(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

ATHENS MEDICAL CENTER S.A.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

It is certified that the attached annual Financial Statements are those approved by the board of directors of "ATHENS MEDICAL CENTER S.A." in March 27th 2007 and they are uploaded to the internet address: www.iatriko.gr. The records and information published to the press aim at providing to the reader some general financial records and information, but they do not provide the whole picture of the financial condition and the results of the Company, according to the International Accounting Standards and the International Financial Reporting Standards.

Georgios Apostolopoulos
President of the Board of Directors
ATHENS MEDICAL CENTER S.A.

ATHENS MEDICAL CENTER S.A.
FINANCIAL STATEMENTS OF 31ST DECEMBER 2006

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

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BOARD OF DIRECTORS REPORT
OF THE ATHENS MEDICAL CENTER SA
FOR THE PERIOD 1.1.2006– 31.12.2006

TO THE

ANNUAL SHAREHOLDERS'GENERAL ASSEMBLY

Dear Shareholders,

We have the honour to submit for approval the financial statements (parent and consolidated) prepared in accordance with the IFRS for the period 1.1.2006 – 31.12.2006 and we ask for your approval as well as that you release the members of the Board of Directors and the Company's Auditor from any liability regarding their activity for the above mentioned period. .

The Financial Statements comprise the balance sheet, the profit and loss account, the cash flow statement, the statement of changes in shareholder's equity as well as the Notes to the accounts.

The Company's Management has increasingly focused on the performance of the investments that took place the last seven and exceeded the amount of 170 mil. Euros and was completed in Fiscal Year 2004.

One of the major targets of the Management, is the personnel's constant training in order to assure the quality of services offered, in combination with ISO procedures application and the continuous investment in new, cutting edge, technology of medical and other equipment.

The creation of new products and services for external and internal patients results to the increase of the market share and as a consequence the increase of turnover and the satisfactory results in stand alone and consolidated level.

Another priority is the deduction of operating cost in order to increase the profit margin.

1. FINANCIAL RESULTS

The year 2006 was another very good year for Athens Medical Center S.A., because the consolidated year's profits after tax and minority rights increased significantly by 78,11%.

On a parent Company level turnover increased by 20,03% and reached 249,3 mil. Euros. This increase is due to the increase of internal patients by 8,1% and external patients by 10,73%. EBITDA increased by 23,53% and reached 36,8 mil. euros while the profit after tax increased by 78,75% and reached 14,1 euros.

Accordingly moved the consolidated results. Turnover increased by 17,8% in comparison to the year before and reached 254,1 mil. euros. EBITDA reached 44 mil. euros and were increased by 14,4% in comparison to last year. Finally the profit after tax and minority rights increased by 78,11% and reached 16,7 mil. euros.

2. STATISTICS

During the year 1/1-31/12/2006 inpatient flow reached 56.256 inpatients relative to 52.040 in 2005. Internal patients in year 2006 in comparison with year 2005, were increased by 8,1%, while external patients were increased by 10,73%.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Total Assets - Liabilities

Total assets and liabilities at 31/12/2006 reached 448,3 mil euros on a company level and on a consolidated level reached 445,1 mil euros.

3. Fixed Assets

Total Fixed assets for the period 1/1/2006 – 31/12/2006 are presented in the following table:

Year	2006 Parent (Euros mil)	2006 Consolidated (Euros mil)
Acquisition Cost	313,4	342,8
Depreciation	(54,3)	(56,5)
Remaining Value	259,1	286,3

Fiscal Year 2006 Investment

The company made significant investments in assets (buildings, technical works and medical equipment) of euros 15,9 mil. On a consolidated level the corresponding figure was 15,1 mil euros

The analysis of investment on a parent and consolidated level is presented in the following table

	Parent (mil euros)	Consolidated (mil euros)
Land	2,3	2,3
Buildings	1,8	1,8
Machinery	7,8	5,9
Transportation	0,0	0,1
Furniture and other equipment	1,2	1,3
Assets under construction	2,8	3,7
Total	**15,9**	**15,1**

Assets

In the company's real estate assets, during year 2006, another piece of land was added of 1.657,71 square meters in Delfon Str. 3 Maroussi Attiki.

Cash and Cash Equivalents

Company's cash and cash equivalents comprise cash in hand at 31/12/2006 and bank deposits in banks at 31/12/2006.

Analysis:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	Parent (mil euros)	**Consolidated (mil euros)**
Cash / Checks	0,7	0,6
Deposits / Time Deposits	5,5	8,0
Total	**6,2**	**8,8**

Borrowings –Loans

General Assembly of Stockholders decided the issuance of common bond loan according to L. 3156/2003 amounted to € 150 mil. for repayment of long and short term loans.

3. PROSPECTS

Company's prospects are very positive. In the period 2004 – 2006 the company's results posted an impressive uptrend. This uptrend is expected to continue in 2007 as well as the next years because the company has concluded its investments which are gradually start to bring results.

The development strategic policy of the company focuses the maintenance of the leading role in the market. The cooperation with the big German Group of hospitals ASKLEPIOS gives the opportunity of further growth for company in the broad area and to play a significant role in Greece and Southeastern Europe.

Due to the significant investments in real estate and buildings as well as high tech machinery and equipment and the operation of a large group of hospitals including cooperative diagnostic centers , high quality of offered services is achieved as well as a company's impressive track

Already Amarousiou clinic in year 2006 acquired Modern robot technology DA VINCI, whose operation reflects the leading role of the company in Greece , for medical operations in all areas of modern surgery.

Furthermore in year 2006 the main branch in Marousi was equipped with the most modern tomographic camera PET/CT, with which a combined test of high diagnostic precision by a latest technology machine is achieved.

Dafni clinic in year 2006 in terms of forming the Nephrology clinic, in order to operate as a General clinic, created surgical units, I.C.U ,treatment chambers and external diagnostic units. Other investments besides building formation, were made including surgical equipment supplies, I.C.U, high technology equipment and other. By operating as a general clinic in year 2007, it will serve a great aspect of local population in secondary healthcare.

Interbalkan clinic in Thessaloniki operated in total the B' Hemodynamic department after installing the Digital-Stephanio-Aggeiographic equipment in the second laboratory, expanded the Technical renal unit by four beds, with a programmed addition of nine beds in 2007, installed a neurosurgical microscope and finally completed the installation of Axonic Tomograph of latest technology Somatom Definition, mainly for the execution of non operational stefaniographies and aggeiographies in year 2007.

Paleo Faliro clinic completed significant investments for laboratories and medical units, as well as Medical equipment for surgical and other purposes.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Peristeri clinic is the latest medical clinic of Athens Medical Center Group, which is expected to operate soon. The clinic is consisted by two buildings of 3.240 square meters and is located in one of the most central points of Peristeri Municipality (Ethnarchou Makariou 60), and as a result will serve the broad aspect of western Attiki. The clinic has been constructed with modern standards and is equipped with modern medical and hospital facilities. It has modern surgical rooms fully equipped. I.C.U. as well as departments of all specialties and laboratories with modern equipment.

The company has been engaged in a cooperation agreement with thw Insurance companies' union, with a comparable advantage compared to other rival companies due to its large group of clinics.

All the above give significant advantages to the company and the group for leading in the medical service market.

Marousi, March 27th 2007
THE BOARD OF DIRECTORS

GEORGE APOSTOLOPOULOS
PRESIDEND of B.O.D.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

INDEPENDENT AUDITORS' REPORT

To the shareholders of ATHENS MEDICAL CENTER S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of « ATHENS MEDICAL CENTER S.A» (the «Company») and the consolidated financial statements of the Company and its subsidiaries (the «Group»), which comprise the balance sheet as of 31 December 2006 and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek Standards on Auditing which are in compliance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2006 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements
In our opinion the content of Board of Directors' Report, is consistent with the accompanying financial statements.

Athens, 27 March 2007
The Certified Auditor Accountant

Sotirios Sokos
S.O.E.L. Registration Number 17011

BDO Protypos Hellenic Auditing Company AE
Certified & Registered Auditors

S.O.E.L. Registration Number 111

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006 AND 2005

		The Group		The Company	
	Notes	1/1-31/12 2006	1/1-31/12 2005	1/1-31/12 2006	1/1-31/12 2005
INCOME:					
Revenue		254.075	215.686	249.281	207.684
Cost of sales	8	(198.083)	(168.132)	(203.324)	(170.454)
Gross Profit		**55.991**	**47.554**	**45.957**	**37.231**
Administrative expenses and Distribution Costs	9	(27.959)	(23.338)	(24.809)	(20.993)
Other income/ (expenses)	10	5.089	3.442	5.111	3.286
Net financial income/ (costs)	11	(8.118)	(5.809)	(5.824)	(4.420)
PROFIT BEFORE TAX		**25.004**	**21.850**	**20.436**	**15.104**
Income Tax Expense	12	(8.664)	(9.898)	(6.314)	(7.204)
PROFIT FOR THE PERIOD		**16.340**	**11.951**	**14.122**	**7.900**
Attributable to:					
Equity holders of the parent company		16.731	9.394	14.122	7.900
Minority Interest		(392)	2.557		
		16.340	**11.951**	**14.122**	**7.900**
Earnings per Share (in Euro)					
Basic	13	0,20	0,11	0,17	0,09
Weighted average number of shares, basic and impaired					
Basic	13	83.985.980	83.985.980	83.985.980	83.985.980

The accompanied notes and appendixes are inseparable part of the financial statements

ATHENS MEDICAL CENTER S.A.
FINANCIAL STATEMENTS OF 31ST DECEMBER 2006

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

BALANCE SHEET OF 31 DECEMBER 2006 AND 31 DECEMBER 2005

		The Group		The Company	
	Notes	31 December 2006	31 December 2005	31 December 2006	31 December 2005
ASSETS					
Non current assets					
Property, plant and equipment	14	283.776	277.341	258.577	251.895
Goodwill	15	1.979	1.979	-	-
Intangible assets	15	507	427	506	427
Investments in subsidiaries	16	-	-	34.867	13.586
Investments in associates consolidated by the equity method	17	223	91	-	-
Other long term debtors		366	360	361	355
Deferred tax assets	12	5.863	6.702	5.788	6.608
Total non current assets		**292.714**	**286.900**	**300.099**	**272.870**
Current Assets:					
Inventories	18	5.391	5.202	5.088	4.638
Trade accounts receivable	19	124.919	91.580	121.643	89.340
Prepayments and other receivables	20	13.283	14.059	15.284	14.528
Financial assets at fair value through income statement		1	1	-	-
Cash and cash equivalents	21	8.814	7.577	6.224	6.089
Total current assets		**152.408**	**118.418**	**148.240**	**114.596**
TOTAL ASSETS		**445.121**	**405.318**	**448.339**	**387.466**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	22	26.036	26.036	26.036	26.036
Share premium	22	15.267	15.267	15.267	15.267
Retained Earnings		35.474	41.213	42.777	32.636
Legal, tax free and special reserves	23	75.396	74.664	74.784	74.162
		152.173	**157.180**	**158.864**	**148.102**
Minority Interest		811	6.065	-	-
Total equity		**152.984**	**163.245**	**158.864**	**148.102**
Non-current liabilities:					
Long term loans/borrowings	24	37.755	54.579	37.546	54.107
Government Grants	25	36	71	35	53
Deferred tax Liabilities	12	21.857	20.063	19.354	17.362
Provision for retirement indemnities	26	11.847	10.258	11.759	10.195
Other long term liabilities - Deferred income		7.315	5.166	5.988	4.512
Total non-current liabilities		**78.811**	**90.137**	**74.682**	**86.229**
Current liabilities:					
Trade accounts payable	27	86.450	73.244	95.695	78.890
Short term loans/borrowings	24	83.786	38.841	78.966	38.273
Long term liabilities payable in the next year	24	24.328	22.999	24.322	22.822
Current tax payable		8.380	7.983	5.843	4.679
Accrued and other current liabilities	28	10.383	8.869	9.967	8.471
Total current liabilities		**213.327**	**151.936**	**214.793**	**153.135**
TOTAL EQUITY AND LIABILITIES		**445.121**	**405.318**	**448.339**	**387.466**

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2006

The Group

	Attributable to equity holders of the parent company					Minority Interest	Total Equity
	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total		
Adjusted Balance, 1 January 2006	**26.036**	**15.267**	**74.664**	**41.213**	**157.180**	**6.065**	**163.245**
Period's profits				16.731	16.731	(392)	16.340
Attribution of profits to reserves			684	(684)	0		0
Exchange Differences			48	0	48		48
Dividends of parent				(3.359)	(3.359)		(3.359)
Minority percentage acquisition (buy out)				(18.427)	(18.427)	(2.855)	(21.282)
Dividends paid to minority				0	0	(2.008)	(2.008)
Balance,31 December 2006	**26.036**	**15.267**	**75.396**	**35.474**	**152.173**	**811**	**152.984**

The Company

	Share capital	Share Premium	Legal,, Tax-free, and special Reserves	Retained earnings	Total Equity
Balance, 1 January 2006	**26.036**	**15.267**	**74.162**	**32.636**	**148.102**
Period's profits				14.122	**14.122**
Attribution of profits to reserves			621	(621)	**0**
Dividends				(3.359)	**(3.359)**
Balance, 31 December 2006	**26.036**	**15.267**	**74.784**	**42.777**	**158.864**

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2006

The Group

	Attributable to equity holders of the parent company					Minority Interest	Total Equity
	Share capital	**Share Premium**	**Legal, Tax-free, and special Reserves**	**Retained earnings**	**Total**		
Balance, 1 January 2005	**26.036**	**15.267**	**74.028**	**35.020**	**150.351**	**5.145**	**155.496**
Period's profits			0	9.394	9.394	2.557	11.951
Attribution of profits to reserves			631	(631)	0	0	0
Exchange Differences			5	(51)	(45)	0	(45)
Dividends of parent			0	(2.520)	(2.520)	0	(2.520)
Minority percentage acquisition (buy out)			0	0	0	(440)	(440)
Dividends paid to minority			0	0	0	(1.198)	(1.198)
Balance, 31 December 2005	**26.036**	**15.267**	**74.664**	**41.213**	**157.180**	**6.065**	**163.245**

Η Εταιρεία

	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total Equity
Balance, 1 January 2005	**26.036**	**15.267**	**73.767**	**27.651**	**142.721**
Period's profits				7.900	**7.900**
Attribution of profits to reserves			395	(395)	**0**
Dividends				(2.520)	**(2.520)**
Balance, 31 December 2005	**26.036**	**15.267**	**74.162**	**32.636**	**148.102**

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEARS 2006 AND 2005

	The Group		The Company	
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
Cash flows from operating activities				
Period's profit before taxation	25.004	21.850	20.436	15.104
Adjustments for operational activities				
Depreciation	10.903	10.811	10.509	10.241
Depreciation of government grants	(35)	(20)	(17)	(20)
Provision for retirement indemnities	1.589	1.424	1.564	1.414
Allowance for doubtful accounts receivable	0	(263)	0	(182)
Other provisions	(6)	0	(6)	0
Gains/losses due to fixed assets sale	(2.229)	(85)	(2.229)	(501)
Impairment expenses of fixed assets	448	(22)	0	12
Gains from group's associates	(246)	0	0	0
Interest and Financial income	(54)	(156)	(2.456)	(1.428)
Interest and other financial expenses	8.376	5.964	8.280	5.849
Exchange differences due to consolidation of subsidiaries abroad	(35)	(25)	0	0
Operational profit before changes in working capital variations	**43.714**	**39.477**	**36.080**	**30.487**
Increase/ (Decrease) in:				
Inventories	(189)	186	(450)	488
Short and long term accounts receivable	(32.612)	(25.068)	(33.065)	(20.388)
Increase/ (Decrease) in:				
Short and long term liabilities	19.113	19.093	22.021	18.727
Interest charges and related expenses paid	(8.376)	(5.964)	(8.280)	(5.849)
Paid taxes	(5.634)	(4.561)	(2.338)	(2.896)
Net Cash from operating activities	**16.017**	**23.163**	**13.967**	**20.570**
Cash flows from investing activities				
Purchase of tangible and intangible fixed assets	(18.146)	(6.769)	(17.301)	(4.992)
Sale of tangible assets	14	2.106	10	0
Interest and related income received	109	91	44	60
Received dividends from subsidiaries	0	0	2.412	1.369
Received dividends from other companies	59	65	0	0
Grants received	0	18	0	0
Purchase of of long and short term investments	(21.282)	(2.418)	(21.282)	(2.418)
Net Cash flows used in investing activities	**(39.246)**	**(6.909)**	**(36.116)**	**(5.982)**
Cash flows from financing activities				
Dividends paid of parent company	(3.348)	(2.520)	(3.348)	(2.520)
Net variation of short term borrowings	46.748	14.853	42.465	14.735
Increase/decrease of Long term debt/borrowings	(12.722)	(22.090)	(12.651)	(22.822)
Payment of finance lease liabilities	(4.204)	(4.632)	(4.182)	(4.297)
Dividends paid to minority from subsidiaries	(2.008)	(1.316)	0	0
Net Cash flows used in financing activities	**24.466**	**(15.705)**	**22.284**	**(14.904)**
Net increase/ in cash and cash equivalents	**1.237**	**550**	**135**	**(317)**
Cash and cash equivalents at the beginning of the year	7.577	7.026	6.089	6.406
Cash and cash equivalents at the end of the year	**8.814**	**7.577**	**6.224**	**6.089**

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

2 CORPORATE INFORMATION:

The Company " ATHENS MEDICAL SOCIETE ANONYME" with the distinctive title "ATHENS MEDICAL CENTER S.A." (hereafter the "Company" or the "Parent Company") and its subsidiaries (hereafter the "Group") are involved in the area of health care services with the organization and operation of hospital units. The Company's and the Group's head offices are located in the Municipality of Amarousion Attica in 5-7 Distomou Street and employ 2.638 and 2.768 employees respectively.

The Company's shares are publicly traded on the Athens Stock Exchange.

The subsidiaries, which were included in the accompanying consolidated financial statements of the Group, are described in Appendix .

3 PREPARATION BASE OF FINANCIAL STATEMENTS:

(a) Basis of Preparation of the Consolidated Financial Statements: The accompanying consolidated financial statements that constitute the Group's consolidated financial statements (hereinafter referred to as "the financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted by the European Union. There are no standards applied in advance of their effective date. The financial statements have been prepared under the historical cost convention, except for financial instruments which are measured at fair value**.**

(b) Statutory Financial Statements: The Company and its domestic (Greek) subsidiaries maintain their accounting books and prepare financial statements in accordance to the Greek Company Law 2190/1920 and the applicable tax legislation. The foreign subsidiaries of the Company maintain their accounting records and prepare financial statements in accordance to the applicable laws and regulations of the countries in which they operate. For the preparation of the consolidated financial statements of the parent company, the financial statements of the foreign subsidiaries are adjusted in accordance to the provisions of the Greek Company Law 2190/1920. The accompanying consolidated financial statements have been based on the above-mentioned statutory consolidated financial statements appropriately adjusted and reclassified by certain out-of-book adjustments in order to comply with IFRS.

*(c) **Approval of Financial Statements:*** The Board of Directors of Athens Medical S.A. approved the annual financial statements for the year ended in December 31st, 2006, in March 27, 2006.

*(d) **Use of Estimates:*** The preparation of financial statements in conformity with the IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period/year. Actual results may ultimately differ from those estimates.

4. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the accompanying financial statements are the following:

(a) Basis of Consolidation : The Company's accompanying consolidated financial statements include the financial statements of the parent Company, as well as of all the subsidiaries that are controlled by the Parent Company. Control is presumed to exist when direct or indirect ownership retains the majority of voting interest or has the power to control the Subsidiaries' Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the company and cease to be consolidated from the date in which control ceases to exist.

The consolidated financial statements include the financial statements of a subsidiary (Physiotherapy Center S.A.), in which although the direct parent company holds less than 50% of the voting rights, controls it through the ability of appointing the majority of members of the Board of Directors.

In the consolidated financial statements, Medicafe S.A. is also included using the equity method, although, Group holds 55% of the company's voting rights, due to a managements transfer to third parties. As a result such ownership does not consist control according to IAS 27 **« Consolidated and Separate Financial Statements »**, paragraph 13.

The Group's subsidiaries EREVNA S.A. and AXONIKI EREVNA S.A., according to their General Assemblies' decisions, have entered a liquidation procedure, since 1/7/2006. Before that and during the year 2006, the above mentioned companies have transferred together with all their productive assets – mechanical equipment, their operations to parent company and as a qonsequence their Balance Sheets do not include non current assets. As a result the liquidation of the above mentioned companies is not considered to be a discontinued operation according to IFRS 5 "**Non-current Assets Held for Sale and Discontinued Operations**", that requires distinctive reporting regarding the companies' results and fixed assets.

All intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements. Where necessary, accounting policies of the subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A full list of the consolidated subsidiaries together with the related ownership interests is provided In Appendix .

(b) Investments in Subsidiaries (separate financial statements): The investments of the parent Company in its consolidated subsidiaries are measured at acquisition cost less any cumulative impairment losses.

(c) Investments in Associates:

i) Consolidated financial statements: The Company's investments in other entities in which parent exercises significant influence and are not subsidiaries or joint-ventures are accounted for using the equity method. Under this method the investment in associates is recognized at cost in addition to the changes in the percentage of the Company in the associate's equity after the initial date of acquisition less possible provisions for impairment in value. The consolidated statement of income reflects the Company's share of the results of operations of the associate.

ii) Separate financial statements of parent: Investments in associates in the stand-alone financial statements are measured at acquisition cost less any cumulative impairment losses.

(d) Conversion of foreign currencies: The base currency of the Company and of its Greek subsidiaries is Euro. The transactions involving other currencies are converted into Euro using the exchange rates that were in effect at the time of the transactions. At the balance sheet date monetary assets and liabilities which are denominated in other currencies are adjusted in order to reflect the current exchange rates.

Gains and losses resulting from year end FX adjustments of monetary assets and liabilities are reflected in the accompanying income statement. Gains and losses resulting from transactions are reflected in the accompanying statement of income also.

The base currency of the Group's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Thereafter, at each reporting date all balance sheet accounts of these subsidiaries are converted into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are converted based on the weighted average rate of exchange that prevailed during the year.

The accumulated difference resulting from such translation is recognized directly in consolidated equity until the disposal, write off or de-recognition of a subsidiary, when it is transferred to the consolidated income statement.

(e) Intangible Assets: Intangible assets are mainly consisted of software and commercial rights. These are amortized over their estimated useful lives which are set to five years.

(f) Research and Product Development Cost: Research costs are expensed as incurred. Development expenditure is mainly incurred for the development of new products. Costs incurred for the development of an individual project are recognized as an intangible asset only when the requirements of IAS 38 "Intangible Assets» are met.

(g) Revenue recognition: Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following particular recognition criteria must also be met as it revenue recognized.

Sale of Services
The Sale of Services revenue is accounted according to the extent of service completion.

Sale of goods
The sale of goods revenue, net of trade discounts sale, incentives and the related VAT, is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interests
The interest revenue is recognized on the accrual basis of accounting.

Dividends

Revenue from dividends is recognized when the Group's right on such dividends is approved by the respective bodies of the companies' that declare them.

(j) ***Property, Plant and Equipment:*** Land and buildings are valued at historical cost (deemed cost based on the provisions of IFRS 1), less accumulated depreciation and any impairment in value. Machinery, transportation equipment, as well as the furniture and the rest of the equipment are measured at historical cost less the accumulated depreciation and any impairment in value.

The Company proceeded to a fair valuation of its land, buildings, as at January 1, 2004 and these fair values were used as deemed cost on the date of transition to the IFRS. The resulted revaluation surplus was credited to retained earnings.

Repairs and maintenance are charged to expenses as incurred. Major improvements are capitalized to the cost of the asset to which they relate when they extend the useful life, increase the earnings capacity or improve the efficiency of the respective assets.

An item of property and plant is derecognized upon sale or disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset , is included in the consolidated statement of income in the year the item is derecognized.

(j) ***Depreciation:*** Depreciation is calculated based on the straight-line method at rates, which approximately reflect the average useful lives of relative assets.

The rates used are the following:

Classification	**Annual rate**
Buildings	2%
Machinery and Equipment	6,67%- 10%
Equipment of Transportation	6%-10%
Furniture and rest of Equipment	10%- 20%

(j) ***Goodwill:*** Business combinations are accounted for using the acquisition accounting method. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities) of the acquired business at fair value. Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortized, but it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. At the acquisition date (or at the date of completion of the relative purchase price allocation) any goodwill acquired is allocated to each of the cash-generating units related to goodwill. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill resulting from acquisitions or business combinations has been allocated to the main cash generating units in group level. The cash generating units have been defined in accordance with the provisions of IAS 36 "Impairment of Assets". The Group, in order to decide whether an impairment of goodwill exists, performed the related impairment tests in the cash generating units in which goodwill was allocated, and based on those tests no impairment issue occurred.

When the Group increases its participation interest to existing subsidiaries (acquisition of minority interests) the total difference between the purchase price and the portion of the minority interests acquired (goodwill or negative goodwill) is transferred directly to equity as it is considered as a transaction among the shareholders (entity concept method). Similarly, when minority interests are sold (without losing control of the subsidiary) then the related gains or losses are recognized directly to equity.

(ja) Impairment of Assets: With the exception of goodwill and intangibles with indefinite life, which are reviewed for impairment at least annually, the carrying value of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount a respective impairment loss is recognized in the consolidated statement of income. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from the revenue due to its disposal at the end of its estimated useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(jb) De-recognition of Financial Assets and Liabilities
(i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

• the rights to receive cash flows from the asset have expired;
• the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
• the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(jc) Inventories: Inventories are reported at the lower value between the cost and the net realizable value. Cost of finished and semi-finished products includes all costs incurred in bringing inventories to their current location and state of manufacture and comprises raw materials, labour, an applicable amount of production overhead (based on normal operating capacity, but excluding borrowing costs) and packaging. The cost of raw materials and finished goods is determined based on the weighted average basis. Net realizable value for finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary, to make the sale. The net realizable value for raw materials is the estimated replacement cost in the ordinary course of business. Especially medication supply are measured in a different way, that is at the last acquisition value, due to existing state of tariff, according to I.A.S. 2 «inventories», paragraph 25.

(jd) Accounts Receivable and Credit Policy: Short-term receivables are presented at their nominal value, net of provisions for potential non collectible accounts, while long-term receivables (balances that deviate from normal credit terms) are reported at the amortized cost based on the actual interest rate method. At each Balance sheet date all past due or doubtfull debtors are assesed by management in order to determine the necessity for relevant provision, with criteria such as the customer's ability to pay and the aging of his balance. The balance of such allowance for doubtful accounts is appropriately adjusted at each balance sheet date in order to reflect all possible risks. Any amount written–off with respect to customer account balances is charged against the existing allowance for doubtful accounts. It is the Group's policy not to write-off an account until all possible legal action has been exhausted.

(je) Credit Risk Concentration: The maior part of debtors comes from state insurance funds, private and public insurance organizations and companies, whose credit risk is considered to be limited. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great diversity of balances.

(jf) Cash and Cash Equivalents: The Company considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statements, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(jh) Share capital:: Share capital represents the value of the Parent company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as the "share premium" in shareholders equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

(jg) Long-term Liabilities: All long-term liabilities are initially recognized at cost. After initial recognition loans and borrowings denominated in foreign currency are reported using the spot rate at each reporting date. The interest costs are recognized on the accrual basis of accounting.

(jh) Borrowing Costs: Borrowing Costs are recognized as an expense in the period in which they are incurred.

(k) Provision for Retirement Indemnities: Staff Retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights throughout the expected working period. Retirement obligations mentioned above are calculated on the basis of financial and actuarial assumptions and are determined using the Projected Unit credit actuarial valuation Method. Net pension costs for the period are included in payroll in the accompanying income statement and consist of the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial gains or losses and any additional pension charges. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested. Unrecognized actuarial gains or losses are recognized over the average remaining service period of active employees and included as a component of net pension cost for a year if, as of the beginning of the year, it exceeds 10% of the future projected benefit obligation. The retirement benefit obligations are not funded.

(ka) State Pension: The Company's personnel is covered by several State sponsored pension funds for private sector employees, (I.K.A., T.S.A.Y.) covering post-retirement pensions, and healthcare benefits. Each employee is required to contribute a portion of its monthly salary to the fund, with the company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. At such, the company has no legal or constructive obligation to pay future benefits under this plan.

(kb)Income Taxes (Current and Deferred):Current and deferred income taxes are computed based on the stand alone financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which foreign subsidiaries operate. Income tax expense is computed based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from tax audits by the tax authorities and deferred income taxes, using substantively enacted tax rates.

- Deferred income tax is computed, using the liability method, on all temporary differences at the balance sheet date between the tax bases and the carrying amounts of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences:

- Except cases, where the deferred income tax liability arises from goodwill impairment or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

- Deferred tax assets are recognized for all discounted temporary differences and transferred tax assets and losses, to the extent where it is possible that taxable profit will be available which will be used against the discounted temporary differences and the transferred unused taxable assets and losses.

- Except cases where the deferred tax asset regarding the discounted temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, an income deferred tax is recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

The deferred tax assets are reviewed at each balance sheet date and reduced to the extent, where it is not considered as possible that enough taxable profits will be presented against which, a part or the total deferred tax assets can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates (and the laws) that have been enacted or substantively enacted at the balance sheet date.

The income tax relating to items recognized directly in equity, is recognized in equity and not in the income statement.

(kc) Leases: Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to income. Capitalized leased assets are depreciated over estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on the straight line basis over the lease term.

(kd) Provisions and Contingencies: Provisions are recognized when the Company has a present legal or presumed/ imputed obligation as a result of past events, it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability. Contingent liabilities are not recognized in the consolidated financial statements but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

(ke)Earnings per share:

Basic earnings per share are computed by dividing net income attributed to the Group's shareholders by the weighted average number of ordinary shares outstanding during each year, excluding any treasury shares outstanding during the year. Diluted earnings per share are computed by dividing net income attributed to the Group's shareholders (after deducting the impact on the convertible

□rganized□ preference shares) by the weighted average number of ordinary shares outstanding during the year (after deducting the impact on the convertible □rganized□ preference shares).

(aa) ***Segment reporting :*** The group has one segment, the health care services. It is also involved mainly in the Greek territory and its activities abroad do not have sufficient extend in order to consist a segment. Consequently, the presentation of relevant financial information is not necessary.

(ab) ***Derivative Financial Instruments:*** The Group does not use derivative Financial Instruments .

(ac) ***Investments and other financial assets:***

Financial assets in the scope of IAS 39 are classified as either

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments,
- available-for-sale financial assets, as appropriate.

When financial assets are □rganized□ initially, they are measured at fair value, plus, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation periodically.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are □rganized□ in income.

(ii) Loans and receivables

Such assets, derived by the company's activity (that is beyond the Group's ordinary credit limits), are carried at amortised cost using the effective interest method. Gains and losses are □rganized□ in the income statement when the loans and receivables are □rganized□ed or impaired, as well as through the □rganized□ed process.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, after initial recognition are subsequently measured at amortised cost, using the effective interest method. For investments carried at amortised cost, gains and losses are □rganized□ in income when the investments are □rganized□ed or impaired, as well as through the □rganized□ed process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for sale or are not classified in any of the three preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being □rganized□ as a separate component of equity until the investment is sold, □rganized□ed or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments that are actively traded in □rganized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

(ad) New Standards and Interpretations: The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations or have amended valid standards, whose application is mandatory for the periods beginning January 1, 2006 onwards (except if mentioned otherwise below). The Group's and company's management's assessment regarding the effect of these new standards and interpretations is as follows:

IAS 19 (amendment) Employee benefits (valid since January 1, 2006): This amendment provides entities the choice of an alternative method for actuarial gain or loss recognition . It is probable that this amendment will set new recognition criteria for cases where multi-employer retirement plans exist, for which no sufficient information, in order to apply fixed grants accounting. In addition new disclosures are added. This amendment is not applicable for the group.

IAS 39 (amendment) Cash flow hedges accounting for anticipated group transactions (valid since January 1, 2006): This specific amendment allows the exhange difference risk due to a highly probable anticipated group transaction, to be recognized as a hedging item in the consolidated financial statements, under the condition that (a) this transaction is performed in a currency different from the one used by the company, involved in the transaction and (b) the exhange difference risk will influence the consolidated income statement. This amendment is not expected to have effect in the group's financial statements under the condition that the structure and the relevant transactions will remain as they are.

IAS 39 (amendment) fair value measurement considerations (valid since January 1, 2006): This amendment alters the definition of the financial instruments at fair value through profit or loss and limits the ability to classify financial instruments in this category. The group considers that this specific amendment will not materially affect its financial instruments classification, as the group has not classified other financial instruments at fair value through profit or loss, except these held for trading. The group and the company will apply this amendment since January 1, 2006.

IAS 39 and IFRS 4 (amendment) Financial guarantee contracts (valid since January 1, 2006): This amendment requires that financial guarantee contracts issued, except the ones that proved by the company to be insurance contracts, to be initially recognized at fair value and later to be valued at the greater value between (a) the balance of relevant fees that have been received and postponed and (b) the expense required to regulate the commitment at the Balance Sheet date. The management has come to the conclusion, that this amendment is not applicable for the group and the company.

IFRS 1 (amendment) First time adoption of International Financial Reporting Standards and IFRS 6 Ex[loration for and Evaluation of mineral resources (valid since January 1, 2006): These amendments are not relevant with the group's operations.

IFRS 6 Explorations and Evaluation of mineral reserves (valid since January 1, 2006) : Not applicable for the Group and will not affect the financial statements.

IFRS 7 Financial Instruments: Disclosures and supplementary adjustment in IAS 1 Presentation of Financial Statements (valid since January 1, 2007): IFRS 7 introduces added disclosures in order to improve the incoming information relating to the financial instruments. It requires the disclosure of quality and quantity information regarding the risk exposure due to financial instruments. More specifically it defines minimum required discosures relating to credit risk, cash flow risk as well as market risk (imposes the sensitivity analysis concerning the market risk). IFRS 7 replaces the IAS 30 (Disclosures in the Financial Statements of banks and similar Financial Institutions) and the disclosure requirements of IAS 32, (Financial Instruments: disclosure and presentation) It is applicable in all entities that prepare financial statements according to IFRS. The adjustment to IAS 1 introduces disclosures relating the amount of entities' capital as well as its management. The group and the company has assessed the effect of IFRS 7 and the adjustment of IAS 1 and came to the conclusion that the additional disclosure required by their application is the sensitivity analysis regarding the market risk and the capital disclosures. The group will apply IFRS 7 and the amendment of IAS 1 from January 1, 2007.

IFRS 8 Operating Segments
The Group is in a procedure of studying the above mentioned standard, which will be applied by the Group from January 1, 2009.

IFRIC 3, Emission Rights: This interpretation was not adopted by the E.U. and was later withdrawn by the International Accounting Standards Board. It does not apply to the Group and will not affect the financial statements.

IFRIC 4, Determining whether an arrangement contains a lease (valid since January 1, 2006): IFRIC 4 requires to be determined, whether a business agreement is or includes a lease or not. More specifically it requires an assessment of the following data (a) whether the fulfilment of the aggreement depends on the use of specific fixed asset(s) and (b) whether the agreement gives the lessee only the right to use the asset. The application of the Interpretation 4 is not expected to alter the accounting treatment of any of the Group's contracts in force.

IFRIC 5: Right to Interest arising from Decommisioning, Restoration and Environmental Rehabilitation Funds (valid since January 1, 2006): IFRIC 5 is not applicable for the Group and the company.

IFRIC 6: Liabilities arising from participating in a specific market – waste electrical and electronic equipment (valid since January 1, 2005): IFRIC 6 is not applicable for the Group and the company.

IFRIC 7: Applying the restatement approach under IAS 29 financial reporting hyperinflationary economies (valid since March 1, 2006): IFRIC 7 is not applicable for the Group and the company.

IFRIC 8: Scope of IFRS 2 (valid since May 1, 2006): Is not applicable for the Group and will not affect the financial statements.

IFRIC 9: Remeasurment of embedded derivatives (valid since June 1, 2006): Is not applicable for the Group and will not affect the financial statements.

IFRIC 10: Interim financial reporting and impairment (valid since November 1, 2006): This interpretation requires the non reversal of impairment recognized in interim reporting due to goodwill or an investment, a financial asset or an asset carried at cost. The Group will apply this interpretation after January 1, 2007.

IFRIC 11: IFRS 2 Group and treasury Share transactions (valid since March 1, 2007): Interpretation 11 refers to issues relating to IFRS 2 and specifically to compensations that are determined by the value of company's own shares and personell salaries of a subsidiary that are determined by the shares of the parent company. Is not applicable for the Group and will not affect the financial statements.

IFRIC 12, Service Concession Arrangements :: (effective for financial years beginning on or after 1 January 2008) The interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides for the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and / or an intangible asset. This Interpretation, which is expected to be adopted by the EU in the near future, is not relevant to the Group's operations.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group proceeds to judgments and estimates in order to apply the most representative accounting methods and policies or in connection with the future development of transactions and events. Such judgments and estimates are periodically reviewed by management in order to reflect current condition and correspond to anticipation of current risks and are based on prior Management's experience in conjunction to the volume / level of such transactions and events.

The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming twelve months period are as follows:

Significant accounting estimates and relative uncertainty:

i) Goodwill impairment test
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

As it is explained in note 15 of the financial statements, the goodwill arose from the purchase of minority's percentage of Group's subsidiary's "IATRIKI TEHNIKI S.A." that took place in the second semester of the closing year. Management has received two valuation reports from two independent appraisals regarding the business value of "IATRIKI TEHNIKI S.A.", which are based in its estimated future cash flows. Considering the significant profitablility of "IATRIKI TEHNIKI S.A."assessed by the company's results of year 2005 as well as the ones of year 2006, also greater by the estimations of valuations, management trusts that the company's operational profits will maintain in the near future and there is no reason for excercising impairment loss.

ii) Provisions for income taxes

Income (current) tax liabilities according to IAS 12 for the current and prior periods are measured at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted by the balance sheet date. Provision for income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by te tax authorities upon settlement of the open tax years. Accordingly, the financial settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. Further details are provided in Note 12.

6. PAYROLL COST:

The Payroll cost that is included in the accompanying financial statements is analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Wages and Salaries and other staff expenses	58.017	51.712	56.278	49.665
Social security costs	13.549	12.596	13.121	12.049
Compensations and Provision for retirement indemnities	1.822	1.566	1.758	1.525
Management fees	740			
Total payroll	**74.128**	**65.874**	**71.157**	**63.239**
Less: amounts charged to cost of sales (Note 8)	(56.079)	(52.370)	(55.208)	(50.842)
Payroll expensed to to administrative and distribution cost (Note 9)	**18.049**	**13.504**	**15.949**	**12.397**

7. DEPRECIATION AND AMORTISATION:

Depreciation and amortization accounted in the accompanying financial statements is analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Depreciation of property land and equipment (Note 14)	10.862	10.792	10.490	10.222
Amortization of intangible assets (Note 15)	41	19	19	19
	10.903	**10.811**	**10.509**	**10.241**
Less: depreciation and amortization charged to cost of sales (Note 8)	(9.753)	(8.753)	(9.554)	(8.252)
Depreciation and amortization expensed (Note 9)	**1.150**	**2.058**	**955**	**1.989**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

8. Cost of Sales:

The cost of sales that are presented in the accompanying financial statements is analyzed as follows:

	Ο Όμιλος		Η Εταιρεία	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Payroll cost (Note 6)	56.079	52.370	55.208	50.842
Third party fees	16.157	15.143	16.004	14.667
Depreciation and amortization (Note 7)	9.753	8.753	9.554	8.252
Other third parties expenses	9.743	8.500	8.875	9.496
Taxes and duties	781	253	333	253
Other expenses and special materials	74.113	52.476	73.914	52.325
Health care materials, medicines and other cunsumables	31.457	30.637	39.436	34.619
Total	**198.083**	**168.132**	**203.324**	**170.454**

9. ADMINISTRATIVE EXPENSES AND DISTRIBUTION COSTS:

The administrative expenses and distribution costs that are presented in the accompanying financial statements are analyzed as follows:

	Ο Όμιλος		Η Εταιρεία	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Payroll cost (Note 6)	18.049	13.504	15.949	12.397
Third party fees	1.427	878	1.325	834
Depreciation and amortization (Note 7)	1.150	2.058	955	1.989
Third party services (for example repairs and maintenance)	2.747	1.941	2.471	1.589
Taxes and duties	269	331	269	320
Other expenses and special materials	3.922	4.208	3.445	3.446
Healthcare material, medicine, consumable materials	395	418	395	418
Total	**27.959**	**23.338**	**24.809**	**20.993**

10. OTHER INCOME / (EXPENSES):

The other income / (expenses) that are presented in the accompanying financial statements are analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income from rentals/other income	1.221	2.090	1.401	2.017
Government Grants	169	382	169	379
Other Income	1.414	10	1.258	10
Profit on disposals of fixed assets	2.241	501	2.241	501
Income from prior years	44		42	
Income from prior years' provisions		459		379
Σύνολο	**5.089**	**3.442**	**5.111**	**3.286**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

11. FINANCIAL INCOME/(COSTS):

The financial income/ (costs) that are presented in the accompanying financial statements are analyzed as follows:

The Group	31/12/2006	31/12/2005
Interest on non-current loans/borrowings	(3.021)	(3.066)
Interest on current loans/borrowings & relevant expenses	(3.555)	(1.346)
Factoring commissions	(927)	(845)
Finance lease interest	(845)	(708)
Losses from exchange differences	(70)	
Total financial costs	**(8.418)**	**(5.965)**
Gains from associates	132	
Dividends from investments in companies and from shares	59	65
Interest on deposits	54	91
Gains from exchange differences	55	
Total financial income	**300**	**156**
Financial income/(costs)	**(8.118)**	**(5.809)**

The company	31/12/2006	31/12/2005
Interest on non-current loans/borrowings	(3.007)	(3.066)
Interest on current loans/borrowings & relevant expenses	(3.517)	(1.262)
Factoring commissions	(927)	(845)
Finance lease interest	(829)	(676)
Total financial costs	**(8.280)**	**(5.849)**
Interest on deposits	44	60
Dividends from investments in companies and from shares	2.412	1.369
Total financial income	**2.456**	**1.429**
Financial income/(costs)	**(5.824)**	**(4.420)**

12. INCOME TAXES:

According to the tax legislation, the tax rate applicable in companies for the period of 2006 is 29% (32 % until the 31st of December 2005), while from the year 2007 onwards it will reach 25%.

The provision for income taxes presented in the accompanying financial statements is analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Current income taxes:				
Current income tax charge	4.771	3.862	2.434	1.260
Prior years' taxes	1.134	1.998	942	1.989
Deferred income taxes	2.633	4.038	2.812	3.955
Other taxes	126		126	
Total provision for income taxes	**8.664**	**9.898**	**6.314**	**7.204**

The reconciliation of the provision for income taxes to the amount determined by the application of the Greek statutory tax rate to pretax income is summarized as follows:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profit before income taxes	**25.004**	**21.850**	**20.436**	**15.104**
Income taxes calculated at the nominal applicable tax rate (29% and 32%)	7.251	6.992	5.926	4.833
Additional tax assessments (Prior years' taxes)	1.134	1.998	942	1.988
Tax effects of non-taxable income and expenses not deductible for tax purposes	(74)	(126)	(693)	(438)
Expenses not deductible for tax purposes	685	430	406	233
Tax effects of losses from subsidiaries for which no deferred tax asset was recognized	1	32		
Tax effects of profits from subsidiaries abroad taxed at different rates	(94)	(7)		
Tax effects of deferred tax from change in statutory tax rate	(239)	580	(267)	587
Income taxes reported in the statements of income	**8.664**	**9.898**	**6.314**	**7.204**

Greek tax laws and related regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

The Company has been audited by the tax authorities up to 31st of December 2004. Regarding its subsidiaries, the tax authorities have not audited their books and their elements for the years mentioned in Appendix.

In a future tax audit of the related unaudited years, additional taxes and penalties may be assessed to the Company and to its subsidiaries. The Company regards that the outcome of the tax audits and the amount of the possible added taxes and fines, is possible to estimate and, thus, a relevant provision has been made in the financial statements related to this subject.

The deferred income taxes related to the temporary differences between the book values and the tax bases of assets and liabilities are calculated using the applicable statutory income tax rate.

	The Group	The Company
Opening balance, January 1st 2005	(9.323)	(6.799)
Charged directly to equity		
Charged to the consolidated statement of income	(4.038)	(3.955)
Closing balance, December, 31st 2005	**(13.361)**	**(10.754)**

	The Group	The Company
Opening balance, January 1st 2006	(13.361)	(10.754)
Charged directly to equity		
Charged to the consolidated statement of income	(2.633)	(2.812)
Closing balance, December, 31st 2006	**(15.994)**	**(13.566)**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
Deferred income tax Liabilities	**31st December 2006**	**31st December 2005**	**31st December 2006**	**31st December 2005**
- Property plant and equipment	(19.078)	(17.715)	(16.578)	(15.215)
- Leases	(2.587)	(2.157)	(2.587)	(1.970)
- Other	(192)	(191)	(189)	(178)
	(21.857)	**(20.063)**	**(19.354)**	**(17.363)**
Deferred income tax Assets				
- Accounts receivable	800	800	800	800
- Deferred expenses	1.583	2.255	1.530	2.178
- Leases	564	1.128	564	1.128
- Provision for retirement indemnities	2.962	2.564	2.940	2.549
- Other	(46)	(47)	(46)	(46)
Deferred income tax Assets	**5.863**	**6.701**	**5.788**	**6.609**
Net deferred income tax Liabilities	**(15.994)**	**(13.361)**	**(13.566)**	**(10.754)**

The effect of the deferred taxes in debits/(credits) of the income statement is the following:

	The Group		The Company	
	31st December 2006	**31st December 2005**	**31st December 2006**	**31st December 2005**
Deferred income tax Liabilities				
- Property plant and equipment	(1.363)	(2.036)	(1.363)	(2.036)
- Leases	(430)	(456)	(617)	(449)
- Other	(1)	36	(11)	50
	(1.794)	**(2.456)**	**(1.991)**	**(2.435)**
Deferred income tax Assets				
- Accounts receivable	0	(235)	0	(235)
- Deferred expenses	(673)	(1.533)	(648)	(1.468)
- Leases	(564)	(125)	(564)	(125)
- Provision for retirement indemnities	398	356	391	353
- Other	0	(46)	0	(46)
	(839)	**(1.583)**	**(821)**	**(1.521)**
(Debit)/Credit of deferred income tax	**(2.633)**	**(4.039)**	**(2.812)**	**(3.956)**

13. EARNINGS PER SHARE:

The calculation of basic earnings per share in the 31st of December 2006 and 2005 is the following:

	The Group		The Company	
	31st December 2006	**31st December 2005**	**31st December 2006**	**31st December 2005**
Net profit attributable to equity holders of the parent	16.340	11.951	14.122	7.900
Weighted average number of shares outstanding	83.985.980	83.985.980	83.985.980	83.985.980
Basic earnings per share				
Net profit per shareattributable to equity holders of the parent	**0,20**	**0,11**	**0,17**	**0,09**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

14. PROPERTY LAND AND EQUIPMENT:

Property, land and equipment is analyzed as follows:

Movement for year 2005 – Group

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
<u>Cost or measurement</u>							
Balance 1.1.2005	**62.869**	**159.807**	**52.623**	**4.834**	**25.636**	**14.437**	**320.204**
New consolidated company (Medsana SRL)		1	10		3		14
Exchange Differences	3	32	48	3	5	8	99
Additions	89	953	1.995	12	1.078	2.605	6.732
Sales/Deletions			(114)	(2.428)	(45)		(2.587)
Transfers		365	364	1	(730)		0
Transfers from fixed assets under constractions		747	180		8	(935)	0
Balance 31.12.2005	**62.961**	**161.905**	**55.106**	**2.422**	**25.955**	**16.115**	**324.462**
Depreciation							
Balance 1.1.2005		**(2.677)**	**(18.857)**	**(1.242)**	**(13.610)**		**(36.386)**
New consolidated company (Medsana SRL)			(8)		(2)		(10)
Exchange Differences		(2)	(17)	(1)	(1)		(21)
Year's Additions		(3.329)	(4.698)	(210)	(2.554)		(10.792)
Sales/Deletions			51		37		88
Period total		**(3.331)**	**(4.672)**	**(211)**	**(2.520)**		**(10.734)**
Balance 31.12.2005		**(6.008)**	**(23.529)**	**(1.453)**	**(16.130)**		**(47.120)**
Net Book Value 31.12.2005	**62.961**	**155.896**	**31.576**	**969**	**9.825**	**16.115**	**277.342**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Movement for year 2006 – Group

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 1.1.2006	**62.961**	**161.905**	**55.106**	**2.422**	**25.955**	**16.115**	**324.462**
Exchange Differences	4	55	88	3	10		163
Additions	2.338	392	8.296	150	2.096	5.054	18.326
Sales/Deletions			(1.960)		(819)	(4)	(2.783)
Impairment			(448)				(448)
Transfers from fixed assets under constractions		1.369				(1.369)	
Balance 31.12.2006	**65.303**	**163.721**	**61.082**	**2.575**	**27.242**	**19.796**	**339.720**
Depreciation							
Balance 1.1.2006		**(6.008)**	**(23.529)**	**(1.453)**	**(16.130)**		**(47.120)**
Exchange Differences		(5)	(29)	(2)	(2)		(38)
Year's Additions		(3.402)	(4.740)	(193)	(2.528)		(10.863)
Sales/Deletions			1.264		807		2.071
Transitions and reclassifications		(143)	(114)	(1)	265		6
Period total		**(3.550)**	**(3.619)**	**(196)**	**(1.458)**		**(8.824)**
Balance 31.12.2006		**(9.558)**	**(27.148)**	**(1.649)**	**(17.588)**		**(55.943)**
Net Book Value 31.12.2006	**65.303**	**154.163**	**33.934**	**926**	**9.655**	**19.796**	**283.776**

Movement for year 2005 – Company

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 1.1.2005	**46.300**	**158.158**	**48.167**	**2.235**	**25.138**	**11.529**	**291.528**
Additions	89	907	793	12	923	2.232	4.956
Sales –Deletions			(18)		(32)		(50)
Transfers		365	364	1	(730)		0
Transfers from fixed assets under constractions		450				(450)	0
Balance 31.12.2005	**46.389**	**159.880**	**49.306**	**2.248**	**25.299**	**13.311**	**296.434**
Depreciation							
Balance 1.1.2005		**(2.640)**	**(17.207)**	**(1.216)**	**(13.291)**		**(34.354)**
Year's Additions		(3.176)	(4.368)	(178)	(2.500)		(10.222)
Sales –Deletions			12		25		37
Period Total		(3.176)	(4.356)	(178)	(2.475)		(10.185)
Balance 31.12.2005		**(5.817)**	**(21.563)**	**(1.394)**	**(15.766)**		**(44.539)**
Net Book Value 31.12.2005	**46.389**	**154.063**	**27.743**	**854**	**9.533**	**13.311**	**251.895**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Movement for year 2006 – Company

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 1.1.2006	**46.389**	**159.880**	**49.306**	**2.248**	**25.299**	**13.311**	**296.434**
Additions	2.338	391	8.246		2.021	4.205	17.202
Sales -Deletions			(456)		(819)		(1.275)
Transfers from fixed assets under constractions		1.369				(1.369)	
Balance 31.12.2006	**48.727**	**161.640**	**57.097**	**2.248**	**26.501**	**16.147**	**312.361**
Depreciation							
Balance 1.1.2006		**(5.817)**	**(21.563)**	**(1.394)**	**(15.766)**		**(44.539)**
Year's Additions		(3.357)	(4.496)	(164)	(2.474)		(10.490)
Sales -Deletions			431		807		1.238
Transitions and reclassifications		(143)	(114)	(1)	265		6
Period Total		**(3.500)**	**(4.179)**	**(165)**	**(1.402)**		**(9.246)**
Balance 31.12.2006		**(9.317)**	**(25.742)**	**(1.558)**	**(17.168)**		**(53.785)**
Net Book Value 31.12.2006	**48.727**	**152.323**	**31.355**	**690**	**9.333**	**16.147**	**258.577**

There are no restrictions on title or transfer or other encumbrances on the Group's land and buildings. In addition, no item of land, building and machinery equipment has been pledged as security for liabilities.

15. INTANGIBLE ASSETS

The Group

Cost	**Goodwill**	**Rights/ Licenses**	**Other**	**Total**
Balance 1.1.2005		398	570	968
Additions	1.979		37	2.016
Transfers /Deletions			8	8
Balance 31.12.2005	1.979	398	615	2.991
Accumulated amortization				
Balance 1.1.2005			(559)	(559)
Additions			(19)	(19)
Sales/Deletions			(8)	(8)
Balance 31.12.2005			(586)	(586)
Balance 31 December 2005	**1.979**	**398**	**29**	**2.406**

Cost	**Goodwill**	**Rights/ Licenses**	**Other**	**Total**
Balance 1.1.2006	1.979	398	615	2.991
Additions			121	121
Sales/Deletions			(77)	(77)
Balance 31.12.2006	1.979	398	659	3.035

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Accumulated amortization				
Balance 1.1.2006			(586)	(586)
Additions			(41)	(41)
Sales/Deletions			77	77
Balance 31.12.2006			(549)	(549)
Net Book Value 31.12.2006	**1.979**	**398**	**109**	**2.486**

The goodwill amounted to € 1.979 resulted from the acquisition of a further 5% of the subsidiary's share capital IATRIKI TECHNIKI S.A., a company that is operating in Greece in the sector of medical and surgical instrument production and trading, as well as of all kinds of sanitary/health equipment. The Group acquires the 56% of the share capital, while the buying-out of the further 5% that was typically completed in the last quarter of 2005, has been recognized according to the buy-out method and represents the difference between the paid up price and the fair value of the assets that were purchased as they were valuated at the respective transaction dates. From the progress of activities until now, no indications have arisen showing that the possibility of an impairment test must be examined.

The group in the a' six month period of 2006 acquired the rest 44% percentage and now owns 100% of the subsidiary's Iatriki Tehniki Share Capital .The amount required, for the acquisition of the 44%, of € 21.282, was not recognized as additional goodwill due to purchase method, but it reduced equally the consolidated Equity, as it arose from subsidiary purchase in which the group had already control.

The Company

	Rights/ Licenses	**Other**	**Total**
Cost			
Balance 1.1.2005	398	570	968
Additions		37	37
Sales/Deletions		8	8
Balance 31.12.2005	398	615	1.012
Accumulated amortization			
Balance 1.1.2005		(559)	(559)
Additions		(19)	(19)
Sales/Deletions		(8)	(8)
Balance 31.12.2005		(586)	(586)
Net Book Value e 31 December 2005	**398**	**29**	**427**
Cost			
Balance 1.1.2006	398	615	1.012
Additions		98	98
Sales/Deletions		(77)	(77)
Balance 31.12.2006	398	636	1.034
Accumulated amortization			
Balance 1.1.2006		(586)	(586)
Additions		(19)	(19)
Sales/Deletions		77	77
Balance 31.12.2006		(527)	(527)
Net Book Value 31.12.2006	**398**	**109**	**506**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

16. INVESTMENTS OF PARENT COMPANY IN SUBSIDIARIES

The investments of the Company in subsidiaries at the 31st December 2006 are analyzed as follows:

	Participation	Acquisition cost
Iatriki Techniki S.A.	*100,00%*	25.421
Phisiotherapy center S.A	*33,00%*	19
Axoniki Erevna S.A.	*50,50%*	545
Erevna S.A	*51,00%*	503
Hospital Affiliates International	*68,89%*	91
Eurosite S.A	*100,00%*	8.335
Ortelia Holdings	*99,99%*	1.039
Medsana Buch	*100,00%*	33
Medsana Srl	*78,90%*	517
Athens Paediatrics Center	*58,30%*	169
		36.672
Impairment loss		(1.805)
Balance		**34.867**

The above-mentioned subsidiaries are consolidated, except from Athens Pediatrics Center SA, which is under liquidation procedure and its acquisition cost is totally deleted in the Company's retained earnings. The operation of this company was interrupted before the transition date, the assets and liabilities of its balance sheets are of minor significance and the liquidation procedure does not entail significant costs for the Company. Until the reporting date of the accompanying financial statements no final judicial decision has been issued for its dissolution and its final deletion from the S.A. register, in contradiction to the Prostate Institute and Electronystagmografiki S.A., which according to relative decisions of their residences' Prefectures have been deleted from the S.A. register. The acquisition costs of Prostate Institute and Electronystagmografiki S.A. were totally deleted in the Company's retained earnings and as a result their deletion from the company's financial statements had no effect in this year's results.

The acquisition cost in Ortelia Holdings SA and in Medsana Srl has been completely deleted in the stand alone financial statements of the Company, according to the provisions of IAS 27 and 38. These companies, do not present any operation and their accounting value is greater of their recoverable amount. At the transition date in IFRS, an impairment test took place in the above mentioned investments, during which, it was attributed in Company's cash generating units. The recoverable amount, which in this case was the value of use, was lower than the carrying amount and the impairment loss arose and amounted to € 1.805, was charged against the retained earnings of 1st of January 2004.

17. INVESTMENTS IN ASSOCIATES CONSOLIDATED BY THE EQUITY METHOD

These concern Company's investments in the capital share of the following companies in a percentage between 20% and 50% and in which no important influence is exercised.

The Company

	Percentage	Acquisition cost
Medisoft S.A.	45,00%	132
Interoptics S.A.(ex-In Health S.A.)	27,33%	340
Aggiologiki Dierevnisi Ltd	20,00%	2
Herodikos Ltd	20,00%	19
		493
Impairment loss		(493)
Net carrying amount		**0**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

The carrying amount of the above companies is deleted in the Company's Equity at a time prior the transition date and the same classification is preserved since the 1st January. The same goes with Nevrolitourgiki S.A., which according to a relevant decision of its residences' Prefecture has been deleted from the S.A. register. Due to the deletion of its acquisition cost to the company's retained earnings, its deletion from the company's financial statements had no effect in this year's results.

It is noted that company In Health S.A. was merged through absorbtion from company Interoptics S.A. at 15 March 2005 and as a result group obtains a percentage of 27,33% on the capital of Interoptics S.A.in stead of 30,37% that was obtained on the capital of the absorbed company In Health S.A. Management for the preparation of the financial statements of year 2006, did not reverse the impairment loss recognised on the acquisition cost of the investment on Interoptics S.A. .(ex-In Health S.A.) in the company's stand alone financial statements, according to IAS 39 § 66, but included it in its consolidated financial statements using the equity method according to IAS 28.

The Group

(Percentage in equity of Medicafe -έμμεση συμμετοχή - at 31/12/2005)	**91**
Gain from associates - Medicafe	33
Gain from associates - Interoptics A.E.	99
Total	**223**

The total amount of gain from associates of € 132 thousand has been included in the financial income **(Note 11).**

18. INVENTORIES:

The inventories are analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Merchandise	28	202		
Raw materials and consumable materials	5.318	4.954	5.088	4.638
Finished and semi-finished products	45	46		
	5.391	**5.202**	**5.088**	**4.638**

19. TRADE ACCOUNTS RECEIVABLE:

The trade accounts receivable are analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Trade debtors – open balances	111.725	81.788	111.082	80.945
Checks receivable (postdated) & bills receivable	15.726	12.293	13.308	11.110
Past due debtors	486	517	271	303
Less: Provision for impairment (trade debtors)	(3.018)	(3.018)	(3.018)	(3.018)
	124.919	**91.580**	**121.643**	**89.340**

In year 2006, debtors of Goup and parent company amounted to € 289 thousand and € 163 thousand respectively have been deleted by charging the income statement.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

20. REPAYMENTS AND OTHER RECEIVABLES:

The repayments and other receiables are analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Advance payments for purchases	12	202		187
Advances	182	938	121	901
Other accounts receivable	11.461	10.836	9.689	8.093
Short-term receivables from associates	29	26	3.897	3.827
Prepaid expenses and other debtors	1.599	2.056	1.577	1.520
	13.283	**14.059**	**15.284**	**14.528**

21. CASH AND CASH EQUIVALENTS:

The cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash in hand	788	538	752	504
Deposits (sight and time)	8.026	7.039	5.472	5.585
	8.814	**7.577**	**6.224**	**6.089**

The bank deposits are lent at interest with floating interest rates based on the monthly interest rates of bank deposits. The income from sight and time bank deposits interest is recognized in accrual basis of accounting.

22. SHARE CAPITAL:

The share capital of the Company consists of 83.985.980 common nominal shares, with nominal value € 0,31 each. The share capital of the Company was not differentiated during the period from 1, January 2006 until the approval date of the annual financial statements. According to the 1st and 18th December 2006, decisions of the Extraordinary and A' Repeated Extraordinary General Assembly of Stocckholders, the increase of the Share Capital with cash deposit and abolish the old Stockholder's preference premium, amendmend of article 5 of constitution and its coding, has been decided.

Until the date, the financial statements were approved by the Board of Directors , the above mentioned increase of the Share Capital was not executed.

The Company's shares are publicly traded on the Athens Stock Exchange (main market).

According to the Shareholders Record of the Company, in the 31st of December 2006, the shareholders with a holding a percentage in the Company greater than 2 % were the following:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	Number of shares acquired	% 30th September 2006
G. Apostolopoulos Holdings S. A.	34.133.843	40,64%
Georgios Apostolopoulos	8.589.901	10,23%
Asklepios International Gmbh	11.513.532	13,71%
2S Banca Milano	2.418.127	2,88%
Morgan Stanley and Co International Ltd	3.097.508	3,69%
UBS Ag London branch –International prime brokerage client account	3.123.500	3,72%
Free float <2%	21.109.569	25,13%
	83.985.980	**100,00%**

The share premium of the Company resulted from the period of 1991 until the period of 2002, with a total amount of € 15.267, by the issuing of shares against cash, in value greater than their nominal value.

23. LEGAL, TAX FREE AND SPECIAL RESERVES:

The legal, tax free and special reserves are analyzed as follows:

The Group

	31/12/2006	31/12/2005
Legal reserve	7.313	6.629
Less: Impairment of investments	(3.039)	(3.039)
Tax free and specially taxed reserves	70.649	70.610
Other	473	464
	75.396	**74.664**

The Company

	31/12/2006	31/12/2005
Legal reserve	6.835	6.213
Less: Impairment of investments	(3.039)	(3.039)
Tax free and specially taxed reserves	70.548	70.548
Other	440	440
	74.784	**74.162**

Legal Reserve: According to the Greek Company law, the companies are obliged to form at least 5% of their annual net profits, as they are represented in the accounting books, in legal reserve, until the accumulated amount of the legal reserve reaches at least the 1/3 of the capital share. The above-mentioned reserve cannot be distributed during the operation of the Company.

Tax free and Specially Taxed Reserves: The untaxed and specially taxed reserves represent interest income, which are tax free or taxed by 15% at their source. The particular income is not taxable under the condition that adequate profits exist, from which respective untaxed reserves can be formed. According to the Greek tax legislation, this reserve is excluded from income tax, under the condition that it will not be distributed to the shareholders. The Company does not intend to distribute the particular reserve and thus it has not proceeded to the estimation of deferred income tax that would have been necessary in the case of reserve distribution.

Special Reserves: The special reserves have been formed based on the decisions of the shareholders' General Assemblies. The Company does not intend to distribute the particular reserves.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

24. LOANS:

	The Group		The Company	
Non-current loans	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Syndicated bank loan	29.029	45.758	28.922	45.644
Finance leases	8.726	8.821	8.624	8.463
	37.755	**54.579**	**37.546**	**54.107**
Current loans				
Bank loans	72.813	24.350	68.047	24.041
Non-current loans payable within the next 12 months	24.328	22.999	24.322	22.822
Finance leases	1.918	3.894	1.864	3.635
Other loans (factoring)	9.055	10.597	9.055	10.597
	108.114	**61.840**	**103.288**	**61.095**
Total of loans due	**145.869**	**116.419**	**140.834**	**115.202**

	The Group		The Company	
Maturity of non-current loans	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Between 1 & 2 years	24.429	22.822	24.322	22.822
Between 2 & 5 years	4.600	22.936	4.600	22.822
Over 5 years				
	29.029	**45.758**	**28.922**	**45.644**

The Group's borrowing mainly concerns the Syndicated Loan, with initial amount of € 102.700.00,00, according to the Syndicated Loan contract from the 21/12/2001, with the Bank "ALPHA BANK" as a manager and lender Banks the following: GENERAL, NATIONAL, COMMERCIAL, EFG EUROBANK ERGASIAS, HVB FINANCE LONDON LTD, and SG FINANCIAL SERVICES. According to the contract, the purpose of this loan was the refunding of existing borrowing by the amount of € 88.000.000 (85,69%) and investments in fixed assets by of the amount of € 14.699.999,99 (14,31%). The loan's duration is seven years. The loan's payment in full, in 9 six-month installments has started in 28/12/2004 and will be completed in 28/12/2008. The interests concerning the above-mentioned loan are estimated according to the Euribor interest rate plus a margin of 1,40%.

The current bank loans are received by the Company and its subsidiaries for serving their needs in working capital. The relevant interest rates vary from 4,51% to 5,6%.

The loan cost has charged the year's results according to accrual basis principle.

The liabilities that result from leases concern the leasing of buildings, that arose from the sale and lease back of Company's land building and mechanical – hospital equipment. The liabilities to the lessor are analyzed as follows:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Leasing Liabilities - Minimum payments of leases:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Up to one year	2.404	4.433	2.344	4.166
Between 2 & 5 years	4.970	5.340	4.858	4.994
After 5 years	5.904	5.903	5.904	5.903
Total	**13.278**	**15.676**	**13.106**	**15.063**
Future finance charges on finance leases	(2.634)	(2.962)	(2.618)	(2.966)
Present value of lease liability	**10.644**	**12.714**	**10.488**	**12.097**

The present value of the leasing liabilities is the following:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Until one year	1.918	3.894	1.864	3.635
From 2 to 5 years	3.540	3.634	3.438	3.276
After 5 years	5.186	5.186	5.186	5.186
TOTAL	**10.644**	**12.714**	**10.488**	**12.097**

Over the leased assets ownership retention exists, which will stay in force until the ending of the leasing period and the payment in full of the leases.

There are no other guaranties and commitments of ownership or use over the fixed assets and the other assets of the Group.

25. GOVERNMENT GRANTS:

The movement in the government grants during the year ended in 31st December 2006 and the year ended in 31st December 2005 was the following:

	The Group	The Company
Balance 1.1.2005	**73**	**73**
Additions	18	-
Depreciation	(20)	(20)
Balance 31.12.2005	**71**	**53**

	The Group	The Company
Balance 1.1.2006	**71**	**53**
Additions		
Depreciation	(35)	(18)
Balance 31.12.2006	**36**	**35**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

26. PROVISION FOR RETIREMENT INDEMNITIES:

(a) ***Government Insurance Programs:*** The contributions of the Company and the Group to the insuring funds for the period ended in 31st December 2006, were recognized as expenses and amounted to € 13.121 thousand and € 13.549 thousand respectively.

(b) ***Provision for retirement indemnities:*** According to the Greek employment legislation, the employees entitled to receive compensation in case of dismissal or retirement, the amount of which varies depending on the salary, the years of service and the type of retirement (dismissal or pensioning) of the employee. Employees that resign or get dismissed with a justification are not entitled to receive compensation. The payable compensation in case of retirement equals the 40% of the compensation that would have been payable in case of an unjustified dismissal. In Greece, according to the local practice, these programs are not granted. The Company debits to the results for the accrued benefits in every period with a relevant rise of the pensioning liability. The payments of the benefits performed to the pensioners every period are charged against this liability.

The movement of the net liability in the accompanying balance sheets of the Company and the Group is the following:

The Company	**31st December 2006**	**31st December 2005**
Net liability at the beginning of period	10.194	8.781
Actual benefits paid by the Company	(194)	(112)
Expense recognized in the income statement (Note 6)	1.759	1.525
Net liability at the end of the period	**11.759**	**10.194**

The Group	**31st December 2006**	**31st December 2005**
Net liability at the beginning of period	10.258	8.834
Actual benefits paid by the Company	(233)	(142)
Expense recognized in the income statement (Note 4)	1.822	1.566
Net liability at the end of the period	**11.847**	**10.258**

An international firm of independent analogists/actuaries evaluated the Company's liabilities arising from the obligation to pay retirement indemnities.

The details and principal assumptions of the actuarial study as at 31st of December 2006 and 31st of December 2005 is the following:

	The Group		**The Company**	
	31st December 2006	**31st December 2005**	**31st December 2006**	**31st December 2005**
Present Value of un funded obligations	14.758	11.704	14.670	11.640
Unrecognized actuarial net loss	(2.911)	(1.446)	(2.911)	(1.446)
Net liability in Balance Sheet	**11.847**	**10.258**	**11.759**	**10.194**
Components of net periodic pension cost:				
Service cost	1.321	1.056	1.258	1.046
Interest cost	410	362	410	362
Analogical losses	(22)	55	(22)	55
Regular charge to operations/results	**1.709**	**1.473**	**1.646**	**1.463**
Additional cost of extra benefits	113	44	113	44
Total charge to operations/results	**1.822**	**1.517**	**1.759**	**1.507**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Reconciliation of benefit obligation:				
Net liability at start of period	10.258	8.834	10.194	8.781
Service cost	1.321	1.056	1.258	1.046
Interest cost	410	362	410	362
Benefits paid	(233)	(94)	(194)	(94)
Additional cost of extra benefits	113	44	113	44
Analogical losses	(22)	55	(22)	55
Present value of obligation at the end of the period	**11.847**	**10.258**	**11.759**	**10.194**

Principal assumptions:	2006	2005
Discount rate	4.1%	4.0%
Rate of compensation increase	4.2%	4.0%
Increase in consumer price index	2.5%	2,5%

The additional cost of extra benefits relates to benefits paid to employees, who became redundant. Most of these benefits were not expected within the terms of this plan and accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charge.

27. TRADE ACCOUNTS PAYABLE:

The trade accounts payable are analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Suppliers	77.761	58.422	88.039	64.985
Checks outstanding and bills payable (postdated)	8.689	14.822	7.656	13.905
	86.450	**73.244**	**95.695**	**78.890**

28. ACCRUED AND OTHER CURRENT LIABILITIES:

The amount represented in the accompanying consolidated balance sheet is analyzed as follows:

	The Group		The Company	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers' advances	10	59	10	59
Obligations to associates	34		34	
Sundry creditors	5.320	4.356	5.048	4.162
Insurance and pension contributions payable	3.674	3.435	3.583	3.287
Accrued expenses	202	955	194	900
Dividends	12		12	
Other	1.131	64	1.086	63
	10.383	**8.869**	**9.967**	**8.471**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

29. RELATED PARTY DISCLOSURES:

The Company and its subsidiaries are related to the following legal and natural persons:

due to the majority of shares acquisition in its capital with Mr. Georgios Apostolopoulos and the legal persons or other business activities he is related with
with its subsidiaries including their main shareholders and the members of their Boards of Directors
with the members of the Company's Board of Directors.

The transactions with its subsidiaries are mainly concerning the provision of commercial services, as well as the purchasing and selling of goods. The transactions are realized within the normal operating framework of the Company.

The relative balances receivable from associates are not covered by securities, mortgages and their payment in full is conducted by cash payment within the time limits agreed between the companies in question. The Management of the Company does not regard that a provision/allowance for a possible non-collection of its subsidiary related receivables is needed; hence no provision/allowance for doubtful debtors against these receivables is formed.

The balances receivable/(payable) of the related party accounts of the Group are as follows:

Group

	COMPANY			
	DEBTORS	***LIABILITIES***	***INCOME***	***SALES***
ATHENS MEDICAL CENTER S.A..	0,00	0,00	0,00	0,00
IATRIKI TECHNIKI S.A.	0,00	24.673,91	0,00	25.423,72
EREVNA S.A.	0,00	1.051,35	0,00	147,38
AXONIKI EREVNA S.A.	0,00	311,94	0,00	17,78
PHYSIOTHERAPY CENTER S.A.	0,00	50,04	184,41	533,52
MEDSANA BUCHAREST MEDICAL CENTER	0,40	0,00	0,00	0,00
MEDSANA SRL	0,00	0,00	0,00	0,00
ORTELIA HOLDINGS	1.667,05	0,00	0,00	0,00
EUROSITE	1.939,09	0,00	0,00	0,00
HOSPITAL AFFILLIATES INTERNATIONAL S.A.	314,98	0,00	0,00	0,00
TOTAL	**3.921,51**	**26.087,25**	**184,41**	**26.122,39**

Other

	The Group				The Company			
	Receivables	***Liabilities***	***Income***	***Purchases***	***Receivables***	***Liabilities***	***Income***	***Purchases***
G. APOSTOLOPOULOS Holdings	4,82	0,00	2,00	0,00	0,06	0,00	0,00	0,00
IKODOMIKI EKMETALEFTIKI S.A.	5,84	0,00	1,00	0,00	2,77	0,00	0,00	0,00
LA VIE Assurance	1.147,20	19,55	1.074,18	161,10	1.147,20	16,67	1.074,18	155,48
SYCHRONI ECHODIAGNOSI	0,00	27,41	0,00	0,00	0,00	27,41	0,00	0,00
PROSTATE INSTITUTE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

KORINTHIAKOS RYTHMOS	0,00	2.257,87	2,00	2.514,90	0,00	2.205,58	0,00	2.403,96
HERODIKOS Ltd	40,72	1,70	0,00	0,00	40,72	1,70	0,00	0,00
QUS ATH. CENTER OF ENVIRONMENT	84,55	0,00	0,00	0,00	84,55	0,00	0,00	0,00
TRADOR A.E.	17,43	0,00	0,00	0,00	17,43	0,00	0,00	0,00
AGGEIOLOGIKI DIEREVNISI S.A.	0,00	6,60	0,00	0,00	0,00	6,60	0,00	0,00
ATHENS PAEDIATRICS CENTER	15,07	0,00	0,00	0,00	15,07	0,00	0,00	0,00
ELECTRONYSTAGMOGRAFIKI S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
NEVROLITOURGIKI S.A.	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
MEDISOFT	190,36	0,00	0,00	0,00	190,36	0,00	0,00	0,00
MEDICAFE CATERING SERVICES S.A.	14,71	0,00	87,92	0,00	14,71	0,00	87,92	0,00
DOMINION INSURANCE BROKERAGE S.A.	0,00	5,50	0,00	28,69	0,00	5,50	0,00	28,01
INTEROPTIKS SA	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	**1.520,70**	**2.318,65**	**1.167,10**	**2.704,69**	**1.512,87**	**2.263,47**	**1.162,10**	**2.587,44**

	The Group	**The Company**
Compensations of executives and members of the Board	**6.154**	**5.055**

	The Group	**The Company**
Debtors from executives and members of the Board	**3**	**3**

30. DIVIDENDS

According to the provisions of the greek legislation for companies , they are obliged to distribute every year dividend, that corresponds at least to the 35% of the profits after taxes and the formation of the legal reserve or at least the amount that reflects the 6% of the share capital, any greater than two. The non distribution of dividends depends on the approval of the total shareholder company's equity. The greek company legislation requires specific terms for the profit distribution to be satisfied , which are:

a) Any distribution of dividend is not valid if the company's equity as that appears on the balance Sheet after the distribution is lees than equity plus the non distributive reserves

b) Any distribution of dividend is not valid, if the balance of the formation expenses is greater than the extraordinary reserves plus the retained earnings

At 27 March 2006, the Board of Directors proposed Dividend amounted to € 0,06 per share . This proposition of the Board of Directors was approved by the annual General Assembly of the Shareholders at 30th June 2007.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

31. CONTIGENCIES AND COMMITMENTS :

(a) Lawsuits/Litigation and claims:

The Company is involved (in its capacity as defendant and as plaintiff) in various lawsuits and legal amperages in the framework of its normal operation. The Management, as well as its legal advisors estimates that all the pending cases are expected to be settled without any significant negative repercussions on the consolidated financial position of the Company or in the results of its operation.

(b) Commitments:

(ii) Commitments from operational leases:

The 31st of December 2006 the Group and the Company had various agreements of operational lease, concerning the renting of buildings and transportation equipment and they end in several dates.

The renting expenses are included in the accompanying consolidated income statement of the period ended in the 31st of December 2006 and they amount to € 1.877 thous.

The minimum future payable rental leases based on non-reversible contracts of operational leases in 31st of December 2006 are as follows:

Commitments from operational leases:	**The Group**	**The Company**
Within one year	1.497	1.204
2-5 years	4.476	4.048
After 5 years	3.361	2.931
	9.334	**8.183**

(iii) Guarantees:

The Group in 31st of December 2006 had the following contingent liabilities:

Had issued letters of guarantee for good performance for a total amount of € 595 thousand.

32. SUBSEQUENT EVENTS:

According to the 1st and 18th December 2006, decisions of the Extraordinary and A' Repeated Extraordinary General Assembly of Stockholders, respectively, the following have been determined : a) Issuance of common bond loan according to L. 3156/2003 amounted up to € 150 mil. and authorization to the Board of directors to determine the loan's terms, β) Increase of the Share Capital with cash deposit and abolish the old Stockholder's preference premium, amendmend of article 5 of constitution and its coding. Specifically, the issuance of 2.750.000 common shares has been decided with disposal value of € 1,95 per share.

Marousi, 27/3/2007

THE PRESIDENT OF THE BOD	***THE CHIEF EXECUTIVE OFFICER***	***THE GROUP CFO & ADMINISTRATIVE***	***THE PARENT CFO***	***THE CHIEF ACCOUNTANT***
GEORGIOS B. APOSTOLOPOULOS	***VASSILIOS G. APOSTOLOPOULOS***	***NIKOS H. KATSIBRAKIS***	***PETROS D. ADAMOPOULOS***	***PANAGIOTIS X. KATSICHTIS***
ID NUMBER Σ 100951	***ID NUMBER. Ξ 350622***	***ID NUMBER AB253885***	***ID NUMBER M 253394***	***ID NUMBER. AB 052569 O.E.E. Rank No.17856 Classification A'***

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

APPENDIX

COMPANY'S SUBSIDIARIES and ASSOCIATES AND TAX UNAUDITED YEARS PER COMPANY

Company's name	Company's location country	Activity	Participation (%)	Tax audited years
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	100,00%	2003-2006
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51,00%	2005-2006
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50,50%	2005-2006
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33,00%	2003-2006
HOSPITAL AFFILIATES INTERNATIONAL	GREECE	Organization & Administration of Hospitals and Clinics.	68,89%	2001-2006
MEDSANA BMC	ROMANIA	Diagnostic Center	100,00%	1997-2006
MEDSANA SRL	ROMANIA	Diagnostic Center	78,90%	1997-2006
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics	100,00%	2003-2006
ORTELIA HOLDINGS	CYPRUS	Establishment, Organization & Operation of Hospitals and Clinics	99,99%	1998-2006
MEDICAFE S.A.	GREECE	Pastry shop-buffet	55%	2003-2006
INTEROPTICS S.A.	GREECE	Trade & services of publication and electronic information & information systems	27,33%	2005-2006