



PRESS RELEASE

Board of Directors approves results as of December 31 2010

**KOS (CIR GROUP): REVENUES 325.4 MILLION,
EBITDA 42.1 MILLION, NET INCOME 4 MILLION**

*The company confirms its position as one of the top private healthcare operators in Italy,
especially in the sectors of care-homes, rehabilitation and hi-tech services*

*The entry of AXA Private Equity into the capital with a 41.1% interest will give KOS fresh
resources to fund the company's development plans*

Consolidated results for financial year 2010

Revenues: € 325.4 million (+19% from € 273.4 million in 2009)

EBITDA: € 42.1 million (+27.5% from € 33 million in 2009)

Net result: € 4 million (breakeven in 2009)

Net debt: € 189.3 million (€ 211.9 million at 30/09/2010)

Milan, February 25 2011 – The **Board of Directors** of KOS SpA (CIR group), which met today under the chairmanship of **Claudio Stabon**, approved the **proposed financial statements for financial year 2010**.

Performance of operations

The **KOS group** is one of the **top private operators** in Italy in the **healthcare and care-home sectors**. Founded in 2002, KOS today operates in three different areas: **nursing homes (RSAs), rehabilitation centres and hospital management (managing a hospital and high-tech services in public and private hospitals)**.

During 2010 the KOS group achieved an **improvement in its main economic indicators** compared to 2009, thanks to the development of all of its operating companies and the extension of its portfolio of activities.

In December 2010 the entry was finalized of **AXA Private Equity into the capital of the company** with a minority interest, currently standing at 41.1%. This deal enabled KOS to reach its objectives in terms of raising new funding for its development plans. The significant investment made by one of the main global private equity funds, together with the renewed commitment of the majority shareholder CIR, shows how the work done by the company to date is appreciated and how there is confidence in its future development prospects.

Consolidated results

In 2010, the KOS group reported **consolidated revenues of 325.4 million euro**, with a rise of **19%** on the year 2009 (273.4 million euro), 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 **42.1 million** euro, **up by 27.5%** compared to 2009 (33 million euro). During the year the company incurred costs of approximately 3.1 million euro for the IPO procedure and expenses relating to the acquisitions made in the period.

The KOS group closed 2010 with **net income for the year of 4 million** euro whereas it substantially broke even in 2009 (-0.4 million euro).

The **consolidated net debt** of the KOS group at December 31 2010 amounted to **189.3 million** euro (211.9 million euro at September 30 2010), offset by **owned property** with a **carrying value** of approximately **167 million** euro. The rise compared to the figure at year end 2009 (163.5 million euro) was due mainly to the acquisitions made during the year, which had an impact of over 62 million euro, net of the capital increases made in December for a total of 34.5 million euro.

The KOS group had **4,006** employees at December 31 2010 (3,421 at December 31 2009).

Activities of the KOS group

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

- **RSAs (residences for the non self-sufficient elderly)**, with **37 care homes** under management, with a total of **3,829** beds in operation.
- **Rehabilitation** (management of **hospitals and rehabilitation centres**), with **13 rehabilitation facilities** (in Lombardy, Emilia Romagna, Trentino and Marche), **9 psychiatric rehabilitation communities** (in Liguria, Piedmont and Lombardy) and **13 day hospitals**, with a total of **1.684** beds in operation.
- **Hospital management** (management of one **hospital and high-tech services** in public and private facilities) in 18 hospitals .

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Below are the key figures from the income statement and the balance sheet as of December 31 2010 of the KOS group (prepared according to IAS/IFRS unaudited).

KOS GROUP**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***(in euro/000)*

	31/12/10	31/12/09
NON-CURRENT ASSETS	404,817	309,328
CURRENT ASSETS	174,026	111,370
TOTAL ASSETS	578,843	420,698
TOTAL EQUITY	180,567	139,730
MINORITY SHAREHOLDERS' EQUITY	3,635	2,169
GROUP EQUITY	176,932	137,561
TOTAL LIABILITIES AND EQUITY	217,397	156,311
CURRENT LIABILITIES	180,879	124,657
TOTAL LIABILITIES AND EQUITY	578,843	420,698
NET FINANCIAL POSITION	(189,275)	(163,537)

CONSOLIDATED INCOME STATEMENT*(in euro/000)*

	31/12/10	31/12/09
REVENUES	325,370	273,404
GROSS OPERATING MARGIN (EBITDA)	42,122	33,026
OPERATING INCOME (EBIT)	23,471	16,521
INCOME (LOSS) BEFORE TAXES	14,909	8,214
NET INCOME (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS	4,452	4
NET INCOME (LOSS) MINORITY SHAREHOLDERS	460	358
NET INCOME (LOSS) OF THE GROUP	3,992	(354)