



PRESS RELEASE

HOLDING SANITA' E SERVIZI ACQUIRES 100% OF THE S. STEFANO GROUP THE SHAREHOLDERS OF S. STEFANO SUBSCRIBE 11.5% OF HSS CAPITAL

Further to the closing of the deal announced 15th June last, **HOLDING SANITA' E SERVIZI (HSS)**, the group controlled by **CIR** that operates in the healthcare sector, has acquired 100% of **S. STEFANO SpA**, the company that controls the business of the **S. STEFANO GROUP**, leader for the Marche region in rehabilitation both in hospital and out of hospital.

The **S. STEFANO GROUP** has been operating for over 40 years and has recently extended the scope of its business to residences for the non self-sufficient elderly. Today it manages a total of around 730 beds and in 2006 reported consolidated revenues of approximately 71 million euro, with an Ebitda of 10.2 million euro.

The total enterprise value of the deal is approximately 100 million euro, while its equity value is approximately 62 million euro, which are being funded with own resources for 38 million euro and with bank debt for the remaining 25 million.

The deal will enable the **HSS GROUP** to strengthen its presence considerably in the rehabilitation sector and to reach, in just four years of business, a total turnover year-on-year of approximately 215 million euro when the business combination is fully operational, with a total of 4,500 beds managed throughout the business, which as well as rehabilitation also includes hospital services, residences for the elderly and psychiatric residences.

On completion of the sale the shareholders of the **S. STEFANO GROUP**, through the company **S.STEFANO PARTECIPAZIONI s.s.**, subscribed a capital increase in **HSS** for an amount of 21.1 million euro, thus acquiring a stake of 11.5% in **HSS**. Mario Ferraresi, Chairman of **S. STEFANO SpA**, will take the position of Deputy Chairman of **HSS**.

Piero Micossi, Chief Executive of **HOLDING SANITA' E SERVIZI**, said: "The acquisition of the **S. STEFANO Group** is an important step forward for **HSS** in its growth strategy in the Italian market for rehabilitation services."

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