Half-Year Financial Report

At 30th June 2008

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].

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

Introduction

Arkimedica S.p.A. (the "Parent Company" or "Arkimedica") is a joint stock company established in Italy and registered with the Registrar of Companies in Reggio Emilia, having fully paid share capital of Euro 10,800,000 and its registered office in Cavriago (Reggio Emilia); it has been listed on the Expandi section of the Italian stock market since 1 August 2006.

The condensed half-year consolidated financial statements have been prepared in accordance with the international accounting standards ("International Financial Reporting Standards" or "IFRS") recognized by the European Union pursuant to regulation (EC) no. 1606/2002, with specific reference made to the requirements of IAS 34 and the provisions implementing article 9 of Italian Legislative Decree no. 38/2005.

The term IFRS also includes all revised International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

More specifically, as noted above, these condensed half-year consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, which permits considerably fewer disclosures than those presented in annual financial statements if a set of financial statements with complete disclosures prepared on the basis of IFRS has been previously made publicly available.

The accounting principles and financial statement formats selected for the preparation of these condensed half-year consolidated financial statements do not differ from those that have been used since adopting IFRS.

The condensed half-year consolidated financial statements of the Arkimedica group (the "Group") for the half-year ended 30 June 2008 have been prepared in euros.

All the amounts reported in the consolidated financial statements and notes are expressed in thousands of euros unless otherwise stated; due to rounding this may accordingly cause small changes in balances when compared to the same amounts expressed in euros as a unit.

Letter from the Chairman

Dear Shareholders,

This is the first time that I have the pleasure of addressing you since being appointed Chairman a few months ago.

As you are no doubt aware, my background and professional experience are based on the business identified in Arkimedica with the Care Division, so I am sure you will allow me to spend some time talking of the performance of this Division for the first half of 2008 for two main reasons:

- following the purchase of ICOS Gestioni S.r.l., Simone Cimino, whom I should like to thank personally, asked if my appointment as Chairman could be speeded up, precisely because of my specific experience over the years;
- this was the first time that the Care Division had earned the highest divisional EBITDA.

The first half of 2008 saw us take considerable strides towards achieving an increase in the number of beds managed by subsidiaries using the “federal model” and creating a management structure which based on the credibility gained over the past few years in the financial environment will enable our name to stand out as the consequence of abiding by four underlying principles:

- care for people (relatives, guests and collaborators);
- the quality of our service;
- credibility in the eyes of institutions;
- investor satisfaction.

In my view, the combination of the strong ethical component rooted in performing socially useful health services and the ability to attract risk capital acts as a cornerstone for a significant and effective participation in completing the network of services for the individual; even though these services are planned by a public organization, we are now seeing the private sector making a significant contribution in many regions.

Through “the agreement” between Arkimedica and ICOS Soc. Coop. Sociale, so ardently desired by Simone Cimino, we have not only guaranteed ourselves additional turnover but also now have at our disposal a management structure which over the years has demonstrated its ability to generate quality and skills while at the same time maintaining economical and financial equilibrium.

These first few months of work are confirming the deep-rooted desire of all our collaborators for integration, and I am grateful to them for what they are doing; this is going to be a necessary condition for our business in the future if we want to achieve the targets we have set together.

It is also thanks to these collaborators that I can feel confident about being able to perform properly the task which the shareholders have chosen to assign to me.

I feel obliged in addition to emphasize the significant contribution made by the other confederate partners in terms of human resources, ideas and last but not least results.

Moving on to a review of the other divisions, I should like to note the following:

- Contract Division: despite its fall in earnings this remains the Group’s core division, characterized by a large element of seasonality and by the concentration of its contracts. It also continues to be determinant through its contribution of know-how for the development of the Care Division;
- Medical Devices Division: this division is keeping its promise in terms of turnover and

margins, assimilating the change in management in an optimal manner;

- Equipment Division: the performance of this division is not in line with expectations, and as a consequence profound thought is being given to its strategic development, with a series of different scenarios being contemplated;
- Domani Sereno: there has been a slowdown in starting some of the more innovative services, especially in connection with the launch of the insurance policy, but we remain firmly convinced that we have chosen the right path whatever the time scale that may be required.

In conclusion, I should like to express my thanks to the Board of Directors, to the members of the Board of Statutory Auditors for their availability and their professional approach and to the company's employees and collaborators for their unstinting enthusiasm and dedication in tackling and resolving the difficulties that the Group's complexity, and changes in laws and regulations, have often put in their way.

Claudio Cogorno

Corporate boards

Board of Directors	
Claudio Cogorno	Chairman & Managing director
Bonilauri Torquato	Vice Chairman & Managing director
Cimino Simone	Vice Chairman & Managing director
Barazzoni Cinzio	Managing director
Prampolini Paolo	Managing director
Iuculano Carlo	Director
Iuculano Antonino	Director
Lazzaro Vittorino	Director
Burani Giovanni (*)	Director
Capolino Perlingieri Ugo (*)	Director
Pagliai Renzo	Director
Grignani Guido (*)	Director
De Vita Fedele	Director
Monarca Daniele Federico (**)	Director
Vacchino Paolo (**)	Director

(*) Indipendent director
(**) Coopted 15/05/08

Board of Statutory Auditors	
Valsecchi Simona	Chairman of the Board of Statutory Auditors
Giuliano Necchi	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.

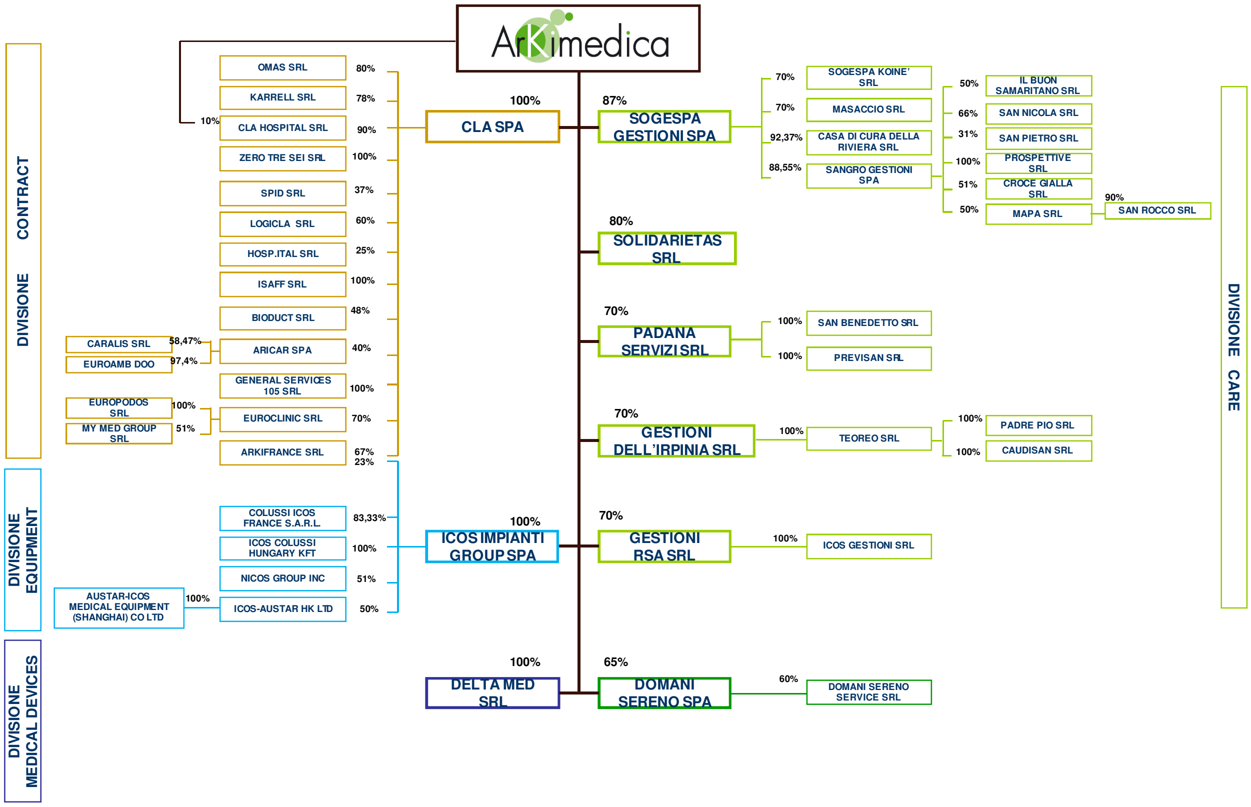
ARKIMEDICA GROUP

INTERIM MANAGEMENT REPORT

Group Structure, Changes in Consolidation Area and Description of Division Business Areas

Group Structure

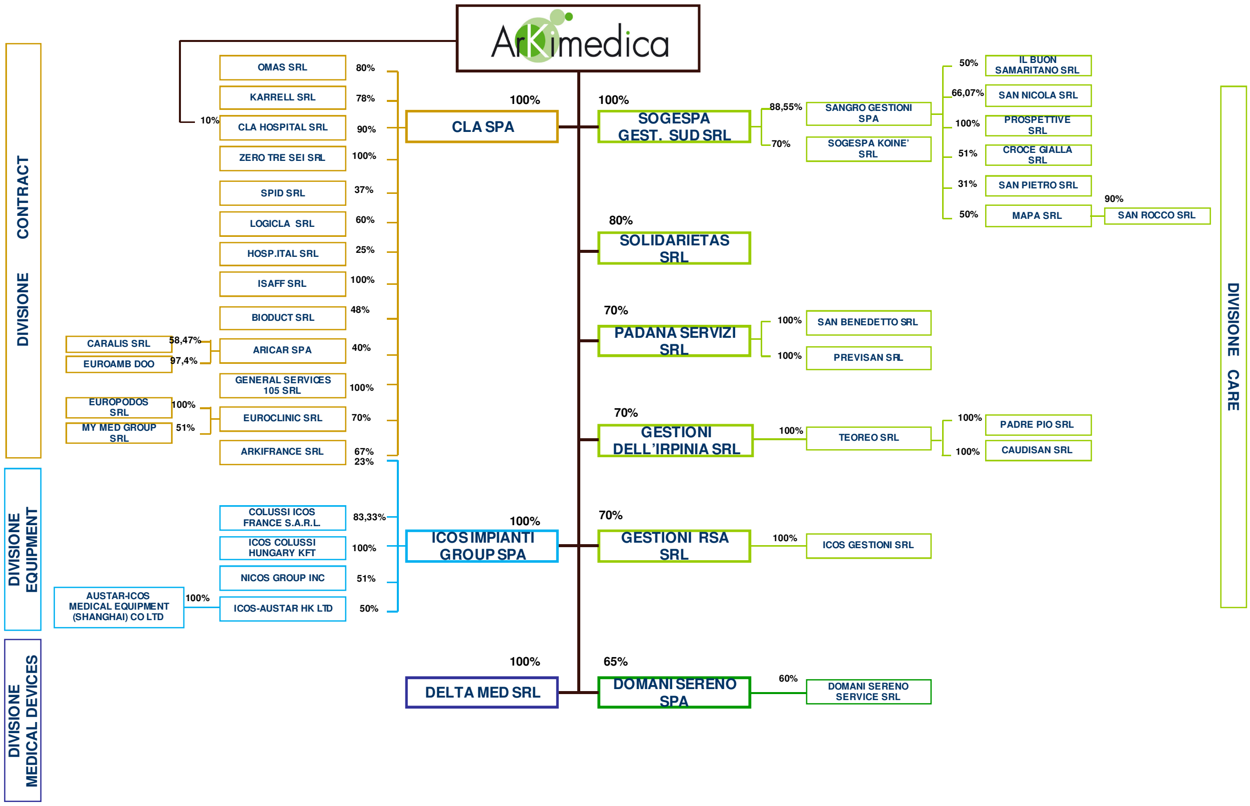
Group companies at 30 June 2008 are set out in the following chart:



As discussed in detail in the notes to the condensed half-year consolidated financial statements a significant operation was completed by the Group in July 2008, namely the reorganization of the Care Division and in particular that of the subsidiaries Sogespa Gestioni S.p.A. and Sangro Gestioni S.p.A.

For the reasons described below the accounting effects of that operation has in part been recognized in the condensed half-year consolidated financial statements.

Group companies as at today's date are set out in the following chart:



Changes in Consolidation Area

As discussed in detail in the notes to the condensed half-year consolidated financial statements, to which reference should be made as required, acquisitions have been made during the period in both the Contract Division and the Care Division.

In addition, the reorganization of the Care Division went ahead in accordance with the underlying agreements signed originally with the counterparty in April, as subsequently amended in May. The completion of these agreements was based on the occurrence of certain suspensive conditions. This operation included the disposal of Sogespa Gestioni S.p.A., with Arkimedica obtaining the direct control of Sangro Gestioni S.p.A. at the same time.

The main details of the reorganization are described below, so that the changes in the Group's balance sheet and its operational performance excluding the reorganization may be better understood.

The operation was finalized in July 2008 following an agreement to its terms reached before 30 June 2008; as a consequence, the Group no longer had control of Sogespa Gestioni S.p.A. at the date of preparation of the condensed half-year consolidated financial statements and was accordingly unable to obtain any balance sheet or profit and loss account data relating to that company and the companies with which it was sold, previously included in the consolidation scope. The Group has therefore taken the following approach in the financial statements:

- As regards the balance sheet:
    - it has not consolidated any data for Sogespa Gestioni S.p.A. and the companies with which it was sold, which were not in any case available, and has recognized the receivables and payables with those companies and their new holding company

Arkigest S.r.l. in the consolidated balance sheet at 30 June 2008;

    - it has consolidated the balance sheets of Sogespa Gestioni Sud S.r.l. (a sub-holding of the Sangro Group, which arose on the demerger involving Sogespa Gestioni S.p.A. that was a preliminary to the completion of the reorganization) and of Sangro Gestioni S.p.A. and its subsidiaries, taking into account the fact that following the operation the Group's interest in Sangro Gestioni S.p.A. rose from 77% to 88.5%.

- As regards the profit and loss account:
    - it has not consolidated any data for Sogespa Gestioni S.p.A. and the companies with which it was sold, which were not in any case available, and has restated the profit and loss account for the six months ended 30 June 2007 published in the half-year report at that date, in accordance with paragraph 34 of IFRS 5, in order to report under the profit and loss account item "profits (losses) from discontinued operations" the sum of the revenues and expenses (including the tax effects) for the first half of 2007 of the subsidiaries Sogespa Gestioni S.p.A., Masaccio S.r.l. and Casa di Cura della Riviera S.r.l. which were sold as part of the operation. Not consolidating the results of the sold companies in the first half of 2008 has no effect on EBITDA or EBIT, since as required by paragraph 33 of IFRS 5, "profits (losses) from discontinued operations" include the sum of the revenues and expenses (including the tax effects) of those companies;
    - it has fully deferred the net gain arising from the sale of its investment in Sogespa Gestioni S.p.A., in any case yet to be finalized, as discussed in more detail in the notes to the condensed half-year consolidated financial statements.

The effects of the operation on the consolidation scope for the period ended 30 June 2008, compared to the situation at 31 December 2007, may be summarized as follows:

- Sogespa Gestioni S.p.A., Masaccio S.r.l. and Casa di Cura della Riviera S.r.l. are no longer consolidated;
- Sogespa Gestioni Sud S.r.l., now fully owned by the Group, has been consolidated; the Group previously held 87% of Sogespa Gestioni S.p.A.. As a consequence the Group has increased its interest in the consolidated subsidiaries Sogespa Koinè S.r.l., Sangro Gestioni S.p.A., Il Buon Samaritano S.r.l., San Nicola S.r.l., Prospettive S.r.l. and Croce Gialla S.r.l.. This has led to an increase of €732 thousand in goodwill.

Description of Division Business Areas

The Group operates through the following divisions:

- ***CONTRACT:*** design, production and turnkey supply of equipment and trolleys 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 administering of medication;
- ***CARE:*** management of care homes for senior citizens;
- ***MEDICAL DEVICES:*** production and supply of products for infusion therapy, non-woven fabric products, and other customized products for the pharmaceutical and dental sectors;
- ***EQUIPMENT:*** design, production and supply of sterilization and washing equipment for the pharmaceutical and hospital sectors, and cooking equipment for communities;
- ***DOMANI SERENO:*** advanced services for care homes for senior citizens.

In addition to these divisions, the Parent Company Arkimedica S.p.A. conducts corporate activities involving management and coordination through its own management structure. The transfer of personnel to carry out duties at certain Group companies which took place previously ceased definitively on 31 January 2008. All employees of Arkimedica S.p.A. currently work at the Parent Company's offices.

The names and descriptions of the Group's main direct and indirect equity holdings and details of the consolidation scope may be found in the notes to the condensed half-year consolidated financial statements.

Performance trends of Group companies

The Interim Management Report does not include any alternative measurements of results other than net financial position (which is prepared in accordance with the requirements of the CESR), and accordingly there has been no need to provide any of the information referred to in the CESR Recommendation (CESR/05-178b) regarding alternative performance measures.

In compliance with the requirements of Consob Communication no.DEM/6064293 of 28 July 2006, it is noted that the format used to present the profit and loss account in this section does not differ from that included in the formal financial statements; there are certain differences in the format used to present the balance sheet although the balance sheet in this section may be easily reconciled with that included in the formal financial statements.

The consolidated profit and loss accounts for the six months ended 30 June 2008 and 30 June 2007 are set out as follows:

(thousands euros)	30th Jun 2008	%	30th Jun 2007	%	30th Jun 2007 Restated	%
Revenues fron sales of goods and services	73.774		59.799		51.685	
Change in inventories of finished products and work-in-progress	994		2.536		2.536	
Increase of internal works capitalized	255		122		122	
Other revenues	836		1.335		882	
of which not recurrant	–		*558*		*405*	
Total value of production	**75.859**		**63.792**		**55.225**	
YoY	***18,92%***					
YoY restated	***37,36%***					
Raw material costs	(29.146)	*38,42%*	(27.025)	*42,36%*	(26.559)	*48,09%*
Service costs and rents, leases and similar costs	(23.168)	*30,54%*	(17.322)	*27,15%*	(13.791)	*24,97%*
Personnel costs	(16.935)	*22,32%*	(12.452)	*19,52%*	(8.661)	*15,68%*
Changes in row materials, ancillary and consumables	1.827	*2,41%*	919	*1,44%*	920	*1,67%*
Provisions	(495)	*0,65%*	(330)	*0,52%*	(231)	*0,42%*
Other operating expenses	(1.406)	*1,85%*	(861)	*1,35%*	(691)	*1,25%*
Total costs of production	**(69.323)**	***91,38%***	**(57.071)**	***89,46%***	**(49.013)**	***88,75%***
YoY	***21,47%***					
YoY restated	***41,44%***					
Ebitda	**6.536**	***8,62%***	**6.721**	***10,54%***	**6.212**	***11,25%***
YoY	***-2,75%***					
YoY restated	***5,22%***					
Amortization, depreciation and write-downs	(2.537)	*-3,34%*	(2.245)	*3,52%*	(1.616)	*2,93%*
Ebit	**3.999**	***5,27%***	**4.476**	***7,02%***	**4.596**	***8,32%***
YoY	***-10,66%***					
YoY restated	***-12,99%***					
Profit (Loss) of discontinued activities	-	N/A	-	N/A	(300)	N/A
Financial income and charges	(2.993)	*3,95%*	(1.369)	*2,15%*	(1.144)	*2,07%*
Profit (Loss) from associates	(257)	*0,34%*	(182)	*0,29%*	(182)	*0,33%*
Profit before taxes	**749**	***0,99%***	**2.925**	***4,59%***	**2.970**	***5,38%***
YoY	***-74,39%***					
YoY restated	***-74,78%***					
Income taxes	(1.635)	*2,16%*	(2.189)	*3,43%*	(2.234)	*4,05%*
Profit (Loss) for the half year	**(886)**	***-1,17%***	**736**	***1,15%***	**736**	***1,33%***
YoY	***-220,38%***					
YoY restated	***-220,38%***					
Profit (Loss) minority interests	**235**	***0,31%***	**(166)**	***-0,26%***	**(166)**	***-0,30%***
YoY	***-241,57%***					
YoY restated	***-241,57%***					
Group Profit (loss)	**(1.121)**	***-1,48%***	**902**	***1,41%***	**902**	***1,63%***
YoY	***-224,28%***					
YoY restated	***-224,28%***					

YoY - percentage change compared to the six months ended 30 June 2007

YoY restated - percentage change compared to the restated figures for the six months ended 30 June 2007

(*) In accordance with the requirements of paragraph 34 of IFRS 5 the Group has restated the profit and loss account for the six months ended 30 June 2007 published in its half-year report as at that date in order to report as a separate item "profits (losses) from discontinued operations", being the sum of the revenues and expenses for the first half of 2007 (including the tax effects), as a consequence of the disposal of the subsidiaries Sogespa Gestioni S.p.A., Masaccio S.r.l. and Casa di Cura della Riviera S.r.l.; this is discussed in further detail in the notes to the condensed half-year consolidated financial statements (in the section regarding changes in the consolidation scope).

The main comments arising from an analysis of the above figures may be summarized as follows:

- the rise in revenues is mostly attributable to the Care Division and to a lesser extent to the Contract Division and the Medical Devices Division. A large part of the increase in the Care Division is due to the extension of the consolidation scope;
- earnings have fallen as a percentage of production value, above all as the result of the increase in the percentage weight of the turnover of the Contract and Care Divisions (which from a structural standpoint are characterized by earnings margins which are lower than those of the Medical Devices Division) and the seasonal effect, which is a normal feature of the Contract Division in the first half of the year;
- EBIT has decreased as a result of the additional depreciation arising from the tangible fixed assets entering the consolidation scope for the first time; this is mainly due to the fact that these new assets (equipment, plant, furniture, etc.) have higher annual rates of depreciation than those no longer included in the scope following the disposal of Sogespa characterized by land and buildings which have a lower depreciation rate;
- financial charges have increased as the result of the increase in financial debt and the rise in interest rates. Financial debt also includes the Convertible Bond Loan issued by Arkimedica S.p.A., which has led to financial charges of €1,182 thousand being incurred, of which €661 thousand relates to interest paid to bondholders and €521 thousand to notional financial charges relating to the first half of 2008. More specifically, interest is payable on the Convertible Bond Loan at a rate of 5% but the effect of applying the amortized cost method required by IFRS leads to a considerably higher charge in the profit and loss account, as discussed in the notes to the condensed half-year consolidated financial statements, to which reference should be made.

The consolidated balance sheets at 30 June 2008 and 31 December 2007 are set out as follows:

(Thousands euros)	**30th Jun 2008**	%	**31st Dec 2007**	%
Tangible and intangible assets	58.170		72.767	
Goodwill	66.994		55.929	
Financial assets	2.995		2.724	
Other fixed assests	4.435		3.555	
Total fixed assets	**132.594**	***83,39%***	**134.975**	***85,70%***
Inventories	21.330		17.615	
Trade	71.303		68.012	
Suppliers	(40.616)		(31.795)	
Tax credits and payables	(3.826)		(316)	
Current liabilities net of other current assets	(13.570)		(18.325)	
Total net working capital	**34.621**	***21,77%***	**35.191**	***22,34%***
Deferred tax provision	(2.239)		(6.023)	
Provision for employee leaving indemnity and other funds	(5.965)		(6.645)	
Total net invested capital	**159.011**	***100,00%***	**157.498**	***100,00%***
Capital and reserves	64.154		63.883	
Net profit (loss)	(1.121)		854	
Group shareholders' equity	**63.033**	***39,64%***	**64.737**	***41,10%***
Shareholders' equity - minority interest	10.932		8.798	
Net financial debt	85.046		83.963	
Total sources	**159.011**	***100,00%***	**157.498**	***100,00%***

Total fixed assets have decreased mostly under the item tangible and intangible fixed assets: the main variations during the first half of 2008 arise from the changes in the consolidation scope and the normal investments made by Group companies to maintain their operating structures. The changes in the consolidation scope relate in particular to the Care Division and more specifically to “land and buildings”. The departure of Sogespa Gestioni S.p.A. from the consolidation scope led to a decrease of €24 million in this item, while the acquisitions made through the subsidiary Gestioni dell’Irpinia S.r.l. led to the recognition of a net balance of €6.8 million. The net increase in goodwill of €11,065 thousand is also due to the acquisitions and changes in the consolidation scope, partially offset by the disposal of Sogespa Gestioni S.p.A.

Net working capital has decreased mostly as a result of an increase in balances payable to suppliers, partially offset by an increase in inventories. The increase in trade payables may be attributed mainly to the change in the consolidation scope. The increase in inventories is the result of the rise in turnover and the increase in the work-in-progress balance, in particular that part relating to the contracts of the subsidiary Aricar S.p.A.

Net financial debt has remained essentially unchanged, as the disposal of Sogespa Gestioni S.p.A. offsets the considerable investments made through the acquisitions completed during the period.

As discussed earlier the above balance sheet format has a different structure from that used in presenting the formal consolidated financial statements but a reconciliation between the two may be easily carried out as no reclassifications have been made between the individual line items.

Financial Position

Consolidated cash flows may be analyzed by using the statement included in the condensed half-year consolidated financial statements.

Details of the Group's net financial position, which is identical to that reported in the notes to the condensed half-year consolidated financial statements and which has been prepared in accordance with CESR recommendations, are set out below.

	30-giu 2008	31-dic 2007	30-giu 2007
Securities	76	-	-
Receives from Sogespa Gestioni S.p.A.	5.580	-	-
Receives from Arkigest S.r.l.	12.400	-	-
Short - term financial credits	1.230	415	-
Cash and cash equivalents	18.848	18.860	12.409
Short - term financial assets (A)	**38.134**	**19.275**	**12.409**
Short - term Bank payables	(31.015)	(18.172)	(13.344)
Short - term share of medium/long term debt	(7.892)	(11.428)	(7.624)
Short - term Bond Issued	(513)	(513)	-
Short - term other lenders payables	(2.705)	-	-
Acquisition payables	(10.575)	(4.308)	(1.786)
Short - term financial debt (B)	**(52.700)**	**(34.421)**	**(22.754)**
Medium/long - term Bank payables	(38.633)	(41.212)	(31.652)
Medium/long - term other lenders payables	(5.979)	(5.558)	(5.072)
Medium/long - term Bond Issued	(23.229)	(22.047)	(506)
Acquisition payables	(2.639)	-	-
Medium/long - term debt	**(70.480)**	**(68.817)**	**(37.230)**
Net financial deb	**(85.046)**	**(83.963)**	**(47.575)**
Short - term net financial debt (A+B)	**(14.566)**	**(15.146)**	**(10.345)**

The Group's Net Financial Position is on the one hand significantly affected by the investments made through acquisitions, in particular those carried out in the Care Division, which have contributed to the increase in the exposure towards banks, and on the other by the sale of Sogespa Gestioni S.p.A., which led to the recognition of short-term financial credits amounting to €17,980 thousand and the removal from the consolidation of the financial payables in the balance sheet of that company. Details of items arising from that operation regarding financial credits due from Sogespa Gestioni S.p.A., included in the above as "Credits due from Sogespa Gestioni S.p.A." (€5,580 thousand) and "Credits due from from Arkigest S.r.l." (€12,400 thousand), may be found in the notes to the condensed half-year consolidated financial statements at note 2.d "Other current assets" of the section relating to the balance sheet.

The non-current residual capital portion of €5 million of the interest-bearing loan (Euribor 3 months + 2%) granted to Sogespa Gestioni S.p.A. and remaining with Arkimedica S.p.A. after the demerger will be collected by 31 January 2010 as agreed by the parties. As provided by the CESR recommendation of 10 February 2005, since this has a long-term due date it has not been included in the calculation of the Net Financial Position.

Short-term financial credits amounting to €1,230 thousand consist mainly of balances arising from the non-recourse sale of receivables by the subsidiary Cla S.p.A., accounted for in accordance with the requirements of IFRS. Receivables sold in this way at 30 June 2008 amounted to €671 thousand.

Payables for acquisitions relate to the following operations:

- in 2007 the Company became party to put/call options which may be exercised between 2008 and 2010 for the purchase of the remaining 20% of the capital quotas of the subsidiary Solidarietas S.r.l.. As required by IFRS, the Company has recognized 100% of the value of the investee and has measured the payable to the investee's quotaholders for the acquisition at fair value. The non-current portion of the payable for the purchase of the investment, which is accounted for at amortized cost, amounts to €1,416 thousand and the current portion to €1,302 thousand;
- the Company also became party to a put option for the purchase of the entire quota capital of Triveneta Iniziative S.r.l. between 2008 and 2009. As required by IFRS, the Company has recognized 100% of the value of the investee and has measured the payable to the investee's quotaholders for the acquisition at fair value. The non-current portion of the payable for the purchase of the investment, which is accounted for at amortized cost, amounts to €723 thousand and the current portion to € 773 thousand;
- the subsidiary Gestioni dell'Irpinia S.r.l. acquired 100% of Teoreo S.r.l. in the first half of 2008. Current payables to the sellers of the quotas of Teoreo S.r.l., amounting to €8.5 million, are recognized in the balance sheet at 30 June 2008 together with non-current payables of €500 thousand to be paid on the occurrence of certain conditions agreed between the parties, as specified in the deed for the purchase of these quotas dated 27 June 2008.

Excluding these commitments net financial debt would amount to €71.8 million.

In addition the sale of a property owned by the Contract Division company General Services 105 S.r.l. will be finalized by the end of September 2008, and this will lead to the receipt of €4,500 thousand as the proceeds of the balance of the price.

Short-term debt amounts to 62% of total debt.

The Group's financial structure is significantly influenced by the 2007-2012 Conv. 5% Convertible Bond Loan issued by Arkimedica S.p.A. in November 2007 and subscribed in the same month, which has a nominal value of €28 million and is recognized in payables at an amount of €23.2 million.

In more detail:

- *short-term debt* consists of:

- payable to banks: this balance consists almost entirely of amounts due in connection with receivables from customers, typically advances on sales invoices, and the utilization of credit facilities in the form of overdrafts;
- current portion of medium/long-term loans: installments of long-term mortgages and loans, in general falling due within 12 months;
- amounts due to other lenders: finance lease installments falling due within 12 months;
- current commitments for the balance due for the purchase of equity investments;

- *medium/long-term debt* consists of:

- payable to banks: installments of long-term mortgages and loans, in general falling after more than 12 months;
- amounts due to other lenders: finance lease installments falling due after more than 12 months;
- non-current commitments for the balance due for the purchase of equity investments;
- payables for the Bond Loan as mentioned above.

Outstanding loans contain covenants and reference should be made to the notes to the condensed half-year consolidated financial statements for details in this respect.

Summary data for the Group's Divisions

Parent Company: Arkimedica S.p.A.

Figures for the Parent Company are as follows:

	30/06/2008	%	30/06/2007	%
Value of production	**0**		**0**	
YoY				
Ebitda	**- 1.181**		**- 849**	
YoY	39,10%			
Ebit	**- 1.200**		**- 854**	
YoY	40,52%			

YoY - percentage change with respect to the six months ended 30 June 2007

Since the Parent Company's revenues are earned exclusively with companies in the consolidation scope and since all of these revenues are eliminated on consolidation the value of production is zero.

In order to understand these results better, the following table sets out the personnel costs and service costs incurred by the Parent Company in the first half of 2008 and recognized in the profit and loss account.

	Amount/1.000
Employees (excluding transferred staff)	175
Corporate bodies	616
IFRS valuation of stock option	66
Certification, consulting	92
Publications, advertising, transfers, meetings, etc	60
Headquarters	20
Bank Commission	29
Other	123
Total	**1.181**

Costs incurred in connection with corporate bodies have increased considerably as the result of non-recurring extraordinary emoluments amounting in total to €200 thousand, granted in the first half of 2008 to the directors Paolo Prampolini and Cinzio Barazzoni on the basis of a resolution adopted by the Board of Directors on 15 May 2008. These payments were made for the support provided by the two men, the managing directors of the Contract Division of Arkimedica S.p.A., in setting up the Care Division's federal model.

Contract Division

The economic data of the Contract Division may be summarized as follows:

	30/06/2008	%	30/06/2007	%
Value of production	**34.462**		**33.134**	
YoY	*4,01%*			
Ebitda	**2.061**	**5,98%**	**3.242**	**9,78%**
YoY	*-36,43%*			
Ebit	**1.361**	**3,95%**	**2.759**	**8,33%**
YoY	*-50,67%*			

YoY - percentage change with respect to the six months ended 30 June 2007

This Division continues to play a determinant role for the Arkimedica Group, both in qualitative terms for the contribution made in supporting the growth of the Care Division, and in quantitative terms as it represents 45.4% of the value of production and 31.5% of the EBITDA of the Group as a whole.

The results of the Contract Division in terms of turnover are in line with those for the corresponding period of the previous year and the 2008 Budget, above all thanks to the excellent performance of Cla S.p.A. and Cla Hospital S.r.l., while the Division's margins were penalized by the results of Omas S.r.l. and Isaff S.r.l., which in terms of both turnover and earnings were lower than Budget, although it should be noted that the figures for these companies are affected by seasonality, in part relating to contract concentration (Omas S.r.l. for operating theatres) and in part to the timing of deliveries (Isaff S.r.l. for primary school furniture). The results of these latter two companies are expected to come into line with the forecasts included in the 2008 Budget. As concerns the other companies in the Division, the results of Aricar S.p.A. and Karrel S.r.l. are below Budget while those of Euroclinic S.r.l., a company acquired in April 2008 through the subsidiary Cla S.p.A., are satisfactory and in line with expectations.

Medical Devices Division

The economic data of the Medical Devices Division may be summarized as follows:

	30/06/2008	%	30/06/2007	%
Value of production	**8.897**		**8.729**	
YoY	*1,92%*			
Ebitda	**2.764**	**31,07%**	**2.656**	**30,43%**
YoY	*4,07%*			
Ebit	**1.940**	**21,81%**	**1.874**	**21,47%**
YoY	*3,52%*			

YoY - percentage change with respect to the six months ended 30 June 2007

Turnover for the first half year is in line with expectations and the 2008 Budget, while margins continue to remain at excellent levels and are rising; the Division is forecast to close the second half year in line with the 2008 Budget. These figures should be viewed as positive, also given that the production capacity of the business has remained essentially unaltered.

Equipment Division

The economic data of the Equipment Division may be summarized as follows:

	30/06/2008	%	30/06/2007	%
Value of production	**7.798**		**8.418**	
YoY	*-7,37%*			
Ebitda	**140**	**1,80%**	**1.184**	**14,07%**
YoY	*-88,18%*			
Ebit	**-158**	**-2,03%**	**1.027**	**12,20%**
YoY	*-115,38%*			

YoY - percentage change with respect to the six months ended 30 June 2007

The results of the Equipment Division are lower than those for the corresponding period in 2007 and the 2008 Budget, above all due to the fall in turnover and to the drop in the earnings of the pharmaceutical sector as the consequence of the general investment crisis being experienced by multinationals in that sector, which has affected the entire market. At the same time an improvement in the performance of the hospital sector should be noted together with the cooking sector's ability to remain firm, although volumes and margins were not sufficiently high to offset the negative trend in the pharmaceutical sector.

The Company is nonetheless continuing with the policy of reducing and rationalizing costs it began in 2007. The consumption of raw materials and the cost of services both fell.

On 11 June 2008 a stake of 23% was taken in Arkifrance S.r.l. as an opportunity for Icos Impianti Group S.p.A. to consolidate and develop its business in France; this should enable synergies to be achieved between the subsidiary Colussi Icos France S.a.r.l. and Cla S.p.A., a key company in the Contract Division.

Care Division

The economic data of the Care Division may be summarized as follows:

	30/06/2008	%	30/06/2007	%	30/06/2007 restated	%
Value of Production	**23.511**		**12.511**		**3.944**	
YoY	*87,92%*					
YoY restated	*496,12%*					
Ebitda	**2.895**	**12,31%**	**641**	**5,12%**	**132**	**3,35%**
YoY	*351,64%*					
YoY restated	*2093,18%*					
Ebitda	**2.348**	**9,99%**	**-58**	**-0,46%**	**62**	**1,57%**
YoY	*-4148,28%*					
YoY restated	*3687,10%*					

YoY - percentage change with respect to the six months ended 30 June 2007

Restated YoY - YoY - percentage change with respect to the restated figures for the six months ended 30 June 2007

In more detail, the above results for the Care Division relate to Sangro Gestioni S.p.A. and its subsidiaries, Solidarietas S.r.l., Padana Servizi S.r.l. and its subsidiaries, and the newly-acquired Teoreo S.r.l. and Icos Gestioni S.r.l..

Before moving to an analysis of the results, mention needs to be made of the reorganization of the

Division which has led to the demerger of Sogespa Gestioni S.p.A. into two separate companies, with Sangro Gestioni S.p.A. staying in Arkimedica through Sogespa Gestioni Sud S.r.l. and the remaining portion being sold.

The objective of this operation is to restructure the beds managed directly by the Care Division in order to rationalize, also geographically, dispose of structures having an ROI (Return on Investment, meaning the ratio of profits from operations to the capital invested) which is not in line with the Group's average and improve the Group's financial structure.

This has enabled the Arkimedica Group to significantly reduce its net financial debt, thereby freeing up considerable funds which in part have already been reinvested and in part will be reinvested over the coming months in other initiatives to be taken by the Care Division.

The main effects of this operation can be seen in both the Net Financial Position and earnings, which have improved considerably despite the resulting loss of beds. This loss was offset by the acquisitions made in the first half of 2008 which may be summarized as follows:

- in May 2008 Arkimedica completed the 100% purchase of Icos Gestioni S.r.l. with an investment (enterprise value) of €14 million; Icos Gestioni S.r.l. manages 399 beds and the purchase was carried out through the subsidiary Gestioni RSA S.r.l.. This acquisition will allow the Group to set up positive synergies with ICOS (*Impresa per la Cooperazione e la Sussidiarietà* - Organization for Cooperation and Aid - a non-profit entity), one of the leading players in Italy in the management of care homes for senior citizens;
- in January 2008 Arkimedica purchased 100% of Previsan S.r.l. at a price of €2,220 thousand; Previsan S.r.l. manages a residential care home having 63 beds located at Villa D'Almè (BG) and the purchase was carried out through the subsidiary Padana Servizi S.r.l.. Again in January 2008 and again through the subsidiary Padana Servizi S.r.l. the Group purchased a business at a price of €1,867 thousand consisting of the management of a residential care home having 60 beds located at Lombardore (TO);
- in June 2008 Arkimedica purchased 100% of Teoreo S.r.l. through Gestioni dell'Irpinia S.r.l.; Teoreo S.r.l., which is located in Avellino, owns an extensive rehabilitation centre having 80 beds and a residential care home having 104 beds.

Despite the disposal of part of Sogespa Gestioni S.p.A. the Group still has a total of 2,102 beds once the new acquisitions are taken into account, a figure therefore essentially unchanged since 31 December 2007, although thanks to the agreements already signed and the structures currently being built or restructured it is expected that the Care Division will be able to reach a number of 3,000 directly managed beds in the short term.

The Division's results as a whole are decisively positive, as a consequence of the favorable contribution made by the new acquisitions and the good results achieved by the structures already controlled at 31 December 2007.

A dispute has arisen between the structure managed by San Benedetto S.r.l., a subsidiary of Padana Servizi S.r.l., and more precisely the Carlo Steeb Service Centre in Venice, and the local health authority (ASL), which has led to the start of proceedings to cancel renewal of the convention and accordingly terminate it, as notified in May 2008. A series of attempts has been made to settle this dispute and it is believed that this could lead to a favorable outcome, with the result that none of the assets in the balance sheet will suffer impairment losses.

Domani Sereno Division

	30/06/2008	%	30/06/2007	%
Value of Production	**1.191**		**1.000**	
YoY	19,10%			
Ebitda	**-143**	**-12,01%**	**-153**	**-15,30%**
YoY	-6,54%			
Ebit	**-292**	**-24,52%**	**-272**	**-27,20%**
YoY	7,35%			

YoY - percentage change with respect to the six months ended 30 June 2007

Turnover for the first half year is in line with the 2008 Budget despite the fact that revenues are attributable exclusively to the subsidiary Domani Sereno Service S.r.l., which has increased the number of structures it provides with laundry services. Margins have been penalized by the failure of Domani Sereno S.p.A. to earn any revenues, since at 30 June 2008 the affiliated structures had not yet started to use the services provided by the company, above all due to continuing delays in service provision in certain cases.

This situation relates in particular to the Domani Sereno Policy and related services which it had been originally planned to develop within the Arkimedica Group.

During the last quarter, however, favorable signs have been arriving from the market together with numerous requests for proposals which have been followed up in collaboration with business partners and with Domani Sereno Service S.r.l..

There has been much interest in the new promotion package which since May is being proposed to industrial and commercial businesses interested in working in residential care homes through the use of direct communication initiatives channeled from owner data bases.

Over the next few months a certain number of these proposals are expected to result in orders and a return for Domani Sereno S.p.A. in terms of commissions; in addition, the campaign for the affiliation of new structures will continue and a target has been set of reaching between 2,500 and 3,000 affiliated beds by the end of 2008.

Allianz is planning to put a Long Term Care policy on the market on a trial basis this autumn with a specific convention for Domani Sereno, and the company expects to be able to obtain a future benefit from this in terms of an economic return, based on the number of policies sold, and brand building, as the result of the communications initiatives that will be carried out during the period.

TOTALS FOR ARKIMEDICA GROUP

	30/06/2008	%	30/06/2007	%	30/06/2007 restated(*)	%
Value of Production	**75.859**		**63.792**		**55.225**	
YoY	*18,92%*					
YoY restated	*37,36%*					
Ebitda before holding costs	**7.717**	**10,17%**	**7.570**	**11,87%**	**7.061**	**12,79%**
YoY	*1,94%*					
YoY restated	*9,29%*					
Holding costs	**-1.181**		**-849**		**-849**	
Ebitda	**6.536**	**8,62%**	**6.721**	**10,54%**	**6.212**	**11,25%**
YoY	*-2,75%*					
YoY restated	*5,22%*					
Ebit	**3.999**	**5,27%**	**4.476**	**7,02%**	**4.596**	**8,32%**
YoY	*-10,66%*					
YoY restated	*-12,99%*					

YoY - percentage change with respect to the six months ended 30 June 2007

Restated YoY - YoY - percentage change with respect to the restated figures for the six months ended 30 June 2007

(*) In accordance with the requirements of paragraph 34 of IFRS 5 the Group has restated the profit and loss account for the six months ended 30 June 2007 published in its half-year report as at that date in order to report as a separate item “profits (losses) from discontinued operations”, being the sum of the revenues and expenses for the first half of 2007 (including the tax effects), as a consequence of the disposal of the subsidiaries Sogespa Gestioni S.p.A., Masaccio S.r.l. and Casa di Cura della Riviera S.r.l.; this is discussed in further detail in the notes to the condensed half-year consolidated financial statements (in the section regarding changes in the consolidation scope).

Investments

As discussed in the notes to the consolidated financial statements at 30 June 2008, investments in tangible fixed assets other than property have been made essentially to maintain the Group’s asset structure, excluding consideration of the changes in the consolidation scope.

A description of the main variations is provided in the notes.

The changes in owned land and buildings and the balances involved are of particular importance and the following tables provide details of these by division:

CONTRACT DIVISION

	At 30th June 2008	At 31st December 2007
Land and buildings		
Historical cost	13.115	13.083
Depreciation provision	2.061	1.910
Net Value	**11.054**	**11.173**

EQUIPMENT DIVISION

	At 30th June 2008	At 31st December 2007
Land and buildings		
Historical cost	4.211	4.189
Depreciation provision	542	467
Net Value	**3.669**	**3.722**

CARE DIVISION

	At 30th June 2008	At 31st December 2007
Land and buildings		
Historical cost	19.373	38.430
Depreciation provision	1.905	3.543
Net Value	**17.468**	**34.887**

MEDICAL DEVICES DIVISION

	At 30th June 2008	At 31st December 2007
Land and buildings		
Historical cost	462	462
Depreciation provision	301	281
Net Value	**162**	**181**

DIVISION TOTALS

	At 30th June 2008	At 31st December 2007
Land and buildings		
Historical cost	37.162	56.164
Depreciation provision	4.809	6.201
Net Value	**32.353**	**49.963**

The Group has confirmed its interest in making further significant disposals of property from the Care Division, and this process has already begun with the demerger of Sogespa Gestioni S.p.A. and the drawing up of plans for the disposal of a further two properties by the end of 2008 or the beginning of 2009.

In the Contract Division the Group plans to sell one of the properties belonging to Cla S.p.A. for which the finance lease agreement terminates at the beginning of 2009.

Human resources

Details of the employees of the various divisions may be found in the notes, to which reference should be made.

Significant events after the end of the First Half of 2008

The Group continues to concentrate its activities on the development of the Care Division which is increasingly becoming its core business due also to the considerable funds being dedicated to it.

The development of the other divisions will proceed through the rationalization of management processes, for which mention has already been made in the comments on the performance of the individual divisions. This does not exclude the possibility of acquisitions and combinations.

Arkifrance S.r.l. was established on 11 June 2008, with the subsidiary Cla S.p.A. subscribing to 67% of its quota capital for an investment of €33.5 thousand and the subsidiary Icos Impianti Group S.p.A. subscribing to 23% of its quota capital for an investment of €11.5 thousand. Subsequent to this, in July 2008, the Group subscribed through Arkifrance S.r.l. to the reserved capital increase made by the French company Ateliers du Haut Forez, to arrive at a holding of 70%; the main activities of Ateliers du Haut Forez, which is based in Saint Bonnet le Chateau, are the production and sale of furnishings for hospital and care structures. This operation has enabled the Contract Division of the Arkimedica Group to extend its commercial presence to a strategic market such as France and to develop additional production and commercial synergies between its Contract and Equipment Divisions.

On 31 July 2008, Sangro Gestioni S.p.A. was awarded a contract to manage the "Cardinale Seper" Residence for Senior Citizens in Acquaviva Collecroce (CB), a structure with 42 self-sufficient and partially self-sufficient elderly people.

Performance forecast

The Group expects to continue concentrating activities on the development of the Care Division which underwent profound changes in the first half of 2008.

This development is based entirely on the federal model and the Group is attempting to strengthen its relations with previously selected qualified partners in order to reach the highly sought objective of arriving at 5,000 beds by the end of 2010.

The Group is forecasting a generally positive trend in operations with an improvement over its 2007 performance.

Particular attention will be given by the Group to changes in its Net Financial Position; working capital will be contained by speeding up non-recourse IFRS-compliant sales of trade receivables (which are planned to reach at least €10 million euros in the second half of the year) and by disposing of certain properties, starting with that of General Service 105 S.r.l. for which a sale in September has already been scheduled at a price of €5 million.

Taking all of these steps together the Group believes that it is reasonable to assume that its Net Financial Position will have fallen below €70 million by 31 December 2008.

Segment information

The segment information required by IFRS and Consob is provided in the notes.

Related party transactions

It is the intention of the Arkimedica Group to ensure that there is the most complete transparency and accuracy of transactions carried out with related parties, from both a substantial and formal standpoint, making recourse as may be necessary to experts in connection with the nature, amount and features of any transactions of this nature.

The Company has established a regular procedure for monitoring all transactions carried out with related parties, which includes ensuring that the counterparties involved are made responsible regarding the transparency and accuracy of such transactions.

Related party transactions, which are defined in IAS 24, consist of normal economic and financial relations carried out through formal agreements based on normal market conditions, which in the case of transactions with non-corporate persons are equivalent to those normally given to employees.

Details of related party transactions are provided in the notes to the condensed half-year consolidated financial statements; these details also respond to the requirements of the Consob communication of 28 July 2006.

Treasury shares

Through a resolution adopted by shareholders in an ordinary general meeting of 28 February 2008 the board of directors is authorized to purchase and dispose of treasury stock pursuant to articles 2357 and following of the Italian civil code, up to the legal limit of 10% of share capital (equal to a maximum of 8,640,000 ordinary shares) and a total value not exceeding €20 million, to be carried out within the limit of the distributable profits and distributable reserves as stated in the most recent set of normally approved financial statements.

This represents an important instrument for the strategic and operational flexibility of the Arkimedica Group and allows it in particular to do the following: to use the treasury shares it holds as a means of payment for extraordinary operations or to obtain the necessary funds for acquisition projects, or to pledge the shares in order to obtain the financing necessary for projects and/or to pursue corporate objectives, and/or to be used as part of exchange transactions or transactions for the sale of share packages and, in general, to service strategic operations; to invest company liquidity in the best form possible, including that of regulating the performance of its shares; to allocate treasury shares to satisfy compensation policies whenever the Company deems this opportune.

The authorization has been given to the board for a period of 18 months from the date the resolution was adopted.

The authorization for the disposition of treasury shares has no time limit and may be carried out on the stock exchange or at the blocks, including by means of the result of private negotiations at a sales price which may not be 20% higher or lower than the reference price of the shares on the stock exchange on the day preceding each individual transaction and which must in any case be in compliance with prevailing laws and regulations; as consideration for the purchase of an equity investment (so-called paper against paper) or a business, or for the settlement of agreements with strategic counterparties; as a means of establishing security to obtain loans for the Company or Group companies required to carry out projects or to achieve the corporate objective; by any other form of disposition permitted by prevailing laws and regulation on the subject.

Since 16 April 2008, the starting date for the implementation of the treasury stock purchase program, Arkimedica has in a series of various tranches acquired a total of 544,088 treasury shares and disposed of a total of 88,980 treasury shares, and at 30 June 2008 held 455,108 shares having a value of €632 thousand, equal to 0.527% of its share capital. Treasury shares have been accounted for in accordance with IAS 32 by recognizing the value of the shares held in portfolio at 30 June 2008 of €632 thousand directly in equity.

Treasury shares have been purchased on the regulated market at a minimum price which was not 20% higher or lower than the reference price of the shares on the stock exchange on the previous day and which was in any case in compliance with the provisions of prevailing laws and regulations.

Unusual and/or abnormal transactions

In compliance with the requirements of Consob Communication DEM/6064293 of 28 July 2006 it is hereby stated that no unusual and/or abnormal transactions have taken place, as these are defined in the notes.

Stock options and other options

CNPEF and Fondamenta have granted repurchase options to the 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 they will be able to exercise if certain profitability goals in favor of CNPEF and Fondamenta are achieved within three years of the start of trading of the Company's shares on the Expandi Market.

The Company has approved a stock option plan through a resolution adopted by shareholders in general meeting on 21 April 2006 as amended as a result of the share split on 13 June 2006 and following the elimination of the nominal value of the shares approved by shareholders in a universal meeting held on 17 July 2006, under which share capital may be increased by cash up to a maximum of €600 thousand through the issue of a maximum of 4,800,000 ordinary shares to be offered to the beneficiaries at a price not less than par of €0.125.

The beneficiaries of the stock option plan are the Company's directors, Cinzio Barazzoni, Carlo Iuculano and Paolo Prampolini, each in equal part.

The beneficiaries of the stock option plan will be able to purchase the Company's shares at a price equal to that at which they are placed (€1.20) and to this purpose the shareholders' meeting referred to above mandated the board of directors to determine the premium per share in the amount of that established in arriving at the offer price in the IPO procedure (€0.80).

The option rights relating to the stock option plan vest in three separate batches of one third on the first, second and third anniversaries of the start of trading of the Company's shares on the Expandi Market (which was 1 August 2006) and may be exercised during the thirty days following the date of vesting of the final batch of rights or alternatively within 60 days of the date of the early termination of the relationship between the beneficiary and the Arkimedica Group for health reasons, or in any case in a manner agreed with the Company or with other companies of the Arkimedica Group, with reference to the batch of rights already vested at the date on which such early termination occurs.

If instead the collaboration relationship between the beneficiaries and the Arkimedica Group is terminated before the date envisaged for the exercising of the rights in a manner which has not been agreed with the Company, the stock option plan regulations require the rights to be extinguished automatically (even if they have already vested).

The 4,800,000 shares of the Company which the stock option plan beneficiaries are able to acquire represent approximately 5.25% of the Company's post-IPO fully diluted share capital (calculated on the assumption that the 22,400,000 shares relating to the IPO are fully subscribed, being the shares deriving from the capital increase as per the shareholders' resolution of 21 April 2006 as amended as a result of the share split on 13 June 2006 and following the elimination of the nominal value of the shares approved by the Issuer's shareholders in a universal meeting held on 17 July 2006 and the increase in share capital servicing the stock option plan).

In accordance with the requirements of IFRS 2, and with the assistance of consultants, the Company has estimated the original fair value of the above-mentioned stock options to be €532 thousand and has recognized the portion of fair value relating to the period up to 30 June 2008, amounting to €66 thousand, in the profit and loss account, with a counter-entry being made to an equity reserve.

Other Information

Legislative Decree no. 231 of 8 June 2001

By a resolution of the Board of Directors on 29 March 2007 the Parent Company adopted an "Organizational, Management and Control Model pursuant to article 6 of Legislative Decree no. 231/01" and has entrusted a Supervisory Body, consisting of independent professionals having the necessary professional prerequisites, with the task of supervising the working of the model, its effectiveness and the extent to which it is being followed, mandating consultants with the task of keeping it updated.

The Supervisory Body also approved Procedural Regulations for itself as a body during 2007.

Reviews have been taking place at a Group level since 2006 of the organizational management and control tools of the Issuer and those of its largest subsidiaries, with the necessary changes then being made; these reviews have been carried out with the assistance of external consultants. In particular, and taking into account the organizational structure of each company concerned, steps have been taken in this respect to identify the activities within which any of the offences envisaged by the Decree might be committed.

Following the adoption of specific resolutions by the board of directors the Group's main subsidiaries (Cla S.p.A., Aricar S.p.A., Icos Impianti Group S.p.A., Delta Med S.r.l. and Omas S.r.l.) approved their organizational, management and control models and appointed Supervisory Bodies. In September 2008 the other subsidiaries, Cla Hospital S.r.l., Isaff S.r.l., Karrel S.r.l. and Caralis S.r.l., approved their organizational, management and control models and appointed Supervisory Bodies.

An additional updating of the Model has been planned for 2008, which is designed to add further types of offence to the list, including those referred to in money laundering legislation (Legislative Decree no. 231 of 21 November 2007, the "Decree Implementing the Third Money Laundering Directive") and in legislation for the safeguarding of health and safety at work (Law no. 123 of 3 August 2007), which will apply to both the Issuer and the subsidiaries which have already approved the Model.

Cavriago, 29 August 2008

Chairman of the Board of Directors

Claudio Cogorno

Consolidated Balance Sheet

Rif.	*(thousands euros)*	30-giu 2008	31-dic 2007
	Assets		
	Non - current assets:		
1.a	Goodwill	66.994	55.929
1.a	Intangible assets	3.840	3.629
1.b	Tangible fixed assets	54.330	69.138
1.c	Equity investments	2.995	2.724
1.d	Deferred tax assets	-	-
1.e	Other non - current assets	7.648	3.555
	Total non - current assets	**135.807**	**134.975**
	Current assets:		
2.a	Inventories	21.330	17.615
2.b	Trade receivables	71.303	68.012
2.c	Tax receivables	3.916	4.688
2.d	Other current assets	24.639	3.342
2.e	Cash and cash equivalents	18.848	18.860
	Total current assets	**140.036**	**112.517**
	Total assets	**275.843**	**247.492**
	Liabilities and shareholders' equity		
3	**Shareholders' equity:**		
	Share Capital	10.800	10.800
	Buy back	(632)	-
	Reserves	53.986	53.083
	Group net profit (loss) for the year/half year	(1.121)	854
	Group shareholders' equity	**63.033**	**64.737**
	Minority interest capital and reserves	10.697	9.191
	Profit (loss) for the year/half year - minority interest	235	(393)
	Shareholders' equity - minority interest	**10.932**	**8.798**
	Total shareholders' equity	**73.965**	**73.535**
	Non - current liabilities:		
4.a	Previsions for risk and charges	671	733
4.b	Deferred tax liabilities	2.239	6.023
4.c	Provisions for employee and other lenders	5.294	5.912
4.d	Payables to banks and other lenders	67.841	68.817
4.e	Other non - current liabilities	5.852	2.618
	Total non - current liabilities	**81.897**	**84.103**
	Current liabilities:		
5.a	Trade payables	40.616	31.795
5.b	Tax payables	7.742	5.004
4.d	Payables to banks and other lenders	41.600	34.421
5.c	Other current liabilities	30.023	18.634
	Total current liabilities	**119.981**	**89.854**
	Total liabilities and shareholders' equity	**275.843**	**247.492**

Consolidated Profit and Loss Account

Ref.	*(thousand euros)*	**30-giu 2008**	**30-giu 2007 pubblicato**	**30-giu-2007 Riesposto (*)**
6.	**Value of production**			
	Revenues from sales of goods and services	73.774	59.799	51.685
	Change in inventories of finished products and work-in-progress	994	2.536	2.536
	Increase of internal works capitalized	255	122	122
7.	Other revenues	836	1.335	882
	of which not recurrent	–	*558*	*405*
	Total value of production	**75.859**	**63.792**	**55.225**
	Costs of productions:			
8.	Raw material costs	(29.146)	(27.025)	(26.559)
9.	Service costs and rents, leases and similar costs	(23.168)	(17.322)	(13.791)
10.	Personnel costs	(16.935)	(12.452)	(8.661)
	Changes in row materials, ancillary and consumables	1.827	919	921
11.	Provisions	(495)	(330)	(231)
12.	Other operating expenses	(1.406)	(861)	(691)
	Total costs of productions	**(69.323)**	**(57.071)**	**(49.013)**
	Ebitda	**6.536**	**6.721**	**6.212**
13.	Amortization, depreciation and write-downs	(2.537)	(2.245)	(1.616)
	Ebit	**3.999**	**4.476**	**4.596**
14.	Profit (loss) of discontinued activities	–	–	(300)
15.	Financials income and charges	(2.993)	(1.369)	(1.144)
16.	Share of income (loss) from associates	(257)	(182)	(182)
	Profit before taxes	**749**	**2.925**	**2.970**
17.	Income taxes	(1.635)	(2.189)	(2.234)
	Net profit/(loss) for the year/half year	**(886)**	**736**	**736**
	Profit/(loss) for the year/half year - minority interests	**235**	**(166)**	**(166)**
	Group net profit/(loss) for the year/half year	**(1.121)**	**902**	**902**
18.	**Group basic earning per share**	**(0,01)**	**0,01**	**0,01**

Consolidated Cash Flow Statement

(Thousands euros)		30 June 2008		31 December 2007		30 June 2007
A - OPERATING ACTIVITY						
Net profit / (loss) for the year/half year		(886)		461		736
Amortization and depreciaton		2.537		6.137		2.245
(Profit) / Loss from associates		257		442		182
Deferred (Pre-paid) tax assests		(1.026)		(1.254)		65
Net changes in the employee leaving indemnity provision		(2.262)		(807)		(374)
Net changes in other provisions		(62)		33		48
Cash flow (absorbed) from operating activity before the changes in working capital		*(1.442)*		*5.012*		*2.902*
(Increase) / Decrease in trade receivables		4.890		(2.974)		(516)
(Increase) / Decrease in inventories		(2.829)		(2.791)		(3.191)
Increase / (Decrease) in trade payables		2.816		(1.305)		1.189
Net changes in other current assets / liabilities		7.820		1.480		2.393
Cash flow (absorbed) from operating activity for changes in working capital		*12.697*		*(5.590)*		*(125)*
Total (A) cash flow from operating activity		**11.255**		**(578)**		**2.777**
B - INVESTMENT ACTIVITY						
Net investments in tangible, intangible assests and goodwill		35.447		(17.276)		(770)
Sogespa operation credits		(22.980)		-		-
Net financial investments		(379)		(1.598)		-
Acquisition of companies/firms, gross of the short-term Net Financial Debt		(13.840)		(34.141)		(4.709)
Tangible and intangible assets	(9.265)		(22.648)		(14.886)	
Goodwill	(25.187)		(21.341)		(3.435)	
Equity investments	(149)		-		-	
Pre-paid taxes and other non-current assets	53		3.351		374	
Provision for employee leaving indemnity and other provisions	1.644		1.848		82	
Trade receivables	(8.181)		(2.277)		(462)	
Inventory	(886)		(23)		(31)	
Trade receivables	6.005		538		816	
Payables to banks and other medium/long term loans	17.034		6.610		11.980	
Other current assets and liabilities	5.090		(199)		853	
Total (B) cash flow (absorbed) from investment activity		**(1.752)**		**(53.015)**		**(5.479)**
C - FINANCIAL ACTIVITY						
Bond (equity)		-		4.939		-
Other net equity changes		1.316		4.616		837
Bond changes (debt)		1.182		22.497		-
Net changes in loan		(19.192)		12.013		(2.447)
Total (C) cash flow (absorbed) resulting from financial activity		**(16.694)**		**44.065**		**(1.610)**
Net Short-term financial availability (debt) at financial period's beginning		**(15.561)**		**(6.033)**		**(6.033)**
Net changes in short-term Net Financial Position (debt) (A+B+C)		**(7.191)**		**(9.528)**		**(4.312)**
Short-term net financial availability (debt) at financial period's end		**(22.752)**		**(15.561)**		**(10.345)**
Additional information:						
Interest paid		(2.508)		(4.188)		(1.921)
Income taxes paid		(2.661)		(3.306)		(2.124)

Statement of Changes in Consolidated Shareholders' Equity

	Share capital	Share-premium reserve	Legal reserve	Other reserve	Profit (loss) for the period	Group Shareholders' equity	Minority interest - capital and reserve	Profit (loss) for the period - minority interest	Shareholders' equity - minority interest	Total shareholders' equity
Balance at 1st January 2007	**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)	-	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 effect of accounting IPO 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**
Balance at 1st January 2008	**10.800**	**40.048**	**11**	**13.024**	**854**	**64.737**	**9.191**	**(393)**	**8.798**	**73.535**
Allocation of profit for the year as reserve	-	-	35	819	(854)	-	(393)	393	-	-
Evaluation of the Stock Option Plan	-	-	-	66	-	66	-	-	-	66
Changes in consolidation scope	-	-	-	0	-	-	1.916	-	1.916	1.916
Changes in conversion reserves	-	-	-	(17)	-	(17)	(17)	-	(17)	(34)
Buy back	-	-	-	(632)	-	(632)	-	-	-	(632)
Other movements	-	-	-	-	-	-	-	-	-	-
Half-Year's Profit (loss)	-	-	-	-	(1.121)	(1.121)	-	235	235	(886)
Balance at 30th June 2008	**10.800**	**40.048**	**46**	**13.260**	**(1.121)**	**63.033**	**10.697**	**235**	**10.932**	**73.965**