

PRESS RELEASE

Board of Directors approves results as of December 31 2008

**HSS (CIR GROUP): REVENUES AT 246 MILLION (+34.7%),
EBITDA RISES TO 28.7 MILLION (+42.3%)**

The company confirms its position as one of the principal operators in private healthcare in Italy, especially in the sectors of residences for the elderly, hospitals and rehabilitation centres and high-tech services, with some 5,000 beds under management

Net result -1.5 million due to provisions made in relation to minority shareholdings

Consolidated results of financial year 2008

Revenues: € 246.3 million (+34.7% from € 182.9 million in 2007)

EBITDA: € 28.7 million (+42.3% from € 20.2 million in 2007)

Net result: € -1.5 million (€ 0.3 million in 2007)

Net debt: € 149.1 million (€ 148.6 million at December 31 2007)

Milan, February 27 2009 – The **Board of Directors** of HSS-Holding Sanità e Servizi SpA (CIR Group), which met under the chairmanship of **Claudio Stabon**, approved the **proposed financial statements** for financial year 2008.

Performance of operations

During the year, **HSS continued its growth trend, which in just five years of business has enabled the group to become one of the principal operators in private healthcare in Italy.** The year concluded with a **significant rise in revenues (+34.7%) and EBITDA (+42.3%).** In 2008 HSS consolidated its position in the Italian market, especially in the **social welfare sector (with the management of residences for the non self-sufficient elderly)** and in the **healthcare sector (with the management of hospitals and rehabilitation centres).** One of the most significant events of the year was the **acquisition of the Cardinal Ferrari Centre in Fontanellato (PR),** through which HSS has **further strengthened** its presence in the field of **rehabilitation.**

Consolidated results

In 2008, the HSS group reported **consolidated revenues of 246.3 million euro, up by 34.7% from 2007 (182.9 million),** thanks to the development of all areas of the business and to the new acquisitions made during the year.

The **gross operating margin (EBITDA)** was **28.7 million euro, up by 42.3%** from 2007 (20.2 million). The **consolidated net result** was a negative **1.5 million euro,** compared to net income of 0.3 million in the previous year. This change was due mainly to an extraordinary item, notably a provision of 2 million euro set up in relation to the value of minority shareholdings of the group, resulting from previous



acquisitions and considered non-strategic. These provisions were considered advisable in light of the current economic and financial environment.

The **consolidated net debt** of the HSS group at December 31 2008 amounted to **149.1 million** euro (148.6 million at December 31 2007), against real-estate property with a carrying value of 120 million euro. The net debt figure was the result, on the one hand, of the subscription in June 2008 by CIR and the Morgan Stanley funds (already shareholders of HSS) of a total capital increase of 40 million euro and, on the other hand, of the acquisitions and investments made during the year.

The HSS group had **3,130 employees** at December 31 2008 (2,476 at December 31 2007).

Activities of the HSS group

The **HSS group**, which today manages a total of **4,917 beds**, with a further **380 beds under construction**, is **active in three sectors**:

- The management of **residences for the elderly**, with 36 residences under management (3,690 beds in operation and another 330 under construction);
- The management of **hospitals and rehabilitation centres**, with 6 rehabilitation centres (in Lombardy, Emilia Romagna, Trentino and Marche), 8 psychiatric rehabilitation communities (in Liguria, Piedmont and Lombardy) and 13 day hospitals, for a total of 1,107 beds in operation and 50 under construction;
- The management of a **hospital** and of **high-tech facilities** in hospitals, with 7 diagnostic imaging units.

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Below are the key figures from the balance sheet and income statement and as of December 31 2008 of the HSS Group (prepared according to IAS/IFRS).



KEY CONSOLIDATED BALANCE SHEET FIGURES OF THE HOLDING SANITA' E SERVIZI GROUP

	31-12-2008 (in euro/000)	31-12-2007 (in euro/000)
NON-CURRENT ASSETS	297,379	251,885
CURRENT ASSETS	110,972	106,705
TOTAL ASSETS	408,351	358,590
SHAREHOLDERS' EQUITY	140,698	105,033
- MINORITY SHAREHOLDERS' EQUITY	2,180	2,208
- SHAREHOLDERS' EQUITY OF THE GROUP	138,518	102,825
NON-CURRENT LIABILITIES	149,131	126,757
CURRENT LIABILITIES	118,522	126,800
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	408,351	358,590
NET FINANCIAL POSITION	(149,097)	(148,637)

KEY CONSOLIDATED INCOME STATEMENT FIGURES OF THE HOLDING SANITA' E SERVIZI GROUP

	Financial year 2008 (in euro/000)	Financial year 2007 (in euro/000)
SALES REVENUES	246,345	182,942
GROSS OPERATING MARGIN (EBITDA)	28,750	20,204
OPERATING INCOME (EBIT)	14,667	11,124
INCOME/(LOSS) BEFORE TAXES	4,318	3,803
NET INCOME/(LOSS) FOR THE YEAR INCLUDING MINORITY INTERESTS	(1,189)	444
- NET INCOME/(LOSS) - MINORITY INTERESTS	292	97
- NET INCOME/(LOSS) - THE GROUP	(1,481)	347