



## **PRESS RELEASE**

**SERVIZI ITALIA: Interim report at 30 September 2008 approved.**

**5.1% increase in turnover, which totalled € 111.2 million.**

**Margins were stable: EBITDA of € 31.4 million, EBIT of € 11.2 million, net profit of € 5 million.**

Today, the Board of Directors of Servizi Italia S.p.A. – a company listed on the Expandi market of Borsa Italiana and the leading Italian integrated provider of rental, laundry, and sterilisation services for healthcare laundry and surgical instruments to hospitals – approved the consolidated economic and financial results achieved in the January-September period of 2008.

### **Consolidated results at 30 September 2008**

In the first nine months of 2008 Servizi Italia Group registered consolidated revenues of approximately € 111.2 million, up to 5.1% compared to about € 105.7 million of the corresponding period of 2007.

This growth in turnover was aided by the winning of new contracts, in particular in the surgical instruments sterilisation sector (such as for example the contract to supply the Local Health Unit of Viterbo), the implementation over the first nine months of contracts entered into during the previous FY (among others with the Local Health Authority no. 4 of Matera and the Hospital of S. Giovanni in Roma) and the integration of the service with the addition of new hospital departments (Hospital San Martino in Genoa).

An analysis of revenues by business segment would highlight that the revenues achieved by the sterilization of surgical instruments reported significant growth (+ 27.8%) reaching € 10.1 million, compared to the € 7.9 million of the corresponding period of 2007, in line with the business strategy aimed at expanding higher added-value services.

Laundry services generated € 92.2 million in revenues (+3.1% compared to € 89.4 million at September 2007), from 84.5% to 82.9% in relative terms compared to total revenues, whilst revenues from linen sterilisation services reached € 8.8 million compared to € 8.4 million in 2007, i.e. a 5% increase.

Concerning profitability, the results were basically stable: consolidated EBITDA equalled € 31.4 million approx. (unchanged from 30 September 2007).

Consolidated EBIT went from € 11.7 million to € 11.2 million approx., due to higher labour costs following the renewal of Laundries Collective Bargaining Agreement and the higher depreciation charges calculated on the investments associated with the new tenders awarded in the surgical instrument sterilisation sector.

Pretax result for 9M 2008 equalled € 9 million approx. compared to € 10.1 million in the same period of 2007.

Due to the financial management and taxes for the period, consolidated net profit stood at € 5.026 million, basically in line with the result of € 5.050 million achieved in 9M 2007.



The Net Financial Position at 30 September 2008 was negative by approximately € 34.6 million compared to € 29.6 million at 31 December 2007, improving if compared to € 39.8 million at 30 September 2007.

Investments in tangible fixed assets made in the first nine months of 2008 totalled € 25.9 million.

### **Significant Events Subsequent To The Close Of The Period**

On 16 October 2008 the Company completed the acquisition of 75% of Padana Everest S.r.l. at a price of € 17,625,000, a non-interest bearing amount to be paid over 24 months from the signature date.

It must also be noted that the joint venture agreement aimed at developing activities in countries in the Middle East, with Fresh Professional Laundry and Textile Services LLC, expired in July 2008, and that at the moment the Company has decided to suspend attempts to expand into the above-mentioned area and to concentrate on carrying out projects in Italy.

### **Business Outlook**

The positive results achieved by the Servizi Italia Group in 9M 2008 provide a solid base for revenue and profitability growth compared to the previous year. In 2009 the Group will increase its competitiveness by maintaining its leadership position at national level on the markets in which it operates, and in particular by consolidating its position in the traditional laundry sector, both internally and externally, and by obtaining an increasing share in the segment of the market concerned with the outsourcing of sterilisation services.

### **Comments of the Managing Director**

“In this particular phase of recession affecting both Italy and the world economy as a whole – commented Luciano Facchini, Managing Director of Servizi Italia S.p.A. – we are especially satisfied with the company's progress during the period, and we expect to close 2008 on a positive note. One of the strengths that characterise a business such as ours that is connected to health services, is the ample visibility of future revenues due to the fact that the contracts we have concluded with clients last for several years, which allows us to optimise production management and thus improve profitability”.

“2009 – continued Facchini – will be characterised by a growth in revenues and profits and by the implementation of an ambitious strategic planning project for the three-year period from 2009 to 2013. As well as expanding our client portfolio, the plan is aimed at seeking synergies in the light of recent developments in the company, with the winning of an order to build a new sterilisation plant in Trieste and the purchase of Padana Everest Srl”.

**Servizi Italia S.p.A.**, a company with registered office in Castellina di Soragna (PR), listed on the Expandi market of Borsa Italiana S.p.A. is the leading Italian integrated provider of rental, laundry, and sterilisation services for healthcare laundry and surgical instruments to hospitals.

*With a technologically advanced production platform of nine laundry facilities, five linen sterilisation centres, eight surgical instrument sterilisation centres, and eighty wardrobes, the Company primarily deals with public and private health care facilities in Central and Northern Italy, with a wide array of services offered.*

*According to paragraph 2 of article 154 bis of the Consolidated Finance Act, the Manager in charge of drafting corporate accounts, Mr. Alessandro Bozzo, stated that the accounting information herein contained tallied with the documents, books and accounts.*



*Note: the key figures of the Balance Sheet, Income statement, and Net Financial Position of the January-September 2008 period examined today by the Board of Directors are attached.*

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Castellina di Soragna (PR), 14 November 2008



## CONSOLIDATED BALANCE SHEET

(€/000)	30 September 2008	31 December 2007
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible fixed assets	72,565	66,810
Intangible fixed assets	446	555
Goodwill	8,581	8,531
Shareholdings in affiliates	3,388	980
Shareholdings in other companies	2,126	2,116
Financial receivables	1,901	1,094
Deferred taxes receivable	861	1,061
Other assets	2,016	254
<b>Total non-current assets</b>	<b>91,884</b>	<b>81,401</b>
<b>Current assets</b>		
Inventories	2,606	2,093
Trade receivables	89,676	83,732
Tax credits	-	119
Financial receivables	4,476	2,720
Other assets	2,837	2,707
Cash and cash equivalents	3,304	1,275
<b>Total current assets</b>	<b>102,899</b>	<b>92,646</b>
<b>TOTAL ASSETS</b>	<b>194,783</b>	<b>174,047</b>
<b>NET EQUITY AND LIABILITIES</b>		
<b>Group's equity</b>		
Share capital	15,820	16,200
Other reserves	28,637	29,917
Retained earnings and net profit for the year	10,485	8,195
<b>Total Group's net equity</b>	<b>54,942</b>	<b>54,312</b>
<b>Total minority interest</b>	<b>12</b>	<b>4</b>
<b>TOTAL NET EQUITY</b>	<b>54,954</b>	<b>54,316</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Payables to banks and other lenders	3,329	3,511
Derivative financial instruments	-	-
Deferred taxes payable	2,327	2,470
Staff termination indemnity/retirement provisions	8,442	8,727
Provisions for liabilities and charges	2	408
Other liabilities	1,146	1,061
<b>Total non-current liabilities</b>	<b>15,245</b>	<b>16,176</b>
<b>Current liabilities</b>		
Payables to banks and other lenders	39,061	30,072
Trade payables	55,918	49,466
Current-tax liabilities	2,503	-
Other liabilities	27,102	24,016
<b>Total current liabilities</b>	<b>124,584</b>	<b>103,554</b>
<b>Total liabilities</b>	<b>139,829</b>	<b>119,730</b>



TOTAL LIABILITIES AND NET EQUITY

194,783

174,047

## CONSOLIDATED INCOME STATEMENT

(€/000)	30 September 2008	30 September 2007
<b>Revenues from sales</b>	<b>111,175</b>	<b>105,739</b>
Other income	3,478	2,301
Raw materials and consumables	(12,301)	(12,172)
Costs for services	(38,162)	(34,863)
Personnel costs	(31,883)	(28,696)
Other costs	(934)	(935)
Depreciation, amortisation and write-downs	(20,135)	(19,676)
<b>Operating result</b>	<b>11,237</b>	<b>11,698</b>
Financial income	1,231	1,249
Financial charges	(3,528)	(3,052)
Investment income/expenses	110	236
<b>Pre-tax result</b>	<b>9,052</b>	<b>10,131</b>
Current and deferred taxes	(4,026)	(5,081)
<b>Net profit or loss</b>	<b>5,026</b>	<b>5,050</b>

## CONSOLIDATED NET FINANCIAL POSITION

(€/000)	30 September 2008	31 December 2007	30 September 2007
Cash-in-hand and cheques	27	37	17
Bank current accounts	3,277	1,238	1,288
<b>Cash and cash equivalents</b>	<b>3,304</b>	<b>1,275</b>	<b>1,305</b>
Current financial receivables	4,476	2,720	1,526
Payables to banks and other lenders	(39,061)	(30,072)	(37,789)
<b>Net current financial indebtedness</b>	<b>(34,585)</b>	<b>(27,352)</b>	<b>(36,263)</b>
Long-term payables to banks and other lenders	(3,329)	(3,510)	(4,800)
<b>Net long term current financial indebtedness</b>	<b>(3,329)</b>	<b>(3,510)</b>	<b>(4,800)</b>
<b>Net financial indebtedness</b>	<b>(34,610)</b>	<b>(29,587)</b>	<b>(39,758)</b>