Half-Year Report

At 30th June 2007

Here is a short abstract, translated into English, containing the most significant data of Arkimedica's complete Half-Year Report at 30th June, as filed with Borsa Italiana and Consob[1].

Arkimedica S.p.A.
Via Govi, 25 – 42025 Cavriago (RE) – Tel. 0522 373763 – Fax 0522 373764
www.arkimedica.it

[1] Translator's note: *Consob = National Commission for Listed Companies and the Stock Exchange.*

ARKIMEDICA GROUP

Introduction

The Half-Year Report of Arkimedica S.p.A. and of its subsidiaries (hereinafter, the "Group") has been drawn up in compliance with the Consob regulation no. 11971 dated 14th May 1999, as later amended by the Consob resolution no. 14990 dated 14th April 2005.

The European Regulation (EC) n°1606/2002 of 19th July 2002 has introduced the obligation, starting from financial year 2005, to comply with the International Financial Reporting Standards ("IFRS"), set forth by the International Accounting Standards Board ("IASB") and acknowledged by the European Commission, relating to the drawing up of consolidated balance sheets for companies having capital securities and/or certificates of indebtedness listed on any of the European Community's regulated markets. Following the above European Regulation, on 20th February 2005, Legislative Decree no. 38 has been issued, thus regulating the said IFRS-related obligation within the Italian regulatory system and extending it over the drawing up of the relevant companies' balance sheets starting from financial year 2006. Following the admission to listing, dated 1st August 2006, on the Expandi market, the Group's balance sheet for the first half of 2006 has therefore adopted the International Accounting Standards ("IFRS"), issued by the International Accounting Standards Board and applicable to the drawing-up of Consolidated balance sheets.

Consequently, pursuant to IFRS 1, the date of adoption of the IFRSs is 1st January 2005.

As a result, the Group's consolidated Half-Year Report for the six-month period 1st January – 30th June 2007 has been drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. Particularly, the Half-Year Report has been drawn up according to the provisions of the principle IAS 34 "Intermediate Balance Sheet".

Wherever not otherwise specified, the amounts are stated in terms of thousands euros.

Letter from the Chairman.

Dear Shareholders,

Your Company's strategic plan took another step forward in the first half of 2007.

Arkimedica intends to become Italy's first integrated healthcare and assistance system for the elderly, starting with leadership on the RSA (nursing home) furniture market and exploiting the revenue and development capacity of complementary divisions, as expressed by our mission: "we'll care."

Created just 18 months ago, the system has kept its promises in terms of economic-financial results and consistent growth of outside lines.

Financial markets have awarded the Company's financial and strategic reliability: Arkimedica shares had one of the market's best IPOs (+99% from 1 August 2006 to 30 June 2007, with market cap now at €232 million).

Subsidiary Domani Sereno Spa, in which the Allianz Group (through RAS Spa), among others, holds an interest, is the driving force behind all in initiatives in both innovative and traditional services.
Even though it is still in the start-up phase, Domani Sereno should achieve positive results this year and launch its main projects, the most important of which is in the insurance field.

I am also pleased to inform you that, beyond its stock market performance and despite the fact that it has just recently entered the managed care market, Arkimedica is now mentioned in both economic and academic environments - and not only in Italy – as an excellent example of a systemic process, anticipating the latent needs of an aging population, needs that will continue to grow in Italy due to its demographic trends.

I will now summarize, for each division, some of the guidelines applied by the Board of Directors and by the administrative bodies of subsidiaries:

1) Contract Division: maintenance of record performance in 2006 despite the non-renewal of an important and not easily replaceable contract in that year. Increased powers to second-level management and greater dedication by the two Managing Directors to the parent company's growth via outside lines, the benefits of which may be seen in the Care Division in the second half of the year, based on the principle that the Contract Division is the primary source of growth opportunities for the Care Division.
2) Care Division: rapid development of the acquisitions plan through Sogespa Gestioni Spa and overcoming of the limitation of the original vertical model in favour of a federal model in which Arkimedica will gather businessmen interested in participating in the system. Development has produced investments in research and the use of dedicated human resources, with a significant effort to update the main structures of the Division's two poles (SOGESPA and SANGRO), which are now able to sustain further growth.
3) Medical Devices Division: generational change in management and search for strategic partnerships to strengthen competitive position, without losing sight of profitability and organic growth in line with forecasts.
4) Equipment Division: return to past performance levels through a review of the production structure and of decision-making processes; launching of a policy for outside growth in Italy and abroad.
5) Domani Sereno: launching of some main points of the system: call centre, website, affiliation campaign, prototyping of insurance services (recently launched); at end of six-month period,

assumption of financial and managerial responsibility of a traditional RSA services division in order to expand the supply to affiliates.

Lastly, my special thanks to all of the Directors (including those not currently in office and/or independent), as well as to all members of the Board of Auditors, for their constant dedication and contribution at the highest professional level.

Simone Cimino

Corporate boards

Board of Directors	
Cimino Simone	Chairman & Managing director
Bonilauri Torquato	Vice Chairman & Managing director
Barazzoni Cinzio	Managing director
Prampolini Paolo	Managing director
Iuculano Carlo	Managing director
Iuculano Antonino	Director
Lazzaro Vittorino	Director
De Vecchi Guido Arturo	Director
Campanella Giuseppe	Director
Bertolin Adriano	Director
Burani Giovanni (*)	Director
Gatti Matteo	Director
Capolino Perlingieri Ugo (*)	Director
Pagliai Renzo	Director
Vagnone Paolo	Director

(*) Indipendent director

Board of Statutory Auditors	
Valsecchi Simona	Chairman of the Board of Statutory Auditors
Bertolani Mauro	Statutory Auditor
Furian Simone	Statutory Auditor
Marcozzi Attilio	Alternate Auditor
Righetto Alfredo Gianpaolo	Alternate Auditor

Member of the Executive Committee
Cimino Simone
Iuculano Carlo
Barazzoni Cinzio

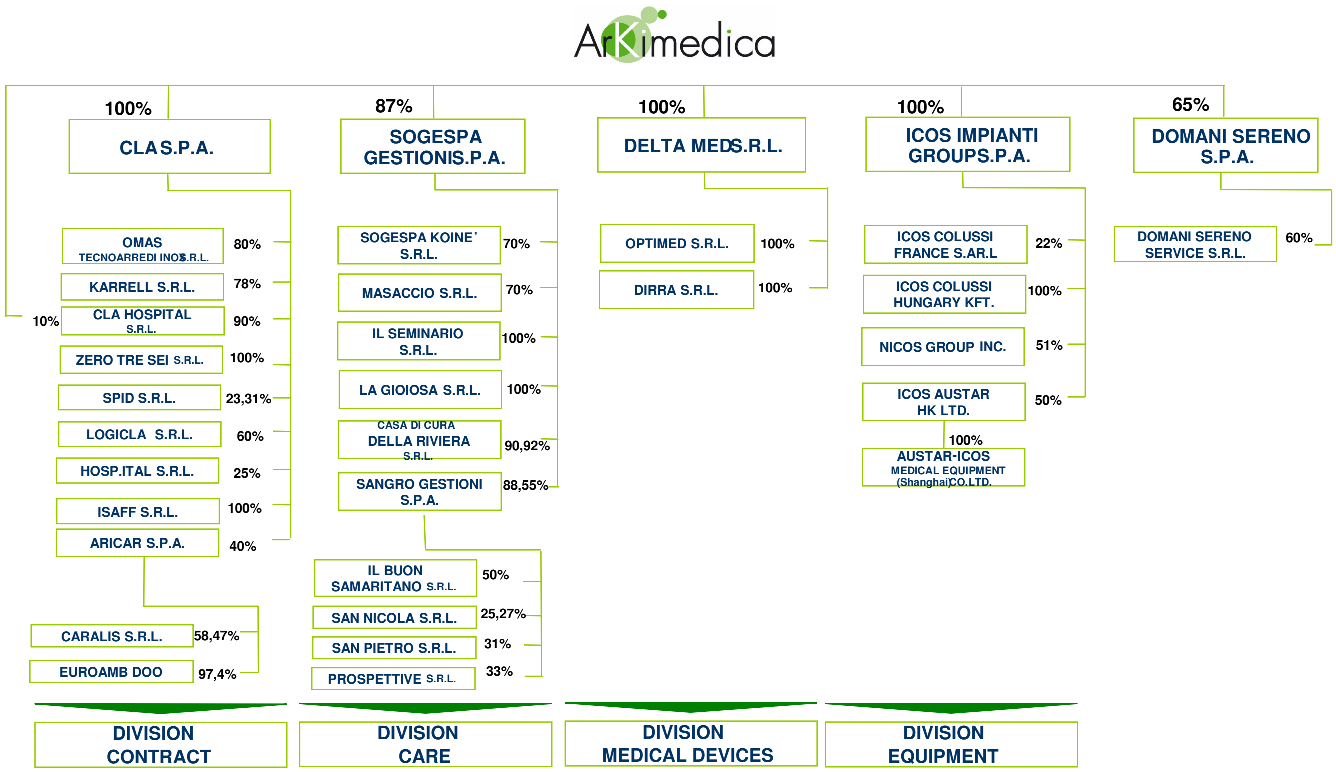
External Audit Firm
Deloitte & Touche S.p.A.

ARKIMEDICA GROUP

MANAGEMENT REPORT
HALF-YEAR STATEMENT AT 30th JUNE 2007

Group Structure and Description of Division Business Areas

At 30 June 2007, the Group consisted of the following companies:



Delta Med S.r.l.'s put & call option for 40% of Dirra S.r.l., originally maturing on 31 December 2008, was exercised in June 2007 at the price pre-set by the parties. As described in the Supplemental Notes, this company was 100% consolidated as of the Half Year Report dated June 2006.

The Group operates by means of the following divisions:

- CONTRACT: design, production and turn-key supply of furniture and carts for hospitals, rest homes, primary schools and communities in general, construction of operating theatres, fitting of ambulances and special vehicles, supply of consumable goods to communities, automated management of medication;
- CARE: management of senior citizen residences;
- MEDICAL DEVICES: production and supply of infusion therapy products, unwoven fabrics, and other custom products for the pharmaceutical and dental sectors;
- EQUIPMENT: design, production and supply of sterilisation and washing equipment for the pharmaceutical and hospital sectors, and cooking equipment for communities.

In addition to these four main divisions, subsidiary Domani Sereno Spa, set up in September 2006, provides state-of-the-art services to senior citizen residences.

The parent company conducts management and coordination activities via its management structure, while the majority of employees continues to perform administrative and business activities at a number of Group companies.

The Supplemental Notes identify and describe significant equity investments (direct and indirect) as well as the consolidation area.

Performance trends of Group companies

Please note than this Half Year Report does not include alternative performance measurements other than net financial standing, and therefore it is not necessary to provide any information with reference to CESR Recommendation 05/178b on alternative performance indicators (see the Supplemental Notes for a description of the structure of net financial debt).

In compliance with the requirements of Consob Notice DEM/6064293 of 28 July 2006, the profit and loss account schedules shown in this Report do not differ from those shown in the financial statement, whereas the balance sheet schedules present a few changes that are immediately reconciled with the financial statement schedules.

ECONOMIC DATA	30/06/2007	%	31/12/2006	%	30/06/2006	%
Revenues from sales of goods and services	59.799		97.094		38.009	
Change in inventories of finished products and of work-in-progress	2.536		(1.587)		1.117	
Increase in internal works capitalized	122		337			
Other revenues	1.335		1.465		194	
of which not recurrent revenues	*558*					
Value of production	**63.792**		**97.309**		**39.320**	
YoY	***62,24%***					
Raw materials	(27.025)	*42,36%*	(42.527)	*43,70%*	(17.484)	*44,47%*
Services and leases/rentals	(17.322)	*27,15%*	(25.198)	*25,89%*	(9.896)	*25,17%*
Personnel	(12.452)	*19,52%*	(17.500)	*17,98%*	(7.626)	*19,39%*
Change in row materials	919	*1,44%*	232	*0,24%*	1.116	*2,84%*
Provisions	(330)	*0,52%*	(472)	*0,49%*	(221)	*0,56%*
Other operating expenses	(861)	*1,35%*	(857)	*0,88%*	(410)	*1,04%*
Costs of production	**(57.071)**	***89,46%***	**(86.322)**	***88,71%***	**(34.521)**	***87,80%***
YoY	***65,32%***	***0,00%***				
Ebitda	**6.721**	***10,54%***	**10.987**	***11,29%***	**4.799**	***12,20%***
YoY	***40,05%***					
Amortization and depreciation and write-downs	(2.245)	*-3,52%*	(3.400)	*3,49%*	(1.562)	*3,97%*
Profits deriving from lower price paid for shareholdings		*0,00%*	1.990	*2,05%*	1.992	*5,07%*
Ebit	**4.476**	***7,02%***	**9.577**	***9,84%***	**5.229**	***13,30%***
YoY	***-14,40%***					
Financial income (expenses)	(1.369)	*2,15%*	(1.600)	*1,64%*	(685)	*1,74%*
Profits (losses) from invested companies	(182)	*0,29%*	(488)	*0,50%*	(189)	*0,48%*
Pre-tax result	**2.925**	***4,58%***	**7.489**	***7,70%***	**4.355**	***11,08%***
YoY	***-32,84%***					
Taxes	(2.189)	*3,43%*	(3.523)	*3,62%*	(1.486)	*3,78%*
Profit (loss) for the year / half-year	**736**	***1,15%***	**3.966**	***4,08%***	**2.869**	***7,30%***
YoY	***-74,33%***					
Third-party profit (loss)	**(166)**	***-0,26%***	**233**	***0,24%***	**331**	***0,84%***
YoY	***-150,15%***					
Group profit (loss) for the year / half-year	**902**	***1,41%***	**3.733**	***3,84%***	**2.538**	***6,45%***
YoY	***-64,45%***					

YoY - (Year over Year) percentage change compared to data at 30th June 2006

The following information may be derived from an examination and comparison of the above data:

- revenues have increased due to expansion of the consolidation area (CARE Division) and due to increased sales of goods and services (Contract and Equipment Divisions);
- costs are in line with revenue trends;
- margin decreased by about two percent due mainly to the increased weight of Contract Division sales, which structurally have lower margins.
- The profit and loss result benefited from non-recurrent income deriving from a change in the law concerning the employee severance indemnity, as described in the Supplemental Notes.

BALANCE SHEET	**30/06/2007**	*%*	**31/12/2006**	*%*	**30/06/2006**	*%*
Tangible and intangible assets	47.805		34.500		25.643	
Goodwill	38.480		34.939		22.899	
Financial assets	691		1.568		584	
Other fixed assets	3.793		1.534		1.312	
Total fixed assets	**90.769**	***80,56%***	**72.541**	***74,59%***	**50.438**	***65,06%***
Inventories	18.023		14.801		17.132	
Trade	63.739		62.761		47.737	
Suppliers	(34.567)		(32.562)		(21.587)	
Tax credits and payables	(6.007)		(4.043)		(4.205)	
Current Liabilities net of other current assets	(10.726)		(8.081)		(6.412)	
Total net working capital	**30.462**	***27,04%***	**32.876**	***33,81%***	**32.665**	***42,14%***
Deferred tax provision	(3.237)		(2.597)		(1.908)	
Provisions for employee leaving indemnity and other funds	(5.327)		(5.571)		(3.671)	
Total net invested capital	**112.667**	***100,00%***	**97.249**	***100,00%***	**77.524**	***100,00%***
Capital and reserves	58.790		55.019		29.798	
Consolidation/pro-forma reserves					.	
Net profit (loss)	902		3.733		2.538	
Group shareholders' equity	**59.692**	***52,98%***	**58.752**	***60,41%***	**32.336**	***41,71%***
Shareholders' equity - minority interest	5.400		4.767		3.705	
Net financial debt	47.575		33.730		41.483	
Total sources	**112.667**	***100,00%***	**97.249**	***100,00%***	**77.524**	***100,00%***

The principal changes may be described as follows:

- the increase in Total Fixed Assets is attributable mainly to tangible and intangible assets and to goodwill and derives almost entirely from changes in the consolidation area (new acquisitions by the Care Division), in addition to structural investments made by Group companies.

  The Care Division recorded a Euro 3,435 thousand increase in goodwill, consisting of consolidation differences emerging from new acquisitions. In addition, changes in the consolidation area deriving from such new acquisitions generated an increase of about Euro 14,000 thousand in the value of property and about Euro 444 thousand in other assets.

- The increase in Total Net Working Capital also derives mainly from the change in the consolidation area. It was also influenced by significantly increased sales by the Contract and Equipment Divisions (Trade and Suppliers items).

- Net financial debt rose compared to 31 st December 2006 in consideration of acquisitions by the Care Division. Although the ratio to sales increased in absolute value, it remained in line with the level in the 1st half of 2006 thanks to stable working capital levels in the other divisions.

As mentioned above, the balance sheet scheme shown above has a different structure than the consolidated schedules in the Consolidated Financial Statement, but these two schemes may be immediately reconciled because the names of individual items are identical.

Financial Debt

Reference is made to the accounting schedule for examination of the Financial Statement.

Details of Net Financial Debt are shown below, conforming to data in the Supplemental Notes and prepared in accordance with CESR recommendations.

	30 June 2007	31 December 2006	30 June 2006
Securities		0	0
Cash and cash equivalents	12.409	13.937	6.081
Short-term financial assets (A)	**12.409**	**13.937**	**6.081**
Short-term Bank payables	(13.344)	(10.529)	(13.136)
Short-term share of medium/long-term debt	(7.624)	(8.476)	(7.225)
Short-term other lenders payables	(1.786)	(965)	(2.251)
Short-term financial debt (B)	**(22.754)**	**(19.970)**	**(22.612)**
Medium/long-term Bank payables	(31.652)	(20.235)	(17.082)
Medium/long-term other lenders payables	(5.072)	(6.956)	(7.364)
Bonds Issued	(506)	(506)	(506)
Medium/long-term debt	**(37.230)**	**(27.697)**	**(24.952)**
Net financial debt	**(47.575)**	**(33.730)**	**(41.483)**
Short-term net financial debt (A+B)	**(10.345)**	**(6.033)**	**(16.531)**

As mentioned above, total net financial debt increased in absolute value compared to 31st December 2006 and to 30 th June 2006.

The larger increase (compared to December 2006) derives from medium/long-term debt, typically due to investments, while short-term debt is in line with increased sales deriving from expansion of the consolidation area and from increased revenues from sales by the Contract and Equipment Divisions.

The incidence of net short-term debt compared to total net borrowing was 21.7% at 30 th June 2007, 17.9% at 31 st December 2006, and 39.8% at 30 th June 2006.

Specifically:

Short-term debt consists of:

- Banks: almost exclusively for unblocking of trade receivables, typically advances on invoices, portfolio under reserve, etc.;
- Short-term share of medium/long-term debt: instalments due within the next 12 months on medium/long-term loans and financings in general;
- Other lenders: instalments due within the next 12 months on financial leasing transactions.

Medium/long-term debt consists of:

- Banks: instalments due beyond 12 months on medium/long-term loans and financings in general;
- Other lenders: instalments due beyond 12 months on financial leasing transactions;
- Bond Issued: payables due beyond 12 months on non-convertible loan stock.

Summary data for Group Divisions.

This Half Year Report at 30th June 2007 is the third presentation of consolidated Group data. Therefore, more precise comparisons and analyses can be made, even though some data may not be entirely homogeneous. This is especially true for divisions that achieved greater growth and significantly changed the consolidation area.

Parent company: Arkimedica.

The following data refer to the parent company:

	30/06/2007	%	31/12/2006	%	30/06/2006 (**)	%
Value of Production	**0**		**0**		**NA**	
Ebitda	**- 849**	**(*)**	**- 1.523**		**NA**	
Ebit	**- 854**	**(*)**	**435**		**NA**	

(*) Differs from data on consolidated statement (EBITDA Euro € -1,054 thousand, EBIT Euro € 1,059 thousand) in that inclusive of costs charged to Cla relative to personnel transferred to Cla (Euro 205 thousand).

(**) Parent company data at 30 th June 2006 are not available because already included in Contract Division.

Value of production remains zero because all of the parent company's revenues were cancelled when the consolidated statement was drafted, in that such revenues refer exclusively to companies included in the consolidation area.

For better interpretation of the results, the following table presents the service costs incurred by the parent company in 2006 and charged to the Profit and Loss Account.

	Amounts in Euro 000s
Employees (excluding transferred staff)	98
Corporate bodies	339
IFRS valuation of stock option	134
Certification, consulting	104
Publications, advertising, transfers, meetings, etc	127
Headquarters	9
Other	28
Other operating charges	10
Total	**849**

Contract Division

Economic data may be summarised as follows:

	30/06/2007	%	31/12/2006	%	30/06/2006 (**)	%
Value of Production	**33.134**		**57.594**		**23.278**	
YoY	*42,34%*					
Ebitda	**3.242** (*)	**9,78%**	**5.274** (***)	**9,16%**	**1.925**	**8,27%**
YoY	*68,42%*					
Ebit	**2.759** (*)	**8,33%**	**4.265** (***)	**7,41%**	**3.468** (***)	**14,90%**
YoY	*-20,44%*					

YoY - (Year over Year) percentage change compared to data at 30th June 2006

(*) Differs from data on consolidated statement (EBITDA Euro 3,447 thousand, EBIT Euro 2,964 thousand) in that net of costs for transferred staff charged by parent company (Euro 205 thousand).

(**) Data at 30th June 2006 include parent company Arkimedica.

(***) Includes atypical positive income of Euro 1,992 thousand deriving from lower valuation upon contribution of Delta Med interest.

The Division continues to be fundamental for the Arkimedica Group thanks to its qualitative contributions to the information flow needed to develop the Care Division and, to a lesser extent, the operations of Domani Sereno, as well as in quantitative terms, in that it provides 51.9% of the Total Value of Production and 48,2% of EBITDA for the Group.

The Division continues to achieve results that significantly exceed those of the same period last year as well as those of the 2007 Budget. Cla achieved especially good results, and the other subsidiaries are in line with the Budget, considering seasonality related in part to the concentration of orders (OMAS for operating theatres) or to the seasonality of deliveries (ISAFF for primary school furniture).

Aricar deserves special mention, having overcome the deadlock of the last quarter 2006 / first quarter 2007 following adaptation of fittings to the new models of principal European car makers (especially

Fiat). Given the success of its new products, Aricar is expected to achieve the results forecast by the 2007 Budget.

Studio Luna srl is no longer part of the Contract Division. In June, Studio Luna srl was sold (without consolidation effects) to Domani Sereno Spa, in that its operations are more similar to those conducted by such Division.

Medical Devices Division

Economic data may be summarised as follows:

	30/06/2007	%	31/12/2006	%	30/06/2006	%
Value of Production	**8.729**		**15.266**		**7.111**	
YoY	*22,75%*					
Ebitda	**2.656**	**30,43%**	**4.639**	**30,39%**	**2.428**	**34,14%**
YoY	*9,39%*					
Ebit	**1.874**	**21,47%**	**3.079**	**20,17%**	**1.659**	**23,33%**
YoY	*12,96%*					

YoY - (Year over Year) percentage change compared to data at 30th June 2006

The following information regards the two companies that form the Medical Devices Division, which continues to be fundamental in terms of contribution to EBITDA (39.3% of Group total).

The extraordinary shareholders' meetings of these companies resolved the merger by incorporation in Deltamed srl of Dirra srl and of Optimed srl, another 100%-controlled company which, due to its small size, is still excluded from the consolidation area. The merger process is expected to conclude by year-end.

DeltaMed Srl

Turnover in the first half of the year were up 1% compared to the same period last year. This result, plus the fact that production equipment is unchanged since last year (and sufficiently saturated), demonstrates that the company was able to optimise its production processes.
The foreign – principal – channel was up 2.4%, whereas the Italian channel was down 2.7%.
The put&call option on Dirra was exercised in advance, bringing the equity investment to 100%.
The forecast for the second half is positive, in that expansion of production facilities was concluded in August, which will permit greater production capacity after the required validations.

Dirra Srl

Turnover in the first half of 2007 was essentially unchanged compared to the same period last year.
Sales in Italy accounted for about 83% of turnover, down slightly compared to the same period last year, due mainly to the transition phase between the end of old contracts in the hospital sector and the start of newly-awarded supply contracts. This small gap will be filled by the end of 2007, with an expected increase in annual turnover in line with the budgets, thanks especially to the stipulation of a number of contracts received.
Foreign sales were up 21.9% compared to the first half of 2006, with growth in European Union countries. Sales were especially strong in Spain and Germany.

Equipment Division

Economic data may be summarised as follows:

	30/06/2007	%	31/12/2006	%	30/06/2006	%
Value of Production	**8.418**		**12.093**		**4.492**	
YoY	*87,40%*					
Ebitda	**1.184**	**14,07%**	**1.146**	**9,48%**	**-129**	**-2,87%**
YoY	*-1017,83%*					
Ebit	**1.027**	**12,20%**	**788**	**6,52%**	**-328**	**-7,30%**
YoY	*-413,11%*					

YoY - (Year over Year) percentage change compared to data at 30th June 2006.

Trends in the first half and forecasts for the second half of 2007 are in line with the budget.

The return to productivity derives on the one hand from major business efforts and, on the other, from the internal reorganization process described below.

The new business structure, now a single office instead of divided into three areas (pharmaceutical, hospital, industrial cooking equipment), works by budget goals and is successfully increasing its order portfolio.

The unified technical function is making good progress regarding new methods to standardize the production process as well as with respect to best cost solutions.

On the technological level, the Division has achieved ASME approval, required to manufacture machines for the US market, and TBM approval is under way with NEMCO. This project will conclude by the end of 2007, and will permit rapid approval of alternative components and new products, providing significant time and cost advantages.

Purchasing and production planning continue to guarantee on-time delivery of orders, despite the fact that sales doubled in the first half of 2007 compared to the same period last year, and with fewer employees.

On the organizational and personnel level, industrial relations with labour unions are normal.

With regard to subsidiaries, business integration is under way with NICOMAT INC (now NICOS GROUP INC (USA)), with negotiations for large machine orders for the US pharmaceutical market, integrating them with machines already marketed.

COLUSSI FRANCE operates in the hospital and laboratory sterilisation field, with emphasis on maintenance contracts for installed machines. This channel will permit us to market other Arkimedica Group products, especially for the Contract Division. We acquired 61.11% of this company in the second half of last year, and will hold 83.33% after this transaction.

Care Division

Economic data may be summarised as follows:

	30/06/2007	%	31/12/2006	%	30/06/2006	%
Value of Production	**12.511**		**12.355**		**4.439**	
YoY	*181,84%*					
EBITDA before structural costs	**2.051**	**16,39%**	**3.186**	**25,79%**	**575**	**12,95%**
YoY						
Structural costs	**-1.410**		**-1.684**			
Ebitda	**641**	**5,12%**	**1.502**	**12,16%**	**575**	**12,95%**
YoY	*11,48%*					
Ebit	**-58**	**-0,46%**	**1.061**	**8,59%**	**430**	**9,69%**
YoY	*-113,49%*					

YoY - (Year over Year) percentage change compared to data at 30th June 2006

The results achieved refer to the Care Division and, specifically, to Sogespa Gestioni S.p.A. and its subsidiaries.

Compared to the year ended 31st December 2006, the results from the Savona (from 1st January 2007), Stazzano (from 23rd April 2007), and Termoli (from 1st April 2007) facilities have been included.

In the first half of the year, consolidated sales exceeded forecasts by about 8%.

Therefore, sales forecasts were fully satisfied.

EBITDA (calculated prior to structural costs) was below forecasts, but showed signs of improvement in the second quarter compared to the first.

The two Savona companies have commenced a radical reorganization plan calling for the suspension of their highly unprofitable nursing home activity (currently authorised for 14 beds). This should increase margins by about Euro 200,000. Thereafter, nursing home activity will be expanded to a total of about 108 beds managed, 64 of which in a nursing home with significant economies of scale and higher margins. Other than the above, the structure does not currently contribute in terms of results.

The structures in the Abruzzo and Molise areas had the largest losses, derived mainly from lower high-profit sales due to continued reduction of agreements with Local Health Corporations and less remunerative classification of illnesses by geriatric evaluation units. These factors penalised the profitability of fees. Nevertheless, the trend is reversing, with improved (but not yet satisfactory) margins.

With regard to EBITDA, results are significantly below expectations. The first-half figure suffered from structural costs for development and from some non-capitalised non-recurrent expenses. Nevertheless, thanks to the investment in development, the number of beds managed increased to 1,368 at 31st July, compared to the 1,111 provided for in the annual budget. The start-up and reorganization of new beds is currently under way according to our operative systems, a process that absorbs significant non-recurrent resources.

The results of this development are expected to be seen by medium term.

With reference to the performance forecast and, in general, to expectations for the year, the result will still be negatively affected by the changed forecast for Lunigiana, with steady performance and some improvement in other north-central structures. For the Abruzzo and Molise structures, forecasts must be revised as described above.

With regard to acquisition of the Basaluzzo structure, the low cost per bed (approximately Euro 62,000 including the building) is confirmed.

As mentioned above, low acquisition costs will generate good results in the medium term, but now involve greater start-up costs which reduce short-term results.

We believe that the savings obtained are highly beneficial, and that the acquired structures have excellent potential.

The following acquisitions were conducted during the current year:

- Il Seminario S.r.l. - Stazzano (AL): 167 beds;
- Casa di Cura delle Riviera S.r.l. – Savona: 14 beds;
- La Gioiosa s.r.l. - Savona (registered office in Genova): 44 beds;
- Opera Serena - Termoli (acquisition of management): 72 beds authorised, 37 of which in a protected structure pursuant to an agreement with the Molise Region;
- S. Antonio S.r.l. - Basaluzzo (AL): 111 beds.

In light of the above, given the experience gained from the acquisitions and the organisational structure created to sustain new acquisitions, we believe it opportune to continue with the development plan, although such plan must include significant financial restructuring of the Division, with possible share capital increases and sale of assets.

The rationalisation process is continuing, with the expected merger of subsidiaries Il Seminario s.r.l., S. Antonio s.r.l. and La Gioiosa s.r.l. in Sogespa Gestioni. Technical obstacles and the presence of a few minority interests are currently preventing Casa di Cura della Riviera s.r.l. from taking part in the merger. Negotiations are under way for acquisition of the remaining shares (9.08%).

Domani Sereno + Domani Sereno Service

	30/06/2007	%	31/12/2006	%	30/06/2006	%
Value of Production	**1.000**		**NA**		**NA**	
Ebitda	**-153**	**-15,30%**	**NA**		**NA**	
Ebit	**-272**	**-27,20%**	**NA**		**NA**	

Domani Sereno was set up in September 2006 and is included in the consolidation area for the first time. It provides high-quality services to the longevity sector, with a well-balanced mix of innovative and traditional services. The Allianz Group (through RAS Spa), among others, hold a 20% interest in the company.

The first half of 2007 ended substantially in line with the business plan.
The company conducted all scheduled activities to guarantee that start-up proceeded as planned. The call centre was activated with a database that supplies information on the nursing facility closest to the caller's home and on recovery procedures.
Work continued with the RSA Group for preparation of the Domani Sereno policy; the product has been defined and is expected to be launched by autumn.

In late June, the company acquired 60% of Studio Luna s.r.l. (previously a Contract Division subsidiary), which then changed its name to Domani Sereno Service s.r.l. Domani Sereno Service operates in the industrial washing, flat linen, and supply sectors. Its principal customers are nursing homes for the elderly.

The acquisition was decided on the basis of advantages identified for Domani Sereno, which was able to expand its offer of services to affiliates with the addition of laundry and supply services. For smaller customers in particular, these are important areas in which to increase efficiency. For Studio Luna, access to the Domani Sereno circuit is an opportunity to expand its contacts and to increase its turnover.

In the first half of the year, a series of initiatives was conducted to promote the Domani Sereno brand and business. Among these was a stand at PTE EXPO: “Technologies, products, and services for the elderly,” held in Verona from 17th to 19th April.
This, the first important presentation of Domani Sereno, provided a great deal of positive feedback. Other advertising initiatives were carried out in the period.

Revenues for the period were generated primarily by subsidiary Domani Sereno Service srl and to a lesser extent by Domani Sereno Spa at the item “affiliation” and regarding affiliated structures.
In the second half of the year, the goal of launching the call centre will be pursued with an advertising campaign by means of posters in hospitals and outpatient structures.
Next autumn, RAS’s introduction of the Domani Sereno policy will allow Domani Sereno to strengthen its business proposal to RSAs to be affiliated. This proposal will be supported by a specific campaign in the autumn.
Joint business activities with Domani Sereno Service will continue, aimed at increasing sales of services at affiliates.

TOTALS FOR ARKIMEDICA GROUP

	30/06/2007	%	31/12/2006		%	30/06/2006		%
Value of Production	**63.792**		**97.308**			**39.320**		
YoY	*62,24%*							
EBITDA before hoding and development costs	**8.980**	**14,08%**	**14.245**		**14,64%**	**4.799**		**12,20%**
YoY								
Holding costs	**-849**		**-1.523**					
CareDivision development costs	**-1.410**		**-1.684**					
Ebitda	**6.721**	**10,54%**	**11.038**	(*)	**11,34%**	**4.799**		**12,20%**
YoY	*40,05%*							
Ebit	**4.476**	**7,02%**	**9.628**	(*)	**9,89%**	**5.229**	(**)	**13,30%**

YoY - (Year over Year) percentage change compared to data at 30th June 2006

(*) Differs from data on consolidated statement (EBITDA Euro 10,987 thousand, EBIT Euro 9,577 thousand) in that includes positive consolidation differences (Euro 51 thousand).

(**) Includes atypical positive income of Euro 1,992 thousand deriving from lower valuation upon contribution of Delta Med interest

Investments

As stated in the Supplemental Notes to the Consolidated Accounting Schedules at 30 June 2007 investments in tangible assets other than buildings were made primarily to maintain structure, obviously without consideration of the significance of changes in the consolidation area.

See the Supplemental Notes for a description of the principal changes. Movements and amounts of lands and buildings were particularly significant, and are broken down by Division in the following table:

CONTRACT DIVISION

	At 31st December 2006	Change in consolitation area	Increases	Disposals/ Write-downs/ Reclassifications	Other movements	Depreciation	At 30th June 2007
			Movements in the frist half of 2007				
Land and buildings							
Historical cost	12.439	-	236				12.675
Depreciation provision	1.347	0				146	1.493
Net value	**11.092**	**0**	**236**	**0**	**0**	**(146)**	**11.182**

EQUIPMENT DIVISION

	At 31st December 2006	Change in consolitation area	Increases	Disposals/ Write-downs/ Reclassifications	Other movements	Depreciation	At 30th June 2007
			Movements in 2007				
Land and buildings							
Historical cost	5.226			(1.014)			4.212
Depreciation provision	464			(120)		63	407
Net value	**4.762**	**0**	**0**	**(894)**	**0**	**(63)**	**3.805**

CARE DIVISION

	At 31st December 2006	Change in consolitation area	Increases	Disposals/ Write-downs/ Reclassifications	Other movements	Depreciation	At 30th June 2007
			Movements in 2007				
Land and buildings							
Historical cost	8.210	15.398	114				23.722
Depreciation provision	1.025	1.288				313	2.626
Net value	**7.185**	**14.110**	**114**	**0**	**0**	**(313)**	**21.096**

MEDICAL DEVICES DIVISION

	At 31st December 2006	Change in consolitation area	Increases	Disposals/ Write-downs/ Reclassifications	Other movements	Depreciation	At 30th June 2007
			Movements in 2007				
Land and buildings							
Historical cost	400		9				409
Depreciation provision	242					20	262
Net value	**158**	**0**	**9**	**0**	**0**	**(20)**	**147**

DIVISION TOTALS

	At 31st December 2006	Change in consolitation area	Increases	Disposals/ Write-downs/ Reclassifications	Other movements	Depreciation	At 30th June 2007
			Movements in 2007				
Land and buildings							
Historical cost	26.275	15.398	359	(1.014)	0	0	41.018
Depreciation provision	3.078	1.288	0	(120)	0	542	4.788
Net value	**23.197**	**14.110**	**359**	**(894)**	**0**	**(542)**	**36.230**

For the Care Division, properties are part of structures (RSA or equivalent) for which forms of divestment and simultaneous lease acquisition are already under study.

As for the Contract Division, it is expected that at least one of the Cla properties will be sold at the end of the financial leasing agreement in January 2009.

Assumption, Management and Coverage of Risks

The information required for purposes of Art. 2428 no. 6.bis) is presented in the Supplemental Notes.

Statement comparing annual result and shareholders' equity of Group to similar values of Parent Company

In compliance with the requirements of Communication no. DEM/6064293 of 28 July 2006, we present the following comparative statement (identical to the statement in the Supplemental Notes).

(thousands euros)	**Shareholders' Equity**	**Profit/(loss) For the half-year**
Amounts in financial statement of Arkimedica S.p.A.	**53.498**	**59**
Difference between book value of wholly-consolidated subsidiaries and shareholders' equity and annual results, net of third-party interest	6.403	932
Valutation with net equity method of non-consolidated investments	(210)	(89)
Net effect of consolidation adjustments	**6.193**	**843**
Group shareholders' equity and result	**59.691**	**902**
Third-party interests	**5.400**	**(166)**
Consolidated shareholders' equtiy and result at 30 June 2007	**65.091**	**736**

Human resources

Reference is made to the Supplemental Notes for a detailed description of the employee situation at the various Divisions.

Significant events after year-end

Performance forecast

The Group will continue to concentrate on developing the Care Division, to which almost all of the financial resources deriving from the IPO were assigned, and for whose future growth most of the revenues from the Convertible Bond, to be issued shortly, will be used.

The other divisions will be developed by rationalising management procedures, including those of acquisition and aggregation, as mentioned in the descriptions of trends for each division.

An important event for the Care Division was approval of the so-called federative model, which aims to involve various important operators by forming joint enterprises (led by Arkimedica) for the planning, acquisition, and management of RSAs and similar structures. This model, alongside our traditional model, will allow us to enter Regions that would otherwise be closed to outside operators due to a series of necessary relations with the population and local authorities. A number of contacts have already been made to promote the model, and the first initiatives may be seen before year-end.

In addition, development of the business conducted by subsidiary Domani Sereno Spa may be especially important during 2007, with the introduction of a series of services to be offered to affiliated structures.

Disclosure statement

The disclosure statement required by IFRS and by the Consob is provided in the Supplemental Notes.

Relations with related parties

With regard to transactions with related parties, Arkimedica Group intends to guarantee the complete substantive and procedural transparency and honesty of transactions with related parties, including by means of recourse to independent experts regarding the type, value, and characteristics of the transaction.

The Company has adopted a periodic monitoring procedure for all transactions with related parties for purposes of increasing the awareness of such parties with regard to the transparency and honesty of such transactions.

Relations with related parties, as defined in IAS 24, regard normal economic-financial relations determined via formal agreements and stipulated under normal market conditions or, in the case of individuals, conditions equivalent to those usually granted to employees.

As required by the Consob Communication of 28th July 2006, information on relations with related parties is presented in the Supplemental Notes.

As described above, Icos Impianti Group Spa sold an industrial building to a company in which some of the Company's directors have investments. The price of Euro 950 thousand (compared to a book value of Euro 925 thousand) was determined on the basis of a sworn report by an independent expert and was paid in full at the time of sale. Likewise, the lease stipulated simultaneously was based on average rentals charged for similar properties in the area.

Treasury shares

The parent company owns no treasury shares and did not trade any treasury shares in the first six months of 2007.

Atypical and/or unusual transactions

In compliance with Consob Communication DEM/6064293 of 28 July 2006, it is hereby confirmed that the Company conducted no atypical and/or unusual transactions (as defined in the Supplemental Notes) in the first six months of 2007.

Options and stock options

CNPEF and Fondamenta granted repurchase options to directors Torquato Bonilauri (for 1,001,054 shares), Cinzio Barazzoni (for 1,001,054 shares), Paolo Prampolini (for 1,001,054 shares), Carlo Iuculano (for 1,022,190 shares) and Franco Petrali (for 351,161 shares), which will be exercisable if certain profitability goals for CNPEF and Fondamenta are met within three years of the start of trading of the Company's shares on the Expandi Market.

On 21 April 2006, the Company's Extraordinary Shareholders' Meeting (with corrected resolution following splitting of the par value of the shares on 13th June 2006 and elimination of the indication of the par value of the shares on 17th July 2006) approved the Plan, resolving to increase the capital servicing the Plan up to a maximum of Euro 600,000 by issuing up to a maximum of 4,800,000 Shares at a price not below accounting par value (Euro 0.125), to be offered in subscription to the beneficiaries.
The beneficiaries of the Stock Option Plan are the Issuer's directors, Cinzio Barazzoni, Carlo Iuculano, and Paolo Prampolini, in equal parts.

The exercise price of the Options will be at least accounting par value (Euro 0.125) plus a premium set by the Company's board of directors when the price of the Shares is determined upon their admission to trading on the Expandi Market. Therefore, the exercise price of the Options will be Euro 1.20.

The option rights in the Stock Option Plan will accrue in three tranches of one third of the rights each, at the first, second, and third anniversary of the start of trading on the Expandi Market, respectively, and will be exercisable within thirty days after the most recent accrual date.

Note: there are no persons other than directors who may be identified as Key Managers as defined in the IFRS.

Other Information

Legislative Decree 231 of 8 June 2001

In 2006, as required by Italian Legislative Decree 231/2001, the Company, with the help of outside consultants, launched a plan to analyse and update the organisation, management, and control models of the Company and its main subsidiaries in order to prevent administrative liability.

The plan considers the structure of each company and identifies the activities in which the offences specified in the Decree might be committed.
With Board Resolution dated 29th March 2007, the Company adopted an "Organisation, Management, and Control Model pursuant to Art. 6 of Legislative Decree 231/01," and assigned a Supervisory Body, consisting of qualified independent professionals, the task of supervising the operation, effectiveness, and respect of such model. The model will be updated by consultants whenever necessary.
After specific board resolutions, some of the main subsidiaries have approved an individual organisation, management, and control model and have also appointed a supervisory body. For other Group companies the model is under examination.

Cavriago, 27 September 2007

Simone Cimino

Chairman of the Board

ARKIMEDICA GROUP

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

Ref.	*(Thousands euros)*	30 June 2007	31 December 2006
	Assets		
	Non-current assets:		
1.a	Goodwill	38.480	34.939
1.a	Intangible assets	1.419	1.132
1.b	Tangible fixed assets	46.386	33.368
1.c	Equity investments	691	1.568
1.d	Deferred tax assets	-	-
1.e	Other non-current assets	3.793	1.534
	Total non-current assets	**90.769**	**72.541**
	Current assets:		
2.a	Inventories	18.023	14.801
2.b	Trade receivables	63.739	62.761
2.c	Tax receivables	1.277	1.937
2.d	Other curent assets	2.239	2.586
2.e	Cash and cash equivalents	12.409	13.937
	Total current assets	**97.687**	**96.022**
	Total assets	**188.456**	**168.563**
	Liabilities and shareholders' equity		
3	**Shareholders' equity:**		
	Share Capital	10.800	10.800
	Reserves	47.990	44.219
	Group net profit (loss) for the year / half-year	902	3.733
	Group shareholders' equity	**59.692**	**58.752**
	Minority interest capital and reserves	5.566	4.534
	Profit (loss) for year - minority interest	(166)	233
	Shareholders' equity - minority interest	**5.400**	**4.767**
	Total shareholders' equity	**65.092**	**63.519**
	Non-current liabilities:		
4.a	Provisions for risk and charges	748	700
4.b	Deferred taxes libilities	3.237	2.597
4.c	Provisions for employee and other lenders	4.579	4.871
4.d	Payables to banks and other lenders	37.230	27.697
	Other non-current liabilities	-	-
	Total non-current liabilities	**45.794**	**35.865**
	Current liabilities		
5.a	Trade payables	34.567	32.562
5.b	Tax payables	7.284	5.980
5.c	Payables to banks and other lenders	22.754	19.970
5.d	Other current liabilities	12.965	10.667
	Total current liabilities	**77.570**	**69.179**
	Total liabilities and shareholders' equity	**188.456**	**168.563**

Consolidated Profit and Loss Account

Ref.	*(Thousands euros)*	**30 June 2007**	**30 June 2006**
6.	**Value of production**		
	Revenues from sales of goods and services	59.799	38.009
	Change in inventories of finished products and work-in-progress	2.536	1.117
	Increase of internal works capitalized	122	-
	Other revenues	1.335	194
	of which not recurrent revenues	*558*	-
	Total value of production	**63.792**	**39.320**
	Costs of production:		
7.	Raw material costs	(27.025)	(17.484)
8.	Service costs and rents, leases and similar costs	(17.322)	(9.896)
9.	Personnel costs	(12.452)	(7.626)
	Changes in row materials, ancillary and consumables	919	1.116
10.	Provisions	(330)	(221)
11.	Other operating expenses	(861)	(410)
	Total costs of production	**(57.071)**	**(34.521)**
	Ebitda	**6.721**	**4.799**
12.	Amortization, depreciation and write-downs	(2.245)	(1.562)
13.	Profits resulting from lower price paid for shareholdings	0	1.992
	Ebit	**4.476**	**5.229**
14.	Financial income and charges	(1.369)	(685)
15.	Share of income (loss) from associates	(182)	(189)
	Profit before taxes	**2.925**	**4.355**
16.	Income taxes	(2.189)	(1.486)
	Net Profit / (loss) for the half-year	**736**	**2.869**
	Profit / (loss) for the half-year - minority interests	**(166)**	**331**
	Group net profit / (loss) for the half-year	**902**	**2.538**
17.	**Basic earning and earning per share (euros)**	**0,01**	**0,04**

Consolidated Cash Flow Statement

(Thousands euros)	*Ref.*		30/06/2007		31/12/2006		30/06/2006
A- OPERATING ACTIVITY							
Net profit / (loss) for the year			736		3.966		2.869
Amortization and depreciation	**13.**		2.245		3.400		1.562
Share of (income) loss from associates			182		488		189
Deferred (Pre-paid) tax assets			65		(298)		131
Net changes in the employee leaving indemnity provision			(374)		267		198
Net changes in other provisions			48		(63)		445
Profits resulting from the lower price paid for acquisitions of subsidiaries	**14.**		-		(1.990)		(1.992)
Cash flow (absorbed) from operating activity before the changes in working capital			*2.902*		*5.770*		*3.402*
(Increase) / Decrease in trade receivables			(516)		(9.014)		(684)
(Increase) / Decrease in inventories			(3.191)		1.245		(2.149)
Increase / (Decrease) in trade payables			1.189		5.025		(869)
Net changes in other current assets / liabilities			2.393		2.554		1.832
Cash flow (absorbed) from operating activity for changes in working capital			*(125)*		*(190)*		*(1.870)*
Total (A) cash flow from operating activity			**2.777**		**5.580**		**1.532**
B – INVESTMENT ACTIVITY							
Net investment in goodwill, intangible and tangible fixed assets			(770)		(3.476)		(973)
Net long-term financial assets			-		(880)		(461)
Acquisition of companies/firms, gross of the short-term Net Financial Debt			(4.709)		(56.605)		(35.905)
Tangible fixed and intangible assets	***1.b***	(14.886)		(26.559)		(18.124)	
Goodwill	***1.a***	(3.435)		(33.934)		(22.242)	
Equity investments		0		(279)		(260)	
Pre-paid taxes and other non-current assets		374		(1.234)		(871)	
Provision for employee leaving indemnity/ Deferred tax liabilities and other provisions		82		6.861		5.172	
Trade receivables	***2.b***	(462)		(28.805)		(22.111)	
Inventory	***2.a***	(31)		(10.981)		(9.918)	
Trade payables		816		15.908		10.827	
Payables to banks and other medium/long term loans		11.980		16.087		15.966	
Other current assets and liabilities		853		4.341		3.664	
Lower price paid for acquisitions	***14.***			1.990		1.992	
TOTAL (B) cash flow (absorbed) from investment activity			**(5.479)**		**(60.961)**		**(37.339)**
C- FINANCIAL ACTIVITY							
Increase in share capital	**3.**		-		19.904		19.904
Increase in share capital post IPO (net of the relative costs)	**3.**		-		25.080		-
Other net equity changes	**3.**		837		4.384		3.083
Net changes in loans			(2.447)		3.346		722
Net changes in other non-current assets/liabilities			-		234		(833)
Total (C) cash flow (absorbed) resulting from financial activity			**(1.610)**		**52.948**		**22.876**
Net short-term financial availability (debt) at financial period’s beginning			**(6.033)**		**(3.600)**		**(3.600)**
Net changes in short-term Net Financial Position (debt) (A+B+C)			**(4.312)**		**(2.433)**		**(12.931)**
Short-term net financial availability (debt) at financial period’s end			**(10.345)**		**(6.033)**		**(16.531)**
Additional information:							
Interest paid			(1.921)		(2.196)		(685)
Income taxes paid			(2.124)		(3.821)		(554)

Statement of Changes in Consolidated Shareholders' Equity

	Share capital	Share-premium reserve	Legal reserve	Other reserves	Profit (loss) for the period	Group shareholders' equity	Minority interest capital and reserves	Profit (loss) for the period – minority interests	Shareholders' equity – minority interests	Total shareholders' equity
Balance at 1st January 2006	**78**	**7.033**	**8**	**2.183**	**540**	**9.842**	**197**	**146**	**343**	**10.185**
Allocation of profit for the year as reserve	-	-	1	539	(540)	-	146	(146)	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-
Evaluation of the Stock Option Plan	-	-	-	188	-	188	-	-	-	188
Changes in consolidation scope	-	-	-	-	-	-	4.191	-	4.191	4.191
Capital contributions	7.922	10.733	-	1.249	-	19.904	-	-	-	19.904
Increase Capital for IPO	2.800	24.080	-	-	-	26.880	-	-	-	26.880
Accuonting IPO costs (net of the relative fiscal effect)	-	(1.798)	-	-	-	(1.798)	-	-	-	(1.798)
Other movements	-	-	-	3	-	3	-	-	-	3
Year profit	-	-	-	-	3.733	3.733	-	233	233	3.966
Balance at 31st December 2006	**10.800**	**40.048**	**9**	**4.162**	**3.733**	**58.752**	**4.534**	**233**	**4.767**	**63.519**
Allocation of profit for the year as reserve	-	-	2	3.731	(3.733)	0	233	(233)	-	-
Evaluation of the Stock Option Plan	-	-	-	134	-	134	-	-	-	134
Changes in consolidation scope	-	-	-	-	-	-	149	-	149	149
Increase in Sogespa's share capital	-	-	-	-	-	-	650	-	650	650
Fiscal return effect for IPO deductibles costs	-	(96)	-	-	-	(96)	-	-	-	(96)
Half-Year's profit	-	-	-	-	902	902	-	(166)	(166)	736
Balance at 30th June 2007	**10.800**	**39.952**	**11**	**8.027**	**902**	**59.692**	**5.566**	**(166)**	**5.400**	**65.092**