



PRESS RELEASE

Board approves interim results at June 30 2008

HSS GROUP (CIR): REVENUES AND EBITDA SHOW STRONG GROWTH

Consolidated results of first half 2008

Revenues € 118.5 million (72.3 million at June 30 2007)

EBITDA € 14.1 million (9.8 million at June 30 2007)

Net income of the Group € 0.7 million (0.5 million at June 2007)

Net debt € 124 million (148.6 million at December 31 2007)

Today in Milan the Board of Directors of **Holding Sanità e Servizi SpA** met to examine the consolidated results of the first half of 2008.

In the first six months of the year the HSS Group reported **consolidated revenues** of 118.5 million euro, with a rise of 64% compared to the first half of 2007 (72.3 million), thanks to growth in all areas of the business.

The **gross operating margin (EBITDA)** was 14.1 million euro, up by 44% compared to first half 2007 (9.8 million). The **consolidated net result** was a positive 0.7 million euro, up from earnings of 0.5 million in the same period of 2007.

The **consolidated net financial position** of the HSS Group at June 30 2008 showed net debt of 124 million euro, down from 148.6 million at December 31 2007. This improvement was the result, on the one hand, of the subscription on June 25 2008 by CIR and the Morgan Stanley funds already shareholders of HSS, of a capital increase in HSS for a total of 40 million euro, and on the other to the higher level of borrowing needed for the acquisitions and investments made in the first six months of the year.

In the first half of 2008 the HSS Group continued to strengthen its operating subsidiaries and to seek new development opportunities in order to consolidate the presence of the Group in the healthcare sector. The whole area of HSS's business now includes a total of around 5,200 beds (including some 500 beds under construction).



The HSS Group is today active in the following:

- The management of **residences for the elderly**, with 35 residences under management and 4 under construction (approximately 3,500 beds operational and a further 450 under construction);
- The management of hospitals and **rehabilitation** centres, with 5 rehabilitation hospitals, 8 psychiatric rehabilitation communities and 13 day hospitals, for a total of 1,100 beds in operation and 50 under construction;
- The management of a **hospital** and of **hi-tech facilities** inside hospitals, with 7 diagnostic imaging units.

Milan, July 28 2008

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Below are the reclassified income statement and balance sheet as of June 30 2008 of the HSS Group (prepared according to IAS/IFRS)



HOLDING SANITA' E SERVIZI GROUP - CONSOLIDATED BALANCE SHEET (in euro)

ASSETS	30.06.2008	30.06.2007
NON-CURRENT ASSETS	274,396,907	251,886,162
INTANGIBLE ASSETS	119,949,664	111,505,175
TANGIBLE ASSETS	142,735,314	130,052,207
REAL ESTATE INVESTMENTS	-	-
INVESTMENTS IN COMPANIES VALUED AT EQUITY	-	-
OTHER EQUITY INVESTMENTS	5,883,078	5,855,228
TRADE RECEIVABLES	130,000	100,000
OTHER RECEIVABLES	2,155,379	1,374,422
SECURITIES	153,382	153,382
DEFERRED TAXES	3,390,090	2,845,748
CURRENT ASSETS	146,833,525	106,705,720
INVENTORIES	1,421,206	1,543,379
CONTRACTED WORK IN PROGRESS	-	-
TRADE RECEIVABLES	85,940,112	80,960,718
OTHER RECEIVABLES	8,541,693	7,139,875
FINANCIAL RECEIVABLES	1,885,582	610,273
SECURITIES	-	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS	-	-
CASH AND CASH EQUIVALENTS	49,044,932	16,451,475
NON-CURRENT ASSETS HELD FOR DISPOSAL	-	-
TOTAL ASSETS	421,230,432	358,591,882
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY	146,670,282	105,034,385
SHARE CAPITAL	6,479,972	5,405,266
RESERVES	147,641,007	107,515,301
RETAINED EARNINGS (LOSSES)	(9,533,633)	(10,094,536)
SHAREHOLDERS' EQUITY OF THE GROUP	144,587,346	102,826,031
MINORITY INTERESTS	2,082,936	2,208,354
NON-CURRENT LIABILITIES	156,004,633	126,757,664
BONDS AND NOTES	-	-
OTHER BORROWINGS	128,118,275	101,339,446
TRADE PAYABLES	69,162	69,162
OTHER PAYABLES	36,747	36,747
DEFERRED TAXES	8,184,534	8,402,134
PERSONNEL PROVISIONS	19,356,383	16,910,175
PROVISIONS FOR RISKS AND LOSSES	239,532	-
CURRENT LIABILITIES	118,555,517	126,799,833
BANK OVERDRAFTS	25,402,546	25,189,395
BONDS AND NOTES	-	-
OTHER BORROWINGS	21,407,047	39,170,171
TRADE PAYABLES	42,213,585	38,518,746
OTHER PAYABLES	23,474,425	19,022,807
PROVISIONS FOR RISKS AND LOSSES	6,057,914	4,898,714
LIABILITIES DIRECTLY RELATED TO NON-CURRENT ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	421,230,432	358,591,882



HSS GROUP - CONSOLIDATED INCOME STATEMENT (in euro)

	30-06-2008	30-06-2007
SALES REVENUES	118,479,538	72,301,256
CHANGE IN INVENTORIES	-	-
COSTS FOR PURCHASE OF GOODS	(8,160,757)	(5,299,209)
COSTS FOR SERVICES	(50,608,727)	(34,954,453)
PERSONNEL COSTS	(41,526,664)	(20,153,322)
OTHER OPERATING INCOME	1,376,831	2,293,321
OTHER OPERATING COSTS	(5,405,783)	(4,363,781)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS VALUED AT EQUITY	-	-
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	(5,111,411)	(3,726,024)
OPERATING INCOME (E B I T)	9,043,027	6,097,788
FINANCIAL INCOME	340,762	181,453
FINANCIAL EXPENSE	(5,546,870)	(3,459,368)
DIVIDENDS	45	-
GAINS FROM TRADING SECURITIES	-	-
LOSSES FROM TRADING SECURITIES	-	-
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS	-	-
INCOME (LOSS) BEFORE TAXES	3,836,964	2,819,873
INCOME TAXES	(2,960,374)	(2,320,588)
NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS & ASSETS HELD FOR DISPOSAL		(297,418)
NET INCOME FOR THE YEAR INCLUDING MINORITY INTERESTS	876,590	201,867
- NET INCOME/(LOSS) - MINORITY SHAREHOLDERS	220,233	(271,895)
- NET INCOME/(LOSS)- THE GROUP	656,357	473,762)