



## **PRESS RELEASE**

### **SERVIZI ITALIA: The Board of Directors examines the economic and financial results of the quarter ended on 31 March 2008.**

- **Consolidated revenues at € 36.5 million (+4.2% compared to the 1st Quarter of 2007)**
- **Consolidated EBITDA at € 10.1 million (+2%)**
- **Consolidated net profits at € 1.8 million (+35.9%)**

Today, the Board of Directors of Servizi Italia S.p.A. – 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 – examined the consolidated economic and financial results achieved in the January-March period of the current financial year.

#### **Consolidated results**

Servizi Italia registered consolidated revenues of approximately € 36.5 million, up by 4.2% compared to approximately € 35.0 million of the corresponding quarter of 2007.

An analysis of revenues by business segment would highlight that the revenues achieved by the sterilization of surgical instruments reported sustained growth (+ 45.9%) reaching € 3.2 million, compared to € 2.2 million of the corresponding period of 2007, in line with the business strategy aimed at expanding higher added-value services.

Healthcare laundry services generated revenues of € 30.5 million, up by 1.2% compared to € 30.1 million of the 1st quarter of 2007, whilst revenues from linen sterilization services went up to € 2.8 million compared to € 2.7 million of the corresponding quarter of 2007, reporting a 3.8% increase.

From the point of view of profitability, consolidated EBITDA was € 10.1 million, an improvement compared to approximately € 9.9 million of the 1st quarter of 2007.

Consolidated EBIT of the quarter just ended was approximately € 3.8 million compared to € 3.9 million of the 1st quarter of 2007, 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 sterilization sector which guarantee future economic benefits but, initially, are also characterised by negative cash flows.

Pre-tax profit rose from € 3.0 million to € 3.1 million (+3.3% compared to the corresponding period of 2007).

Due to the financial management and tax charges for the period, consolidated net profit stood at approximately € 1.8 million, registering a 35.9% increase compared to € 1.3 million achieved in the January-March period of 2007.

The Net Financial Position at 31 March 2008 was negative by approximately € 37.9 million versus € 29.6 million at 31 December 2007 and improved compared to € 59.3 million of the corresponding quarter of 2007.



Lastly, investments in tangible fixed assets made in the first three months of 2008 total € 8.5 million.

### **Significant events after the end of the quarter**

On 21 April 2008 the Board of Directors of Servizi Italia S.p.A. resolved on the allocation method for granting stock options to the Managing Directors, managers and employees of the company and on the share capital increase of € 810,000 associated with the stock option plan.

In April the company implemented the resolution passed by the shareholders' meeting of 11 March 2008 and started purchasing and disposing of its own shares.

Moreover, in May, Servizi Italia assigned trade receivables from USLs and Hospitals based in the Lazio Region to Banca Monte dei Paschi di Siena for € 7.7 million.

### **Business Outlook**

The positive results achieved by the Servizi Italia Group in the first quarter provide a solid base for stronger revenue growth and further increase in profitability than in the previous year. In 2008 the company will also focus on becoming more and more competitive by further penetrating the markets in which it operates, more specifically on consolidating its position in both the traditional laundry sector and, through organic growth, in the outsourcing sterilisation sector.

*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, Ms Ilaria Eugeniani, stated that the accounting information herein contained tallied with the documents, books and accounts.*

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

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Castellina di Soragna (PR), 14 May 2008



## CONSOLIDATED BALANCE SHEET

(€/000)

31 March 2008

31 December 2007

### ASSETS

#### Non-current assets

Tangible fixed assets	69,355	66,810
Intangible fixed assets	523	555
Goodwill	8,531	8,531
Shareholdings in affiliates	2,129	980
Shareholdings in other companies	2,116	2,116
Financial receivables	1,598	1,094
Deferred taxes receivable	1,007	1,061
Other assets	254	254
<b>Total non-current assets</b>	<b>85,513</b>	<b>81,401</b>

#### Current assets

Inventories	2,124	2,093
Trade receivables	96,791	83,732
Tax assets	-	119
Financial receivables	2,531	2,720
Other assets	2,591	2,707
Cash and cash equivalents	14,943	1,275
<b>Total current assets</b>	<b>118,980</b>	<b>92,646</b>

### TOTAL ASSETS

**204,493**      **174,047**

### NET EQUITY AND LIABILITIES

#### Group's equity

Share capital	16,200	16,200
Other reserves	29,917	29,917
Retained earnings and net profit for the year	9,951	8,195

**Total Group's net equity**      **56,068**      **54,312**

**Total minority interest**      **4**      **4**

**TOTAL NET EQUITY**      **56,072**      **54,316**

### LIABILITIES

#### Non-current liabilities

Payables to banks and other lenders	2,760	3,511
Derivative financial instruments	-	-
Deferred taxes payable	2,421	2,470
Staff termination indemnity/retirement provisions	8,623	8,727
Provisions for liabilities and charges	193	408
Other liabilities	1,089	1,061

**Total non-current liabilities**      **15,086**      **16,176**

#### Current liabilities

Payables to banks and other lenders	52,565	30,072
Trade payables	54,332	49,466
Current-tax liabilities	1,188	-
Other liabilities	25,250	24,016

**Total current liabilities**      **133,335**      **103,554**

**Total liabilities**      **148,421**      **119,730**

**TOTAL LIABILITIES AND NET EQUITY**      **204,493**      **174,047**



## CONSOLIDATED INCOME STATEMENT

(€/000)	31 March 2008	31 March 2007
<b>Revenue from sales</b>	<b>36,464</b>	<b>34,998</b>
Other income	1,244	417
Raw materials and consumables	(4,153)	(3,950)
Costs for services	(12,334)	(11,468)
Personnel costs	(10,846)	(9,826)
Other costs	(252)	(247)
Depreciation, amortization and write-downs	(6,326)	(6,035)
<b>Operating result</b>	<b>3,797</b>	<b>3,889</b>
Financial income	401	331
Financial charges	(1,119)	(1,191)
Investment income/expenses	48	(1)
<b>Pre-tax result</b>	<b>3,127</b>	<b>3,028</b>
Current and deferred taxes	(1,371)	(1,736)
<b>Net profit or loss</b>	<b>1,756</b>	<b>1,292</b>

## CONSOLIDATED NET FINANCIAL POSITION

(€/000)	31 March 2008	31 December 2007	31 March 2008
Cash-in-hand and cheques	35	37	16
Bank current accounts	14,908	1,238	2,007
<b>Cash and cash equivalents</b>	<b>14,943</b>	<b>1,275</b>	<b>2,023</b>
Current financial receivables	2,531	2,720	1,414
Payables to banks and other lenders	(52,565)	(30,072)	(55,936)
<b>Net current financial indebtedness</b>	<b>(50,034)</b>	<b>(27,352)</b>	<b>(54,522)</b>
Long-term payables to banks and other lenders	(2,760)	(3,510)	(6,817)
<b>Net long term current financial indebtedness</b>	<b>(2,760)</b>	<b>(3,510)</b>	<b>(6,817)</b>
<b>Net financial indebtedness</b>	<b>(37,851)</b>	<b>(29,587)</b>	<b>(59,316)</b>