, ongoing search for synergies, as well as production efficiencies and reorganisation of the Group companies;
  - in India, through the action of the local management, aimed at promoting the business model in order to increase demand, and therefore revenues, to cover the start-up costs generated by the opening of the new company;
  - in Turkey, through the implementation of policies and organisational/industrial models associated with the Parent Company;
- consolidating the Group's organisational structure by implementing a new organisational model aimed both at achieving strategic priorities in view of the Company's international development and at optimally exploiting the services offered by the business lines through implementation of the additional functions needed to develop new processes in order to ensure the continuity of all the Group's services. The organisational model has also been adapted to suit the growing size of the business, the Company's administrative and accounting structure and the development of its strategic subsidiaries, with particular regard to the internal control and risk management system;



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- further implementing the value of social sustainability, deemed increasingly transversal to the various aspects of the business.

**AUTHORISATION TO BUY BACK AND DISPOSE OF TREASURY SHARES**

With the resolution passed on 20 April 2017, the ordinary Shareholders' Meeting approved the purchase of treasury shares within the maximum limit of 20% of the share capital for a period of no more than 18 months from the date of approval of the resolution. The effects of the aforesaid resolution will expire on 20 October 2018.

As the same conditions which led the Shareholders' Meeting to pass the resolution in April 2017 continue to apply, it is deemed useful to submit to the ordinary Shareholders' Meeting called on 20 April 2018 the proposal to renew the authorisation to buy back and dispose of treasury shares within the maximum limit of 20% of the share capital, subject to cancellation of the former plan approved by the Shareholders' Meeting on 20 April 2017.

The proposal for authorisation was submitted in consideration of the need to effectively use available corporate liquidity for strategic transactions and/or subsequent transactions to buy back and dispose of shares, within the limits allowed by the market practice. Transactions for the buy-back of treasury shares will be performed on the market at a price of no more than 20% below or above the weighted average of the official prices in the three days prior to each transaction.

**OTHER BOARD OF DIRECTORS' RESOLUTIONS**

The Board of Directors, following the favourable opinion of the Board Committees and the Board of Statutory Auditors, examined and approved: (i) the *Report on Corporate Governance and Ownership Structure* for 2017; (ii) the *Remuneration Report* regarding Directors and Key Management Personnel pursuant to Article 123-ter of Legislative Decree 58/98; (iii) the *Consolidated Non-financial Report: 2017 Sustainability Report*, drawn up pursuant to Legislative Decree 254/16; (iv) the Regulations for the implementation of the Annual Bonus System Incentive Plan and the Incentive Monetary Long Term Incentive Cash Plan 2018-2020 for the key resources of the Servizi Italia Group.





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### **DEPOSIT OF THE DOCUMENTATION**

Any relevant documentation will be available for public at Company's registered office, on 1Info Storage and on Company's website [www.si-servizitalia.com](http://www.si-servizitalia.com), section Corporate Governace in accordance with the existing laws.

### **Declaration of the Executive Responsible for the preparation of the accounting documents**

The Executive Responsible for the preparation of the corporate accounting documents, Ilaria Eugeniani, declares in accordance with Article 154 bis, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.

#### **Alternative performance indicators**

*The present document uses an "alternative performance indicator" not provided for under IFRS accounting standards, outlined in accordance with CESR recommendation 05-178b published on November 3<sup>rd</sup>, 2005:*

*The EBITDA was defined by company management as the difference between the value of sales and services and operating costs before amortization, depreciation and write-downs.*

*From today this press release is available on the company's website [www.si-servizitalia.com](http://www.si-servizitalia.com) and disclosed by eMarket SDIR and 1Info Storage ([www.1info.it](http://www.1info.it)) systems.*

**Servizi Italia S.p.A.**, a company based in Castellina in Soragna (PR), listed on the STAR segment of the Italian Stock Exchange, is the leading operator in Italy in the field of integrated services for hire, washing and sterilization of textile materials and surgical instruments for hospitals. With a technologically advanced production platform, articulated in laundry facilities, textile sterilization centers, surgical instruments sterilization centers and many wardrobes, the Company, which together with its Italian and foreign subsidiaries constitute the Servizi Italia Group, turns primarily to companies in public and private healthcare sector of center / northern Italy and the State of S.Paulo, Brazil, Turkey, India, Albania and Morocco with a wide and diversified offer.

#### **For further information:**

##### **Investor Relations**

###### **Servizi Italia**

Giovanni Manti, Luigi Innocenti  
Chiara Peterlini  
Tel: +39 0524 598511  
[investor@si-servizitalia.com](mailto:investor@si-servizitalia.com)

##### **Media Relations**

###### **iCorporate**

Arturo Salerni, Ilaria Mastrogregori  
Tel. +39 02 4678 749  
[servizitalia@icorporate.it](mailto:servizitalia@icorporate.it)

#### **In Attachment:**

- Consolidated Statement of Financial Position as at 31/12/2017
- Consolidated Income Statement as at 31/12/2017
- Consolidated Statement of Comprehensive Income as at 31/12/2017
- Consolidated Statement of Cash Flow as at 31/12/2017
- Consolidated Net Financial Position as at 31/12/2017
- Servizi Italia S.p.A. Statement of Financial Position as at 31/12/2017
- Servizi Italia S.p.A. Income Statement as at 31/12/2017
- Servizi Italia S.p.A. Statement of Comprehensive Income as at 31/12/2017
- Servizi Italia S.p.A. Statement of Cash Flows as at 31/12/2017





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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*(thousands of Euros)*

	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	124,172	125,795
Intangible assets	4,638	6,028
Goodwill	70,784	55,234
Investments accounted for using the equity method	22,257	28,764
Equity investments in other companies	3,612	3,629
Financial receivables	6,987	7,826
Deferred tax assets	2,112	2,351
Other assets	5,281	7,651
<b>Total non-current assets</b>	<b>239,843</b>	<b>237,278</b>
<b>Asset Held For Sale</b>	<b>334</b>	<b>-</b>
<b>Current assets</b>		
Inventories	5,915	5,011
Trade receivables	74,539	71,141
Current tax assets	1,972	2,865
Financial receivables	7,946	8,188
Other assets	10,703	12,203
Cash and cash equivalents	7,999	5,463
<b>Total current assets</b>	<b>109,074</b>	<b>104,871</b>
<b>TOTAL ASSETS</b>	<b>349,251</b>	<b>342,149</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Group shareholders' equity</b>		
Share capital	31,799	31,461
Other reserves and retained earnings	93,506	95,299
Net profit of the year	13,770	10,451
<b>Total shareholders' equity attributable to shareholders of the parent</b>	<b>139,075</b>	<b>137,211</b>
<b>Total shareholders' equity attributable to non-controlling interests</b>	<b>2,564</b>	<b>545</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>141,639</b>	<b>137,756</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Due to banks and other lenders	40,210	45,237
Deferred tax liabilities	2,645	2,633
Employee benefits	10,322	11,218
Provisions for risks and charges	2,447	2,798
Other financial liabilities	6,076	4,172
<b>Total non-current liabilities</b>	<b>61,700</b>	<b>66,058</b>
<b>Current liabilities</b>		
Due to banks and other lenders	51,383	48,031
Trade payables	69,854	63,544
Current tax liabilities	157	22
Employee benefits	877	-
Other financial liabilities	5,176	8,072
Other payables	18,465	18,666
<b>Total current liabilities</b>	<b>145,912</b>	<b>138,335</b>
<b>TOTAL LIABILITIES</b>	<b>207,612</b>	<b>204,393</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>349,251</b>	<b>342,149</b>



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**CONSOLIDATED INCOME STATEMENT**

<i>(Euro thousand)</i>	<b>31 December 2017</b>	<b>31 December 2016</b>
<b>Revenues from sales</b>	<b>252,102</b>	<b>237,716</b>
Other income	4,657	4,377
Raw materials and consumables	(25,946)	(25,123)
Expenses for services	(76,866)	(74,591)
Staff expenses	(81,964)	(76,819)
(non recurrent)	(557)	-
Other expenses	(2,154)	(1,537)
Depreciation/amortization and write-downs	(53,453)	(50,278)
<b>Operating profit (loss)</b>	<b>16,376</b>	<b>13,745</b>
Financial income	2,059	1,760
Financial expenses	(2,442)	(2,473)
Income /(expense) from for equity investments in other companies	750	105
Equity investments write-backs/write-downs measured with equity method	1,018	(65)
<b>Profit (loss) before taxes</b>	<b>17,761</b>	<b>13,072</b>
Income taxes	(3,397)	(2,557)
(non recurrent)	(134)	-
<b>Profit (loss) for the year</b>	<b>14,364</b>	<b>10,515</b>
of which: Share pertaining to the Shareholders of the Parent Company	13,770	10,451
Share pertaining to the minority shareholders	594	64
<b>Base earnings per share (Euro per share)</b>	<b>0.435</b>	<b>0.335</b>
<b>Diluted earnings per share (Euro per share)</b>	<b>0.435</b>	<b>0.335</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>(Euro thousand)</i>	<b>31 December</b>	
	<b>2017</b>	<b>2016</b>
<b>Net profit of the year</b>	<b>14,364</b>	<b>10,515</b>
<i>Other items of the comprehensive statement that cannot be included in the Income Statement</i>		
Actuarial profits (losses)	22	(242)
Income taxes on other components of the comprehensive profit (loss)	(5)	-
<i>Other items of the comprehensive statement that can be included in the Income Statement</i>		
Profits (losses) resulting from conversion of foreign companies' financial statements	(7,068)	6,627
Income taxes on other components of the comprehensive profit (loss)	-	-
<b>Total of other items of the comprehensive profit (loss) net of taxes</b>	<b>(7,051)</b>	<b>6,385</b>
<b>Total comprehensive income for the year</b>	<b>7,313</b>	<b>16,900</b>
of which: Parent Company's share	6,946	16,734
Third parties' share	367	166



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**CONSOLIDATED STATEMENT OF CASH FLOW**

(Euro thousand)

	<b>As at 31 December 2017</b>	<b>As at 31 December 2016</b>
<i>Generated (absorbed) cash flow generated from operating activities</i>		
Profit (loss) before taxes	17,761	13,072
Current taxes payment	(1,492)	(3,633)
Depreciation/Amortization	52,607	49,499
Write-off and provisions	846	778
(Write-backs)/Write-off of equity investments	(1,767)	(39)
Capital gains/(losses) from divestment	(708)	(308)
Interest and expense income	382	713
Received interest incomes	987	906
Paid interest expenses	(1,683)	(1,924)
Provisions for employee benefits	229	502
	<b>67,162</b>	<b>59,566</b>
(Increase)/Decrease in inventories	(805)	(166)
(Increase)/Decrease in trade receivables	(2,993)	6,498
(Increase)/Decrease in trade payables	8,050	(3,558)
(Increase)/Decrease in other assets and liabilities	(3,370)	(4,907)
Severance benefits paid off	(777)	(533)
<b>Generated (Absorbed) cash flow from operating activities</b>	<b>67,267</b>	<b>56,900</b>
<i>Generated (Absorbed) cashflow net of investing activities in:</i>		
Intangible assets	(708)	(471)
Property, plant and equipment	(48,236)	(40,797)
Dividends received	291	182
Acquisitions	(4,214)	(12,822)
Equity investments	(1,448)	(2,127)
<b>Generated (Absorbed) cashflow net of investment activities</b>	<b>(54,315)</b>	<b>(56,035)</b>
<i>Generated (Absorbed) cashflow from investment activities in:</i>		
Financial receivables	1,266	(4,558)
Dividends paid	(4,713)	(4,728)
Purchase of treasury shares	1,620	(334)
Share capital increase	-	4,000
Shareholders' equity	(1,755)	-
Short-term payables due to banks and other lenders	448	(3,543)
Long-term payables due to banks and other lenders	(6,561)	5,922
<b>Generated (Absorbed) cashflow from investment activities</b>	<b>(9,695)</b>	<b>(3,241)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>3,257</b>	<b>(2,376)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,463</b>	<b>7,082</b>
<b>Currency translation differences</b>	<b>721</b>	<b>(757)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7,999</b>	<b>5,463</b>



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**CONSOLIDATED NET FINANCIAL POSITION**

*(Euro thousand)*

	<b>As at 31 December</b>	
	<b>2017</b>	<b>2016</b>
Cash and cash equivalent in hand	49	29
Cash at bank	7,950	5,434
<b>Cash and cash equivalents</b>	<b>7,999</b>	<b>5,463</b>
Current financial receivables	7,946	8,188
Current liabilities to banks and other lenders	(51,383)	(48,031)
<b>Net current financial debt</b>	<b>(43,437)</b>	<b>(39,843)</b>
Non-current liabilities due to banks and other lenders	(40,210)	(45,237)
<b>Net non-current financial debt</b>	<b>(40,210)</b>	<b>(45,237)</b>
<b>Net financial debt</b>	<b>(75,648)</b>	<b>(79,617)</b>



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**SERVIZI ITALIA S.P.A. STATEMENT OF FINANCIAL POSITION**

(Euro)

	<b>As at 31 December 2017</b>	<b>As at 31 December 2016 restated*</b>	<b>As at 1 January 2016 restated*</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	99,601,560	93,412,780	100,257,999
Intangible assets	4,022,452	1,875,975	2,837,205
Goodwill	42,575,158	32,275,093	32,275,094
Investments accounted for using the equity method	50,078,578	49,317,948	25,962,571
Equity investments associates, joint-ventures and in other companies	27,901,350	34,284,030	24,294,253
Financial receivables	7,646,969	7,667,819	3,824,477
Deferred tax assets	1,173,460	1,040,286	1,152,802
Other assets	3,060,658	5,146,108	3,713,813
<b>Total non-current assets</b>	<b>236,060,185</b>	<b>225,020,039</b>	<b>194,318,214</b>
<b>Current assets</b>			
Inventories	4,303,475	3,317,130	3,034,776
Trade receivables	73,582,194	68,601,375	78,990,937
Current tax assets	1,728,481	2,495,264	2,274,083
Financial receivables	7,950,913	16,878,514	9,017,439
Other assets	7,086,152	6,335,058	4,450,336
Cash and cash equivalents	1,513,611	1,025,100	2,011,757
<b>Total current assets</b>	<b>96,164,826</b>	<b>98,652,441</b>	<b>99,779,328</b>
<b>TOTAL ASSETS</b>	<b>332,225,011</b>	<b>323,672,480</b>	<b>294,097,542</b>
<b>NET EQUITY AND LIABILITIES</b>			
<b>Net Equity</b>			
Share capital	31,798,901	31,461,231	30,443,650
Other reserves and net profits carried forward	96,805,953	96,064,174	78,357,520
Net profit of the year	13,822,067	10,996,008	13,445,040
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>142,426,921</b>	<b>138,521,413</b>	<b>122,246,210</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Payables due to banks and other lenders	39,191,019	45,021,944	34,666,304
Deferred tax liabilities	2,404,641	1,342,802	1,758,872
Employee benefits	9,994,532	10,415,686	9,964,228
Provisions for contingencies and liabilities	120,000	124,000	151,428
Other financial liabilities	1,225,000	57,228	-
<b>Total non-current liabilities</b>	<b>52,935,192</b>	<b>56,961,660</b>	<b>46,540,832</b>
<b>Current liabilities</b>			
Payables due to banks and other lenders	46,562,791	46,329,473	43,706,999
Trade payables	69,684,639	59,193,276	64,285,249
Current tax liabilities	-	-	-
Employee benefits	876,722	-	-
Other financial liabilities	3,685,000	7,625,266	962,467
Other payables	16,053,696	15,041,392	16,355,785
<b>Total current liabilities</b>	<b>136,862,898</b>	<b>128,189,407</b>	<b>125,310,500</b>
<b>TOTAL LIABILITIES</b>	<b>189,798,090</b>	<b>185,151,067</b>	<b>171,851,332</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>332,225,011</b>	<b>323,672,480</b>	<b>294,097,542</b>



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**SERVIZI ITALIA S.P.A. INCOME STATEMENT**

<i>(Euro)</i>	<b>As at 31 December 2017</b>	<b>As at 31 December 2016 restated*</b>
<b>Revenues from sales</b>	<b>211,199,346</b>	<b>198,757,031</b>
Other income	10,707,493	10,191,234
Raw materials and consumables	(20,229,242)	(18,212,644)
Expenses for services	(75,896,223)	(73,922,348)
Staff expenses	(67,475,844)	(62,063,525)
- non recurrent	(557,326)	-
Other expenses	(1,769,377)	(1,074,775)
Depreciation/amortization and write-downs	(43,004,234)	(38,979,006)
<b>Operating profit (loss)</b>	<b>13,531,919</b>	<b>14,695,967</b>
Financial income	1,750,884	1,342,885
Financial expenses	(1,198,445)	(1,572,871)
Equity investments write-backs/write-downs measured with equity method	304,050	(883,977)
Income from/expenses for equity investments in other companies	1,882,058	256,370
<b>Profit (loss) before taxes</b>	<b>16,270,466</b>	<b>13,838,374</b>
Income taxes	(2,448,399)	(2,842,366)
- non recurrent	(133,758)	-
<b>Profit (loss) for the year</b>	<b>13,822,067</b>	<b>10,996,008</b>

**SERVIZI ITALIA S.P.A. STATEMENT OF COMPREHENSIVE INCOME**

<i>(Euro)</i>	<b>Year ended as at 31 December</b>	
	<b>2017</b>	<b>2016 restated*</b>
<b>Net profit of the year</b>	<b>13,822,067</b>	<b>10,996,008</b>
<i>Other items of the comprehensive statement that cannot be included in the Income Statement</i>		
Actuarial profits (losses) on plans with defined benefits	22,609	(236,476)
Portion of components of the Statement of Comprehensive Income of subsidiaries/associates measured with the equity method	-	(5,586)
Income taxes on other components of the comprehensive profit (loss)	(5,297)	58,095
<i>Other items of the comprehensive statement that can be included in the Income Statement</i>		
Portion of components of the Statement of Comprehensive Income of subsidiaries/associates measured with the equity method	(6,840,693)	6,525,026
Income taxes on other components of the comprehensive profit (loss)	-	-
<b>Total of other items of the comprehensive income net of taxes</b>	<b>(6,823,921)</b>	<b>6,341,059</b>
<b>Total comprehensive income for the year</b>	<b>6,998,146</b>	<b>17,337,067</b>



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**SERVIZI ITALIA S.P.A. STATEMENT OF CASH FLOW**

<i>(Euro)</i>	<b>As at 31 December 2017</b>	<b>As at 31 December 2016 restated*</b>
<i>Generated (Absorbed) cashflow from operating activities</i>		
Profit (loss) before taxes	16,270,466	13,838,374
Current taxes payment	(883,389)	(2,765,084)
Depreciation/Amortization	42,160,890	38,417,643
Write-off and provisions	843,344	1,445,341
(Write-backs)/Write-off from equity investments	(2,186,108)	(256,370)
Capital gains/(losses) from divestment	(508,785)	(228,460)
Interest and expense income	(552,439)	229,986
Received interest incomes	678,770	488,270
Paid interest expenses	(970,302)	(1,339,411)
Provisions for employee benefits	367,581	505,807
	<b>55,220,028</b>	<b>50,336,096</b>
(Increase)/Decrease of inventories	(673,947)	(282,354)
(Increase)/Decrease of trade receivables	(1,344,840)	7,122,400
(Increase)/Decrease of trade payables	10,289,267	(2,895,633)
(Increase)/Decrease of other assets and liabilities	(7,132,556)	(4,965,892)
Severance benefits paid off	(777,195)	(420,116)
<b>Generated (Absorbed) cash flow from operating activities</b>	<b>55,580,757</b>	<b>48,894,501</b>
<i>Generated (Absorbed) cashflow net of investment activities in</i>		
Intangible assets	(308,109)	(292,041)
Property, plant and equipment	(38,510,468)	(30,090,693)
Dividends received	669,589	256,370
Sale of Equity Investments	14,847	-
Purchase of equity investments	(9,645,113)	(20,083,084)
<b>Generated (Absorbed) cash flow net of investment activities</b>	<b>(47,779,254)</b>	<b>(50,209,448)</b>
<i>Generated (Absorbed) cashflow net of investment activities in</i>		
Financial receivables	1,348,294	(11,587,960)
(Purchase)/Net sales of treasury shares	1,620,067	(333,912)
Dividends paid	(4,712,705)	(4,727,949)
Share capital increase	-	3,999,997
Short-term payables due to banks and other lenders	(258,315)	2,622,474
Long-term payables due to banks and other lenders	(5,830,925)	10,355,640
<b>Generated (Absorbed) cash flow net of financing activities</b>	<b>(7,833,584)</b>	<b>328,290</b>
<b>Increase/Decrease in cash</b>	<b>(32,081)</b>	<b>(986,657)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,025,100</b>	<b>2,011,757</b>
<b>Incorporated cash</b>	<b>520,592</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,513,611</b>	<b>1,025,100</b>

*\*Restatement of the balance sheet and income statement of 2016*

From this year on, the Company has decided to adopt the accounting principle "IAS 27 restated", applicable from 1 January 2016, which allows an entity to use the equity method to account in the separate financial statement the investments in subsidiaries, joint-ventures and in other companies.