



PRESS RELEASE

SERVIZI ITALIA: Half-yearly report at 30 June 2008 approved.

Consolidated revenues of €74.4 million (+3.8%).

Consolidated EBITDA at €20.6 million, consolidated EBIT at €7.5 million, net profit of €3.4 million.

The Board of Directors of Servizi Italia S.p.A. – a company listed in class 1 of the Expandi market of Borsa Italiana S.p.A. – approved the half-yearly report at 30 June 2008 today.

Main consolidated results of 1H08

The Company's consolidated revenues equalled €74.4 million, in line with budget forecasts and up 3.8% compared to €71.1 million in 1H07, due to the new contracts awarded and to those contracts signed during the previous financial year and entered in force during the period.

Concerning profitability, the Company's consolidated EBITDA equalled about €20.6 million, compared to about €22.2 million in 1H07, since the new legislation on severance indemnity determined a non-recurring benefit in 2007. Moreover, the renewal of the Collective Bargaining Agreement for the Laundry Sector determined higher labour costs.

Amortisation and depreciation reached €13.1 million approx., compared to €12.7 million in 1H07.

Consolidated EBIT stood at €7.5 million approx., compared to €9.5 million approx. of 1H07. This increase reflected the higher amortisation and depreciation charges calculated on the investments associated with the new tenders awarded in the surgical instrument sterilisation sector, which guarantee future economic benefits but, initially, are also characterised by negative cash flow.

The Group's pre-tax result was positive for €6.0 million approx. compared to €8.4 million approx. in 1H07. Consolidated net profit equalled about €3.4 million compared to about €4.4 million in 1H07.

Net financial indebtedness at 30 June 2008 amounted to €25.2 million compared to about €29.6 million at 31 December 2007, while net equity at 30 June 2008 totalled €54.0 million (€54.3 million at 31 December 2007).

Results by Business Area

An analysis by business segment would highlight laundry service revenues of about €62.1 million, up 2.3% on 1H07.



Linen sterilisation services generated revenues of more than €5.6 million, basically unchanged compared to the same period of the previous year. The services of sterilization of surgical instruments generated revenues of about €6.7 million, up 24.1% compared to €5.4 million in 2007.

In particular, these two segments – characterised by a higher added value and higher potential for development – increased their global percentage on total revenues, from 15.4% of 1H07 to 16.6% of 1H08, in line with the targets of our plan for development.

Significant events after the end of the first six months

On 2 July 2008 the Company signed a preliminary agreement to acquire 75% of the health sector services division of Padana Everest S.p.A. – a firm with its registered office in Travagliato, in the province of Brescia, operating in the industrial laundry sector – at a price of €17,625,000, further strengthening its leadership position in the segment consolidation process.

On 18 August 2008 the Antitrust Authority granted the relevant permission to the Company.

Business Outlook

The business outlook is basically in line with past trends. In particular, an increase in both revenues and profitability is expected compared to the previous FY, driven by the sterilisation segment. Moreover, 2008 will focus on becoming more and more competitive by further penetrating the markets in which the Company operates, further improving its turnover and production capacity.

Comment from the Managing Director

“We were particularly satisfied with the performance for this half year,” stated Luciano Facchini, Managing Director of Servizi Italia S.p.A., “in that it brought results that were in line with budget forecasts and showed an increase in customer loyalty with regard to the services rendered, as well as additional tenders awarded. We confirm that our plan for development, with the acquisition of the Padana Everest going concern, is of significant strategic value, strengthening our role in consolidating the target market, with high performance levels in terms of turnover. At the same time, it allows us to continue our search for efficient practices by optimising the Group’s management and production facilities.”

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

In 2007, Servizi Italia, achieved total consolidated revenues of € 143 million (+5.8% from 2006), consolidated EBITDA of € 41.8 million (+8.2%), and net consolidated profit of € 6.6 million (+56%).

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

Note: the following documents – examined today by the Board of Directors – are attached to this press release: balance sheet, income statement, cash flow statement, and performance alternative indicators from the 2008 January-June period.

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Castellina di Soragna (PR), 28 August 2008



In compliance with the provisions of article 2A.3.7, paragraph 1 of the Regulations for Markets Organised and Managed by Borsa Italiana S.p.A., please note the following¹:

1. consolidated net result from 1st July 2007 to 30 June 2008 equalled €5,688 thousand, i.e. greater than €100,000.
2. consolidated recurring assets from 1st July 2007 to 30 June 2008 equalled €10,113 thousand, therefore in the black;
3. consolidated gross operating result from 1st July 2007 to 30 June 2008 equalled €40,215 thousand, therefore in the black;
4. the ratio between consolidated NFP (net financial indebtedness) at 30 June 2008 and consolidated gross operating result from 1st July 2007 to 30 June 2008 was 1.01.

As per the Instructions accompanying Regulations for Markets Organised and Managed by Borsa Italiana S.p.A., calculations are broken down as follows:

Calculation of NFP/GOR indicator	30/06/2008
+ PAYABLES TO BANKS	28.216
+ PAYABLES TO OTHER LENDERS	1.781
+ OTHER FINANCIAL PAYABLES	3.924
- TOTAL CASH AND CASH EQUIVALENTS	-1.696
- CURRENT FINANCIAL RECEIVABLES	-3.102
+ TRADE PAYABLES OVERDUE BY 60 DAYS OR MORE	11.571
TOTAL ADJUSTED NFP (NET FINANCIAL INDEBTEDNESS)	40.694
+ PROFIT	5.688
+/- INCOME TAXES	4.425
+/- INCOME AND EXPENSES DUE EITHER TO NON-RECURRING EVENTS OR TRANSACTIONS OR TO ACTIONS OR TRANSACTIONS NOT FREQUENTLY OCCURRING IN THE ORDINARY OPERATIONS, AS PER POINT 2 OF CONSOB RULING NO. 15519 OF 27/07/2006	0
RESULT OF RECURRING ASSETS	10.113
+ PROFIT	5.688
+/- INCOME TAXES	4.425
+/- INCOME AND EXPENSES DUE EITHER TO NON-RECURRING EVENTS OR TRANSACTIONS OR TO ACTIONS OR TRANSACTIONS NOT FREQUENTLY OCCURRING IN THE ORDINARY OPERATIONS, AS PER POINT 2 OF CONSOB RULING NO. 15519 OF 27/07/2006	0
-/+ SHARE OR PROFIT OR LOSS OF AFFILIATES AND JOINT VENTURES CARRIED AT EQUITY	-211
+ FINANCIAL EXPENSES [BALANCE OF FINANCIAL OPERATIONS]	3.260
+ DEPRECIATION OF TANGIBLE FIXED ASSETS	26.803
+ AMORTIZATION OF INTANGIBLE FIXED ASSETS	250
TOTAL GOR	40.215
RATIO NFP/GOR	1,01
A) NET RESULT	5.688
B) RESULT OF RECURRING ASSETS	10.113
C) GOR	40.215
D) NFP/GOR	1,01

¹ These data differ from those contained in the consolidated Financial Statements at 30 June 2008, since the Regulations of Borsa Italiana provide for different calculation criteria.



CONSOLIDATED BALANCE SHEET

<i>(€/000)</i>	30 June 2008	31 December 2007
ASSETS		
Non-current assets		
Tangible fixed assets	72,183	66,810
Intangible fixed assets	520	555
Goodwill	8,581	8,531
Shareholdings in affiliates	3,301	980
Shareholdings in other companies	2,126	2,116
Financial receivables	1,870	1,094
Deferred taxes receivable	947	1,061
Other assets	254	254
Total non-current assets	89,782	81,401
Current assets		
Inventories	2,534	2,093
Trade receivables	85,753	83,732
<i>Related parties</i>	652	1,106
Current-tax assets	-	119
Financial receivables	3,102	2,720
<i>Related parties</i>	662	212
Other assets	2,251	2,707
Cash and cash equivalents	1,696	1,275
Total current assets	95,336	92,646
TOTAL ASSETS	185,118	174,047
NET EQUITY AND LIABILITIES		
Group's equity		
Share capital	15,972	16,200
Legal reserve and other reserves	29,232	29,917
Retained earnings and result for the year	8,810	8,195
Total Group's net equity	54,014	54,312
Total minority interest	4	4
TOTAL NET EQUITY	54,018	54,316
LIABILITIES		
Non-current liabilities		
Payables to banks and other lenders	4,061	3,511
Deferred taxes payable	2,375	2,470
Severance indemnity provisions	8,581	8,727
Provisions for liabilities and charges	2	408
Other liabilities	1,117	1,061
Total non-current liabilities	16,136	16,176
Current liabilities		
Payables to banks and other lenders	25,936	30,072
<i>Related parties</i>	-	10
Trade payables	58,389	49,466
<i>Related parties</i>	10,243	8,821
Current-tax liabilities	2,400	-
Other liabilities	28,239	24,016
<i>Related parties</i>	-	2
Total current liabilities	114,964	103,554
TOTAL LIABILITIES	131,100	119,730
TOTAL LIABILITIES AND NET EQUITY	185,118	174,047



CONSOLIDATED INCOME STATEMENT

(€/000)	Half year closed at 30 June	
	2008	2007
Revenues from sales	74,425	71,717
<i>Related parties</i>	413	645
Other income	2,320	1,455
<i>Related parties</i>	242	136
Raw materials and consumables	(8,457)	(8,321)
<i>Related parties</i>	(3,359)	(2,586)
Costs for services	(25,194)	(23,275)
<i>Related parties</i>	(5,140)	(4,546)
Personnel costs	(21,740)	(18,848)
<i>Related parties</i>	(560)	(636)
<i>Non recurring</i>	-	951
Other costs	(789)	(531)
Depreciation, amortisation and write-downs	(13,072)	(12,698)
Operating result	7,493	9,499
Financial income	1,060	773
<i>Related parties</i>	2	-
Financial charges	(2,618)	(2,070)
<i>Related parties</i>	-	(10)
Investment income (expenses) from shareholdings carried at equity	115	200
Pre-tax result	6,050	8,402
Current and deferred taxes	(2,649)	(4,038)
Net profit or loss	3,401	4,364
Of which: Group's share	3,401	4,364
Minority interest	-	-
EPS (basic in Euro):	0.211	0.270
EPS (diluted in Euro):	0.211	0.270



CONSOLIDATED CASH FLOW STATEMENT

(€/000)	Half year closed at 30 June	
	2008	2007
<i>Cash flow generated (absorbed) by operations</i>		
Pre-tax profit (loss)	6,050	8,402
Current taxes paid	-	-
Amortisation and depreciation	12,965	11,968
Write-downs and allocations	107	730
Shareholdings (Write-up) write-down	(114)	(196)
Allocations to staff termination indemnity	402	(596)
	19,410	20,308
(Increase)/Decrease in inventories	(441)	119
(Increase)/Decrease in trade receivables	(2,128)	914
<i>Related parties</i>	13	64
Increase/(decrease) in trade payables	8,922	(4,468)
<i>Related parties</i>	1,407	(351)
Increase/(decrease) other assets and liabilities	4,218	(119)
Severance indemnity paid	(510)	(465)
Cash flow generated (absorbed) by operations	29,471	16,287
<i>Net cash flow generated (absorbed) by investment activities:</i>		
Intangible fixed assets	(158)	(231)
Tangible fixed assets	(18,195)	(13,224)
Dividends collected	250	250
Own shares purchased	(1,152)	-
Shareholdings	(2,467)	237
Net cash flow generated (absorbed) by investment activities	(21,722)	(13,218)
<i>Cash flow generated (absorbed) by financing activities</i>		
Financial receivables	(1,158)	-
<i>Related parties</i>	(562)	-
Dividends paid	(2,585)	-
Net equity	-	28,885
Short-term payables to banks and other lenders	(4,135)	(29,913)
<i>Related parties</i>	(10)	(711)
Long-term payables to banks and other lenders	551	(2,244)
<i>Related parties</i>	-	(539)
Cash flow generated (absorbed) by financing activities	(7,327)	(3,272)
(Increase)/decrease in cash and cash equivalents	421	(203)
Initial cash and cash equivalents	1,275	1,266
Final cash and cash equivalents	1,696	1,063