



PRESS RELEASE

Board of Directors approves results as of March 31 2011

KOS (CIR GROUP): IN FIRST QUARTER REVENUES AT 87 MILLION, EBITDA AT 12.1 MILLION, NET INCOME AT 2.8 MILLION

Consolidated results for Q1 2011

- **Revenues: € 87 million (€ 76.1 million in Q1 2010);**
- **EBITDA: € 12.1 million (€ 8.2 million in Q1 2010);**
- **Net income of the group: € 2.8 million (loss of € 0.4 million in Q1 2010);**
- **Net debt: € 199.3 million (€ 189.3 million at 31/12/2010), offset by owned properties with a carrying value of € 164 million**

Milan, April 21 2011 – The **Board of Directors of KOS SpA (CIR group)** met today and examined the **results of the first quarter of 2011.**

Performance of operations

The **KOS group is one of the main private operators in Italy in the care-home sector.** Founded in 2002, today the group operates in three different sectors: **nursing homes (RSAs), rehabilitation units and the management of hospital facilities (managing one hospital and high-tech services in various hospitals).**

For the first three months of 2011, at consolidated level, KOS reported an **improvement in all its main economic indicators** compared to the same period of 2010, thanks to the development of all the companies of the group and to the extension of the business as a whole.

Consolidated results

Consolidated revenues totalled **87 million** euro in the first quarter of 2011, posting a **rise of 14.3%** compared to the same period of 2010 (76.1 million euro), thanks to the development of the three areas of activity and to the new acquisitions made in 2010.

The **gross operating margin (EBITDA)** was **12.1 million** euro, and was **up by 18.6%** on the figure for the first quarter of 2010 (10.2 million euro), before non-recurring costs. Last year the company incurred extraordinary costs of approximately 2 million euro for the IPO procedure and for the acquisitions made. Including these costs, the EBITDA of first quarter 2010 came to 8.2 million euro.

The **net income of the group** for the first three months came in at **2.8 million** euro, compared to a negative result of 0.4 million euro in the same period of 2010 (a positive figure of 1.2 million euro before non-recurring costs).

The **consolidated net debt** of the KOS group stood at **199.3 million** euro at March 31 2011 (189.3 million at December 31 2010), offset by **owned properties** with a **carrying value** of approximately **164 million** euro.

The KOS group had **4,037 employees** at March 31 2011 (4,006 at December 2010)

Activities of the KOS group

The **KOS group** today manages a total of over **5,600 beds**, plus **more than 900 under construction**, and is **active in three sectors**:

- **RSAs (nursing homes)**, with **37 facilities** managed, for a total of **3,830** beds in operation.
- **Rehabilitation** (management of **hospitals and rehabilitation units**), with **13 rehabilitation facilities** (in Lombardy, Emilia Romagna, Trentino and Marche), **9 psychiatric rehabilitation communities** (in Liguria, Piedmont and Lombardy) and **13 day hospitals**, for a total of **1,684** beds in operation.
- **Management of hospital facilities** (management of one **hospital** and **hi-tech services** in public and private hospitals), with 18 facilities.

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*Attached are highlights from the income statement and the statement of financial position
of the KOS group at March 31 2011
(prepared according to IAS/IFRS accounting standards but not externally audited).*

KOS GROUP**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>(eur/000)</i>	31/03/2011	31/12/2010
NON-CURRENT ASSETS	404,290	404,817
CURRENT ASSETS	147,989	174,026
TOTAL ASSETS	552,279	578,843
TOTAL EQUITY	184,376	180,567
MINORITY SHAREHOLDERS' EQUITY	3,939	3,635
GROUP EQUITY	180,437	176,932
TOTAL LIABILITIES AND EQUITY	193,289	217,397
CURRENT LIABILITIES	174,614	180,879
TOTAL LIABILITIES AND EQUITY	552,279	578,843
NET FINANCIAL POSITION	(199,337)	(189,275)

CONSOLIDATED INCOME STATEMENT

<i>(eur/000)</i>	31/03/11	31/03/10
REVENUES	86,964	76,068
GROSS OPERATING MARGIN (EBITDA)	12,142	8,152
OPERATING INCOME (EBIT)	8,045	4,349
INCOME (LOSS) BEFORE TAXES	6,610	1,745
NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	2,913	(177)
NET INCOME (LOSS) MINORITY SHAREHOLDERS	153	215
NET INCOME (LOSS) OF THE GROUP	2,760	(392)