ATHENS MEDICAL CENTER S.A.

A' SEMESTER FINANCIAL REPORT

(1 January – 30 June 2016)

According to L. 3556/2007 article 5

ATHENS
MEDICAL CENTER S.A.
General Commercial Registry 356301000
Reg. no. 13782/06/B/86/06
Distomou 5-7 Maroussi

CONTENTS OF A' SIX MONTH FINANCIAL REPORT

STATEMENTS OF MEMBERS OF THE BOARD
(IN ACCORDANCE WITH ARTICLE 5 PAR. 2 OF LAW. 3556/2007)

The members of the Board of Directors of «ATHENS MEDICAL CENTER S.A.» a) George V. Apostolopoulos, President of the B.O.D. b) Vassilios G. Apostolopoulos, CEO and c) Christos G. Apostolopoulos, Vice President, declare that as far as we know:

a. The separate and consolidated interim condensed financial statements of «ATHENS MEDICAL CENTER S.A.» for the period January 1, 2016 to June 30, 2016, which were drawn up in accordance with valid International Financial Reporting Standards, as adopted by the European Union reflect in a true manner the assets and liabilities, equity and period's results of Company and Group, as well as of the companies included in the consolidation, taken as a whole, in accordance with the provisions of paragraphs 3 to 5 of article 5 of Law 3556/2007.

b. The first six month report of the Board of Directors contains the true information required by paragraph 6 of article 5 of Law 3556/2007.

Maroussi, 28/9/2016

THE PRESIDENT OF THE B.O.D.	***THE CEO***	***THE VICE PRESIDENT***
G. V. APOSTOLOPOULOS	***V. G. APOSTOLOPOULOS***	***CH. G. APOSTOLOPOULOS***
ID AK 038305	***ID Ξ 350622***	***ID P 519481***

BOARD OF DIRECTORS MANAGEMENT REPORT
Interim Report for the period 01.01 – 30.06.2016

It is well known that during the A' semester of 2016 Athens Medical Group operated in a difficult and uncertain environment, that of the Greek economy.

Unfortunately, despite the conclusion of the first evaluation and the effort of the Greek economy to return to regularity, this has not been accomplished yet, resulting in economy's stagnation, which operates in negative growth rates. This sense significantly affects healthcare sector as well, whereby extended delays are met, not only in the development of a long term plan, but also in the funding sector causing a non stable platform for further growth and the non-fulfillment of basic economic obligations to healthcare providers.

At the same time, issues concerning EOPPY are still open and mainly refer to the contractual agreement between EOPPY organization and private healthcare providers, which has not been signed yet, the delay of past due liabilities payoff and the preservation of Clawback and Rebate regime, at least up to the end of 2018.

Within these unfavorable circumstances our Group managed to follow an upward course. Group's turnover for A' semester of 2016 reached euro 82,554 th., compared to euro 83,120 th., that is decreased by 0.68% compared to the relevant period of 2015. Earnings before interest, taxes, depreciation and amortization (EBITDA), for the same period amounted to euro 10,116 th., increased by 112.88% compared to the respective EBITDA for A' semester of 2015 which amounted to euro 4,752 th . Profit after taxes amounted to euro 1,151 compared to losses after taxes for A' semester of 2015 of euro 2.598 th (change up to 144.30%).

The Company's turnover for the A' half of 2016 reached euro 80.224 th., compared to euro 80, 740 th. marking a decrease of 0.64% compared to the relevant period of 2015. Inpatient treatments came up to 38,646 compared to 35.112 and were increased by 9.9% compared to the respective period of 2015. Outpatient admissions came up to 239,545 compared to 201.295 increased by 19.0% compared to the respective period of 2015. EBITDA for the same period reached euro 9,627 th., increased by 123.03% compared to EBITDA of the respective period of 2015 of euro 4.317 th. Profit after taxes amounted to euro 956 th. compared to losses after taxes of euro 2,487 th, for the same period of 2015 (change up to 138.44%)

More specifically, without the effect of Rebate and Clawback, Group's EBITDA for H1 2016 would have amounted to euro 20,845th. compared to euro 8,168th. for H1 2015, which is increased by 155.20%. Respectively Company's EBITDA for H1 2016 would have amounted to euro 20,357th. compared to euro 7,733th. for H1 2015, which is increased by 163.25%.

Furthermore, without the effect of Rebate and Clawback, Group's turnover would have amounted to euro 93,566th. marking a 0.84% increase compared to 2015. In Company's level, turnover before Rebate and Clawback would amount to euro 91.236 th. increased by 0.92% compared to 2015.

The Management succeeded, despite the difficult circumstances for the Group, to follow an upward course, by making actions such as, cooperation with new insurance companies, the development of medical tourism, the development of new medical departments, cooperation with new doctors by attracting young scientists from the greater medical institutions and universities abroad.

Considerable importance is attributed to the cooperation of the Group's clinics with the insurance companies, which was and continues to be up warding and mutually beneficial. Healthcare services of high quality are provided to insured people, while a constantly increasing number of incidents and satisfactory liquidity is ensured, which substantially contributes to the up warding course of the Group.

The implementation of a middle-long term programme is also considered important by management targeting to cost reduction and the reduction of operating expenses, by department rationalization, service outsourcing, cutting edge technology and information system investments, as well as constant staff training, actions that lead to productivity increase and the improvement of service provision operations, a programme that is successfully applied.

Of great importance is considered to be the liquidity issue, which is known to be mainly due to the non pay off of older balances for period 2007-2011 from public insurance funds as well as the extended delay in paying off the current liabilities of EOPPY, combined with the charge Group has suffered from Rebate and Clawback regime for years 2013 -2014-2015 and the A΄semester of 2016. Groups management, in a stable and decisive way, considers these measures to be unfair and has exercised all legal and judicial measures in order to postpone and finally cancel the acts imposing Clawback and Rebate by EOPPY management.

Furthermore, our Group kept on investing in new meditech equipment, renewal on building installments and implementation of new pioneering medical services in a stable manner.

Due to the difficult financial conjuncture, our Group maintains consistent to its obligations towards public insurance funds, taxes pay off, employees and partners – doctors and suppliers pay off.

In addition Management was in constant communication with Bank consortium regarding the restructuring of the bond loan which is expected to be concluded soon and that would not have been necessary if the sudden and extreme Rebate and Clawback measures did not exist.

Finally our Group despite the difficult financial circumstances implements a multi dimensional program of social responsibility by which provides top class health care services in sensitive segments of population as well as in population of detached territories.

Prospects for H2 2016

Year 2016 continues to be a difficult year of recession for Greek economy.

The expecting growth of Greek economy will help the reinstatement of a stable growth rate, while a sense of trust and the pay off of the Greek State΄s will generally help the private sector development and especially the private one, in which our Group operates.

Management makes serious efforts to signing a viable and operational contractual agreement with EOPYY for which Greek State should provide substantial financial support by conducting budgets per provider, addressing the audit for insured people medical cost in real time and by fulfilling its basic contractual obligations, conditions which are stable perspectives of our Group.

Emphasis will be given on the improvement of cash liquidity claiming in a constant way the pay off of old balances of insurance funds for period 2007 – 2011 for which developments are expected after the deposit of the second installment from borrowers, the regular flow of EOPYY payments as well as the claim of amounts that refers to the cuts due to Rebate and Clawback.

Furthermore the negotiations with the borrowing Banks are expected to be concluded by the end of the year which will lead to the finalization of bond loan restructuring agreement.

Management's constant aim is to maintain its position as the sector΄s market leader, promoting the long term interests of its stock holders, employees and partners, always in combination with the provision of high quality health care services.

Management closely monitors all developments in Greek economy and having at the same time the experience of successful problem solving in years of intense recession, evaluates in cooperation with Group΄s management the current and expected circumstances and will continue in a stable way the conclusion of its business plan which includes:

- reduction of operating expenses and restructuring of divisions and services
- further development of the effective cooperation with insurance companies
- systematic development of medical tourism, a segment in which our group is a pioneer
- development of new services and new cooperations with doctors
- address liquidity issues with new clients besides EOPYY
- evaluation of possible beneficial business opportunities that will expand Group΄s business action and productivity

All the above mentioned framework of actions, in combination with positive developments in Greek economy, will benefit our Group's course.

Risks and Uncertainties for H2 2016

The main activities of the Group are influenced by a variety of financial risks, for example, the risks resulted from changes in foreign currency exchange rates and interest rates. The overall financial risk management program seeks to minimize potential adverse effects in the Group's financial position as a whole.

The Group's main financial instruments, are cash and cash equivalents, bank deposits, trade accounts receivable, prepayments and other receivables and accounts payable, bank loans (borrowings). Management periodically evaluates and revises the policies and procedures that relate to management of financial risk, which are described below:

a) Credit risk

Credit risk arises from credit exposures to customers, including outstanding receivables and conducted transactions. The maximum exposure to credit risk is represented by the carrying amount of each asset. The Risk Control Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Trade debtors credit limits are set based on internal ratings in accordance with limits set by management.
Credit risk is analysed as follows:

	The Group		**The Company**	
(amounts in th. Euro)	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Cash and cash equivalents	4.517	10.426	3.945	9.901
Trade accounts receivable	108.095	96.304	107.641	95.889
Prepayments and other receivables	14.187	12.722	18.276	15.736
Other non current assets	274	438	273	434
TOTAL	**127.073**	**119.890**	**130.135**	**121.960**

The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is not considered significant in terms of the Group's assets and liabilities except for extraordinary events (extraordinary legislative regulation). Regarding the rest of the debtors represented by sales to individuals, risk is diversified due to the large number of debtors.

Regarding prepayments and other receivables, credit risk is considered of no significance.

Additionally, regarding the risks on deposits and equivalent products, the Group has transactions only with recognized Greek financial institutions of high credibility ranking.

b) Liquidity risk

Prudent liquidity risk management implies sufficient cash and cash equivalents and the availability of funding through an adequate amount of sufficient credit facilities. The Group composes budgets and monitors its cash flows on regular basis.

The following table depicts the Group's and the Company's maturity of financial liabilities which are classified in groups by the time period, estimated from the reporting date to the date payable.

Group on 30/6/2016

(amounts in th. Euro)	Less than 1 year	Between 2 and 5 years	Over 5 years
Borrowings	148.357	43	0
Trade accounts payable and other liabilities	114.783	3.089	810
Total	**263.140**	**3.132**	**810**

Group on 31/12/2015

(amounts in th. Euro)	Less than 1 year	Between 2 and 5 years	Over 5 years
Borrowings	149.047	74	0
Trade accounts payable and other liabilities	113.829	3.572	1.005
Total	**262.876**	**3.646**	**1.005**

Company on 30/6/2016

(amounts in th. Euro)	Less than 1 year	Between 2 and 5 years	Over 5 years
Borrowings	146.060	11	0
Trade accounts payable and other liabilities	122.891	3.089	810
Total	**268.951**	**3.100**	**810**

Company on 31/12/2015

(amounts in th. Euro)	Less than 1 year	Between 2 and 5 years	Over 5 years
Borrowings	146.750	16	0
Trade accounts payable and other liabilities	120.705	3.572	1.005
Total	**267.455**	**3.588**	**1.005**

c) Market risk

(i) Foreign exchange translation risk (FX translation risk)

The Group holds participations (business operations) in Romania, whose net assets are exposed to FX translation risk. This kind of FX translation risk derives from the exchange rate RON / € and it is not hedged as there is no substantial exposure. Group's management constantly monitors FX translation risks, that might arise and evaluates the need to take relative actions.

(ii) Price risk

The Group is not exposed to securities price risk as it has no investments in entities classified, in the consolidated Balance Sheet, as financial assets at fair value through the Income Statement.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises mainly from borrowings. These borrowings may be submitted to floating rates and expose the Group to cash flow interest rate risk. Depending on the levels of net debt, any change in the base interest rates (**EURIBOR**), has a proportionate impact on the Group's results. Due to the low level of Euribor rate, management estimates tha there is no immediate and significant interest rate risk for the Group and the Company.

The Group's policy is to minimize its exposure to interest rate cash flows risk with regard to financing issued at variable rates, to maintain its borrowings at controlled levels but at the same time make sure of the funding by cooperative banks that satisfy, by all means, the planned growth of the Group.

The table below presents the effect on Group's and Company's results for a' semester 2015 and 2014 as well as on Group's and Company's equity at 30th June 2016 and 2015 (sensitivity analysis) at a rate volatility (increase/decrease) of EURIBOR by 0,5%.

	The Group				**The Company**			
	A' semester 2016		**A' semester 2015**		**A' semester 2016**		**A' semester 2015**	
(amounts in th. Euro)	***+0,5%***	***-0,5%***	***+0,5%***	***-0,5%***	***+0,5%***	***-0,5%***	***+0,5%***	***-0,5%***
Net profit gain /(loss)	(372)	372	(390)	390	(367)	367	(390)	390
Equity gain /(loss)	(372)	372	(390)	390	(367)	367	(390)	390

The above table does not include the positive effect of interest received from bank deposits.

d) Capital management policies and procedures

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital is monitored on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & cash equivalents". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

	The Group		**The Company**	
(amounts in th. Euro)	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Total Borrowing	148.400	149.121	146.071	146.766
Less: Cash and cash equivalents	4.517	10.426	3.945	9.901
Net Debt	**143.883**	**138.694**	**142.126**	**136.865**
Total Equity	**59.998**	**58.847**	**65.802**	**64.846**
Total Capital employed	**203.881**	**197.541**	**207.928**	**201.711**
Gearing ratio	**70,57%**	**70,21%**	**68,35%**	**67,85%**

The gearing ratio for period 1/1-30/6/2016 has not significantly changed, compared to the previous year 2015 in terms of Group and Company.

e) Fair value

Fair value of the Group's and Company's current assets and current liabilities, approximate their nominal value with which the above mentioned figures are presented in the interim condensed financial statements.

Transactions with Executives and Members of the Board

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 the Mr George Apostolopoulos and the legal entities 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 subsidiaries related receivables is needed, hence no provision/allowance for doubtful debtors against these receivables is formed, except the case of subsidiary Hospital Affiliates International and associate LAVIE ASSURANCE.

The balances and transactions with related entities of the Group are as follows:

A' semester 2016
Subsidiaries

	Company			
(amounts in th. Euro)	***Receivables* on 30/6/2016**	***Liabilities on* 30/6/2016**	***Income for the period* 1/1-30/6/2016**	***Purchases for the period* 1/1-30/6/2016**
IATRIKI TECHNIKI S.A.	450	36.206	4	5.246
EREVNA S.A.	-	-	-	-
PHYSIOTHERAPY CENTER S.A.	-	348	58	200
EUROSITE	3.390	-	27	-
GAIA	2.725	-	1	-
HOSPITAL AFFILLIATES INTERNATIONAL S.A.	393	-	-	-
TOTAL	**6.958**	**36.554**	**90**	**5.446**

	Company	
(amounts in th. Euro)	***Receivables from dividends* at 30/6/2016**	***Income from dividends for the period* 1/1-30/6/2016**
PHYSIOTHERAPY CENTER S.A.	-	-
TOTAL	-	-

Part of Company's receivables from subsidiaries Eurosite S.A. and Gaia S.A.and specifically receivables amounted to euro 1.548 and euro 2.528 respectively, refer to deposits of Parent Company for the purpose of future share capital increase of these subsidiaries. The rest of the receivables of the above mentioned companies, refer to financial facilitation and are thus expected to gradually recover either through the reactivation of these companies or through the liquidation of their assets. Finally, regarding the receivables of euro 390 from Hospital Affiliates International S.A., the Company formed equivalent impairment, charging prior year's results.

Also Parent Company has guaranteed in favor of subsidiary Medsana for its borrowings (financial leases) amounted to euro 79 th.

Associates- Other

	Group				Company			
(amounts in th. Euro)	***Receivables on*** **30/6/2016**	***Liabilities on*** **30/6/2016**	***Income for the period*** **1/1-30/6/2016**	***Purchases for the period*** **1/1-30/6/2016**	***Receivables on*** **30/6/2016**	***Liabilities on*** **30/6/2016**	***Income for the period*** **1/1-30/6/2016**	***Purchases for the period*** **1/1-30/6/2016**
IKODOMIKI EKMETALEFTIKI S.A.	3	-	-	-	3	-	-	-
LA VIE Assurance	1.745	39	-	-	1.745	39	-	-
KORINTHIAKOS RYTHMOS	6	316	-	204	6	89	-	172
TRADOR S.A.	26	-	-	-	26	-	-	-
Total	**1.780**	**355**	**-**	**204**	**1.780**	**128**	**-**	**172**

The company in relation to receivables of euro 1.744 (in 31/12/2015) from ***LAVIE ASSURANCE***, formed in the past, provision for impairment loss of euro 909, charging its results.

(amounts in th. Euro)	**Group**	**Company**
Compensations of executives and members of the Board for the period 1/1-30/6/2016	**1.606**	**1.360**

(amounts in th. Euro)	**Group**	**Company**
Liabilities to executives and members of the Board at 30/6/2016	**1.631**	**1.411**

Subsequent events

There are not any subsequent events of the interim Financial Statements, for which relevant disclosure is required by the International Financial Reporting Standards.

Marousi, 28 September 2016

The Board of Directors

Independent Auditors' Report on Review of Condensed Interim Financial Information

- **(Translated from the original in Greek)**

To the Shareholders of
ATHENS MEDICAL CENTER S.A.

Introduction

- We have reviewed the accompanying Condensed Separate and Consolidated Statement of Financial Position of ATHENS MEDICAL CENTER S.A. (the "Company") as of 30 June 2016 and the related Condensed Standalone and Consolidated Statements of Income and Comprehensive Income, Changes in Equity and Cash Flows for the six-month period then ended and the selected explanatory Notes, which comprise the Condensed Interim Financial Information and which forms an integral part of the six-month Financial Report of article 5 of Law 3556/2007. Company's management is responsible for the preparation and presentation of this Condensed Interim Financial Information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of Review

- We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

- Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Emphasis of matter

- Without modifying our review report, we draw attention to the disclosure made in note 2b to the Condensed Interim Financial Information, which refer to the fact that the Company is in the process of negotiations with creditor banks regarding the restructuring of its bond loan due to non-compliance with some of the credit terms (covenants) which resulted in the reclassification of the existing bank loans from long term to short term liabilities. As a result, the Group's and the Company's total current liabilities exceed their total current assets, by EUR 142 432 thousand and EUR 144 906 thousand, respectively.

Report on other legal and regulatory requirements

- Our review did not identify any inconsistency or disparity of the other information of the six-month financial report as provided for by article 5 of L. 3556/2007 with the accompanying Condensed Interim Financial Information.

Athens, 30 September 2016

KPMG Certified Auditors AE
3, Stratigou Tombra Str
153 42 Aghia Paraskevi
Greece
AM SOEL 114

- KPMG Certified Auditors A.E.

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Panayiotis Bountros, Certified Auditor Accountant
AM SOEL 22011

ATHENS MEDICAL CENTER S.A.

INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30, 2016

ACCORDING TO THE INTERNATIONAL ACCOUNTING STANDARD IAS34, AS ADOPTED BY THE EUROPEAN UNION

CONTENTS OF INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

in thousands of euro		The Group		The Company	
	Note	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Assets					
Property, plant and equipment	13	229.595	232.713	217.806	220.867
Intangible assets	14	293	325	291	321
Other non current assets		274	438	273	434
Investments in subsidiaries	15	-	-	20.072	20.072
Equity-accounted investees		114	101	-	-
Deferred tax assets		12.101	12.528	12.076	12.495
Non current assets		**242.377**	**246.105**	**250.517**	**254.190**
Inventories		4.303	4.685	4.170	4.487
Trade receivables	16	108.095	96.304	107.641	95.889
Other receivables	17	14.187	12.722	18.276	15.736
Cash and cash equivalents	18	4.517	10.426	3.945	9.901
Current assets		**131.102**	**124.137**	**134.032**	**126.013**
Total assets		**373.479**	**370.243**	**384.549**	**380.203**
Equity					
Share capital		26.888	26.888	26.888	26.888
Share premium		19.777	19.777	19.777	19.777
Reserves		18.131	18.131	17.860	17.860
Retained earnings		(4.947)	(6.057)	1.276	320
Equity attributable to owners of the Company		**59.849**	**58.739**	**65.802**	**64.846**
Non controlling interests		149	108	-	-
Total equity		**59.998**	**58.847**	**65.802**	**64.846**
Liabilities					
Non current loans and borrowings	19	43	74	11	16
Employee benefits		7.675	7.426	7.583	7.331
Other payables	20	3.899	4.578	3.899	4.577
Deferred tax liabilities		28.331	28.310	28.317	28.297
Non current liabilities		**39.947**	**40.387**	**39.809**	**40.220**
Taxes payable		10.394	8.134	9.986	7.682
Current loans and borrowings	19	148.357	149.047	146.060	146.750
Trade payables	21	78.325	80.312	91.063	92.255
Other current payables	22	36.458	33.517	31.828	28.450
Current liabilities		**273.534**	**271.009**	**278.938**	**275.137**
Total liabilities		**313.481**	**311.396**	**318.747**	**315.357**
Total equity and liabilities		**373.479**	**370.243**	**384.549**	**380.203**

The accompanied notes are inseparable part of these interim condensed Financial Statements

INCOME STATEMENT

in thousands of euro		The Group		The Company	
	Note	**1/1-30/6/2016**	**1/1-30/6/2015**	**1/1-30/6/2016**	**1/1-30/6/2015**
Revenue	16	82.554	83.120	80.224	80.740
Cost of sales		(65.914)	(67.677)	(64.808)	(66.616)
Gross Profit		**16.640**	**15.443**	**15.417**	**14.124**
Other income	8	2.027	1.948	1.831	1.671
Administrative expenses	6	(10.914)	(12.511)	(9.971)	(11.073)
Distribution expenses	7	(1.838)	(4.655)	(1.754)	(4.564)
Other expenses	9	(2)	(12)	(2)	(12)
Operating Profit		**5.913**	**213**	**5.520**	**146**
Finance income		2	1.157	2	1.196
Finance costs		(4.205)	(5.465)	(4.125)	(5.376)
Net finance result	10	**(4.203)**	**(4.308)**	**(4.123)**	**(4.180)**
Share of profit of equity-accounted investees, net of tax		12	(21)	-	-
Pre tax Profit /(losses)		**1.722**	**(4.116)**	**1.396**	**(4.034)**
Income tax -(expense)income	11	(571)	1.518	(440)	1.547
Profit /(losses) after tax		**1.151**	**(2.598)**	**956**	**(2.487)**
Attributable to:					
Owners of the company		1.110	(2.628)	956	(2.487)
Non controlling Interests		41	30	-	-
Basic and diluted earnings /(losses) per share	12	**0,0128**	**(0,0303)**	**0,0110**	**(0,0287)**

The accompanied notes are inseparable part of these interim condensed Financial Statements

COMPREHENSIVE INCOME STATEMENT

in thousands of euro

	Note	The Group 1/1-30/6/2016	The Group 1/1-30/6/2015	The Company 1/1-30/6/2016	The Company 1/1-30/6/2015
Profit /(losses) after tax		**1.151**	**(2.598)**	**956**	**(2.487)**
Other comprehensive income after taxes		-	-	-	-
Total comprehensive income		**1.151**	**(2.598)**	**956**	**(2.487)**
Attributable to:					
Owners of the company		1.110	(2.628)	956	(2.487)
Non controlling Interests		41	30	-	-

The accompanied notes are inseparable part of these interim condensed Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30th JUNE 2016

Group

in thousands of euro	Share capital	Share Premium	Reserves	Retained earnings	Total	Non controlling interests	Total equity
Balance at 01 January 2016	**26.888**	**19.777**	**18.131**	**(6.057)**	**58.739**	**108**	**58.847**
Profit after tax	-	-	-	1.110	**1.110**	41	**1.151**
Total comprehensive income	**-**	**-**	**-**	**1.110**	**1.110**	**41**	**1.151**
Dividends	-	-	-	-	**-**	-	**-**
Balance at 30 June 2016	**26.888**	**19.777**	**18.131**	**(4.947)**	**59.849**	**149**	**59.998**

Company

in thousands of euro	Share capital	Share Premium	Reserves	Retained earnings	Total equity
Balance at 01 January 2016	**26.888**	**19.777**	**17.860**	**320**	**64.846**
Profit after tax	-	-	-	956	**956**
Total comprehensive income	**-**	**-**	**-**	**956**	**956**
Balance at 30 June 2016	**26.888**	**19.777**	**17.860**	**1.276**	**65.802**

The accompanied notes are inseparable part of these interim condensed Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30th JUNE 2015

Group

in thousands of euro	Share capital	Share Premium	Reserves	Retained earnings	Total	Non controlling interests	Total equity
Balance at 01 January 2015	**26.888**	**19.777**	**18.139**	**8.763**	**73.568**	**237**	**73.805**
Losses after tax	-	-	-	(2.628)	**(2.628)**	30	**(2.598)**
Total comprehensive income	-	-	-	**(2.628)**	**(2.628)**	**30**	**(2.598)**
Dividends	-	-	-	-	-	(18)	**(18)**
Balance at 30 June 2015	**26.888**	**19.777**	**18.139**	**6.135**	**70.940**	**249**	**71.189**

Company

in thousands of euro	Share capital	Share Premium	Reserves	Retained earnings	Total
Υπόλοιπο την 01 Ιανουαρίου 2015	**26.888**	**19.777**	**17.860**	**14.975**	**79.501**
Losses after tax	-	-	-	(2.487)	**(2.487)**
Total comprehensive income	-	-	-	**(2.487)**	**(2.487)**
Balance at 30 June 2015	**26.888**	**19.777**	**17.860**	**12.488**	**77.013**

The accompanied notes are inseparable part of these interim condensed Financial Statements

STATEMENT OF CASH FLOW

in thousands of euro	The Group 1/1-30/6/2016	The Group 1/1-30/6/2015	The Company 1/1-30/6/2016	The Company 1/1-30/6/2015
Operating activities :				
Profit (loss) before taxes	1.722	(4.116)	1.396	(4.034)
Plus/less adjustments for:				
Depreciation and Amortization	4.202	4.527	4.106	4.159
Provisions	992	885	988	880
Exchange differences	-	-	-	-
Results from investing activities	(13)	(1.124)	-	(1.185)
Interest and related expenses	4.205	5.465	4.125	5.376
Plus/Less adjustments for changes in working capital:				
Decrease / (Increase) in inventories	382	82	317	60
Decrease / (Increase) in receivables	(13.901)	(3.965)	(14.941)	(4.765)
(Decrease) / Increase in liabilities (except for borrowings)	2.627	6.386	3.959	7.813
Less:				
Interest charges and related expenses paid	(4.131)	(5.083)	(4.052)	(4.995)
Paid taxes	(213)	(331)	(145)	(325)
Total Inflows / (Outflows) from operating activities	**(4.128)**	**2.726**	**(4.247)**	**2.984**
Investing Activities :				
Purchase of tangible and intangible fixed assets	(1.053)	(1.398)	(1.016)	(1.376)
Interest income received	2	314	2	313
Total Inflows / (Outflows) from Investing Activities	**(1.051)**	**(1.085)**	**(1.014)**	**(1.063)**
Financing Activities :				
Proceeds from debt	1.075	87	1.075	87
Debt repayment	(1.765)	(2.672)	(1.765)	(2.672)
Payments of financial leasing (Capital installments)	(31)	(37)	(5)	(6)
Dividend paid	(9)	(18)	-	-
Total Inflows / (Outflows) from Financing Activities	**(730)**	**(2.640)**	**(695)**	**(2.591)**
Net Increase / (Decrease) in Cash and Cash Equivalents for the year	**(5.909)**	**(999)**	**(5.956)**	**(670)**
Cash and Cash Equivalents (beginning)	**10.426**	**5.026**	**9.901**	**4.225**
Cash and Cash Equivalents (year end)	**4.517**	**4.027**	**3.945**	**3.555**

The accompanied notes are inseparable part of these interim condensed Financial Statements

1. CORPORATE INFORMATION FOR COMPANY AND GROUP

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 Amarousiou Attica in 5- 7 Distomou Street and employ 2.720 and 2.859 employees respectively.

The Company's interim condensed financial statements, consolidated and separate, the report of the Board of Directors as well as the independent Auditor's review report are uploaded to the internet address www.iatriko.gr.

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

Company details:	
Board of directors:	Dr. George V. Apostolopoulos– President of BOD Dr. Vassilios G. Apostolopoulos – CEO Christos G. Apostolopoulos – Vice President of BOD Jan Liersch – Member of BOD (non executive) Nikolaos Koritsas – Member of BOD (non executive) Pampoukis Konstantinos– Member of BOD (non executive) Tountopoulos Vassilios– Member of BOD (non executive)
Company's head offices:	5-7 Distomou Str, 15125 Maroussi
Company's number in the registry of Societes Anonymes:	13782/06/B/86/06
General Commercial Registry :	356301000
Auditors:	**KPMG CERTIFIED AUDITORS S.A.** 3, Stratigou Tombra Str. Aghia Paraskeui 15342 Athens Greece

The companies, which were included in the interim condensed consolidated Financial Statement of the Group for the period ended at 30/06/2016, together with the related ownership interests are described in table below. There is no deviation in the companies and the method of consolidation relative to that used in the financial statements of the previous year ended at 31.12.2015.

Company's name	Company's location country	Activity	% participation	Concolidation method
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	100.00%	Total
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51.00%	Total
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50.50%	Total
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33.00%	Total
HOSPITAL AFFILIATES INTERNATIONAL	GREECE	Organization & Administration of Hospitals and Clinics.	68.89%	Total
MEDSANA BMC	ROMANIA	Diagnostic Center	100.00%	Total
BIOAXIS SRL (former MEDSANA SRL)	ROMANIA	Diagnostic Center	78.90%	Total
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics, Parking services	100.00%	Total
MATERNITY CLINIC GAIA	GREECE	Maternity and gynaecology clinic	100,00%	Total
INTEROPTICS S.A.	GREECE	Trade & services of publication and electronic information & information systems	27.33%	Equity method

2a. PREPARATION BASE OF INTERIM FINANCIAL STATEMENTS

The attached interim separate and consolidated financial statements for the period ended June 30th 2015 (hereinafter referred to as "interim Financial Statements") have been prepared according to IAS 34 **(Interim Financial Reporting)**, as adopted by the European Union. These interim financial statements include selected disclosures and not all disclosures required by annual financial statements. Therefore they should be considered in combination with the annual financial statements as of December 31, 2015.

The interim financial statements have been prepared under the historical cost convention**.**

The interim financial statements are presented in thousands of euro, unless otherwise indicated. It is noted that any deviations are due to roundings.

According to L.4374 which was published at 1st April 2016, there is no more obligation for composing quarterly financial statements for the first and third quarter of the fiscal year, which was obligatory according to article 6 of L. 3556/2007 before its amendmend.

Furthemore, according to the 8/754/14.4.2016 decision of the Capital Market's Board of Directors Commission with subect "special issues of periodic information according to law 3556/2007" the obligation to publish Financial Statement and Information arising from A' quarter and A' semester Financial Statements due to the 4/507/28.4.2009 decision of Capital Market's Board of Directors Commission, was abolished.

The Board of Directors of Athens Medical S.A. approved the interim financial statements for the period ended in June 30th, 2016, in September 28, 2016.

2b. GOING CONCERN CAPABILITY OF THE COMPANY'S OPERATIONAL ACTIVITY

According to L. 4172/2013 (GG 167A/23-07-2013), article 100, which had retrospective power from 01.01.2013 onwards, the following are required: a) return to EOPYY in form of «automatic returns-clawback», of the excess amount, in case of excessing the authorised creditings of EOPYY budget, by the contractual providers, and b) establishment of a graduated percentage on EOPYY liabilities to private providers, as return (rebate).

As a consequence, there was a negative effect for Group's and Company's trade receivables, turn over, equity resulting to the non compliance of specific financial covenants within predetermined limits, of existing bank loans, which did not consider the effects of L. 4172/2013 in the figures of the Financial Statements. Specifically in the existing bank loan's agreement regarding Company, there are certainc covenants, according to which Company is obliged to comply with the following financial ratios: a) minimum Net Debt, b) minimum proportion of Net Debt to EBITDA, c) EBITDA to the total amount of interest expenses minus interest income and d) total Bank Debt to the total Bank Debt plus Equity. For the A' semester of 2016 like for years 2013 up to 2015, three of the above mentioned clauses were not satisfied by the Company, resulting to the reclassification of the common bond loan from long term to short term borrowings, according to IAS 1. This fact was the main cause for which Group's and Company's total current liabilities are greater than total current asset at 30.6.2016 by euro 142.432 th and euro 144.906 th respectively.

The Group is in a negotiation process with borrowing banks about the restructuring of the bond loan by amenting the current terms regarding the instolements to be deposited as well as the maintenance of financial covenants. The developments in year 2015 that affected banking sector lead to a delay of the previous mentioned process, which is expected to enter its final stage after the recapitalization of banks and in general their return to normal operating conditions. During the first six months of 2016, Management proceeded significantly, to the negotiations with borrowing banks for the restructuring of the bond loan and the transformation of the borrowing to non current and estimates that the relevant agreement will be concluded in year 2016.

It is noted that the last eighteen months the company paid up bonds of total amount euro 7.587 th while the obligation to pay interest expenses was done in a normal way.

Besides what is mentioned above, particular emphasis will be placed on the improvement of cash flow liquidity by steadily claiming the repayment of old receivables of 2007-2011 mainly from insurance funds (before they were included in EOPPY), the normal flow of EOPPY payments according to its contractual obligations as well as the claiming of amounts relevant to cuts due to rebate and clawback. For successful results, the normal satisfaction of Greek State funding needs is important, according to the terms of the third funding package by European Financial Stability Facility, agreed in August 2015 and also the successful first assessment of the program. In addition, the effort to improve the cash inflow from clients, old and new, besides EOPPY, will be ongoing. It is estimated that there will be an improvement in cash inflow through the increase of operational activities and the expansion of cooperations with insurance companies.

The Group aims to maintain its leading position in the Greek market, by means of providing complete first and second level high standard health care services, by making use of its clinics as a compact network, by implementing common trade policy and, at the same time, by taking into account all the social and economic conditions of the population in every place each clinic operates.

According to this direction the company's strategic choices focus on:

Revenue

The policy of increasing revenue is based on 4 basic rules as following:

1. Maintaining the agreement with EOPPY while attempting to limit the effect of rebate and clawback.
2. Strengthening of the cooperations with insurance companies, trying to increase the number of patients and revenue.
3. Turn to medical tourism in order to replace part of revenue from interior market and generally increase the company's turn over.
4. Competitive prices with the development of a new pricing policy which arises with the creation of special nursing packages with special discounting invoices for internal and external patients.
5. Attracting new doctors and development of new cutting edge departments.

Expenses

The Management intends to reduce the Group's operating cost mainly through structured actions which aim at the reorganization, consolidation of departments, use of outsourcing services, development of programmes that consume less energy, improvement of variable expenses ratio, continuing thus the policy of limiting the expenses and focusing on maintaining high standard service provision.

The above mentioned action plan in combination with the expected stability and relative development of the Greek economy will have positive effects on the increasing course and will ensure the necessary liquidity for the Clinics and the Group.

Taking under consideration all of the above as well as the fact that Company and Group presented for the A' semester 2016 profit after taxes, the revised business plan that has positive cash flows for next year and also the advanced negotiations with borrowing banks which is in a final point, the Group's and the Company's interim financial statements were prepared based on the assumption of ongoing concern as management trusts that despite the current uncertainty, the above action plan will have a positive effect and will assure the extinction of cash liquidity problems. As a result, the accompanying financial statements do not include adjustments and reclassifications of assets and liabilities, which have arisen in case the Group and the Company would not be in a position to fulfill their obligation along the normal course of business. Succesfull implementation of the above actions, is substantial for the Group's and the Company's going concern.

2c. ACCOUNTING POLICIES

The Accounting policies, adopted for the preparation of the interim financial statements are those used for the preparation of the annual Financial Statements, for Group and Company, for the year ended on 31 December 2015, considering also the application of the following standard amendments issued by IASB adopted by the EU that have been applied since 1.1.2016.

New Standards, Improvements and Amendmends of current Standards, which have been valid and have been adopted by the European Union.

Amendment to International Financial Reporting Standard 11 "Joint Arrangements": Accounting for acquisition of interests in joint operations (Regulation 2015/2173/24.11.2015)

Effective for annual periods beginning on or after 1.1.2016

On 6.5.2014 the International Accounting Standards Board issued an amendment to IFRS 11 with which it is clarified that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business (as defined in IFRS 3), it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11. In addition, it shall disclose the information required by IFRS 3 and other related standards. This applies both when acquiring the initial interest in the joint operation that constitutes a business and when acquiring an additional interest.

This amendment had no effect in the consolidated financial statements.

Amendment to International Accounting Standard 1 "Presentation of Financial Statements": Disclosure Initiative (Regulation 2015/2406/18.12.2015)

Effective for annual periods beginning on or after 1.1.2016

On 18.12.2014 the International Accounting Standards Board issued an amendment to IAS 1 in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in IFRS financial reporting. The main amendments are summarized below:

• the restriction to disclose only a summary of significant accounting policies is removed;

• it is clarified that even when other standards require specific disclosures as minimum requirements, an entity may not provide them if this is considered immaterial. In addition, in case the disclosures required by the IFRS are insufficient to enable users to understand the impact of particular transactions, the entity shall consider whether to provide additional disclosures;

• it is clarified that the line items that IFRS require to be presented in the balance sheet and the statements of profit or loss and other comprehensive income are not restrictive and that the entity may present additional line items, headings and subtotals;

• it is clarified that in the Statement of Comprehensive Income the share of other comprehensive income of associates and joint ventures accounted for using the equity method shall be separated into:

- amounts that will not be reclassified subsequently to profit or loss and
- amounts that will be reclassified subsequently to profit or loss;

• it is clarified that the standard does not specify the presentation order of the notes and that each entity shall determine a systematic manner of presentation taking into account the understandability and comparability of its financial statements.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

Amendment to International Accounting Standard 16 "Property, Plant and Equipment" and to International Accounting Standard 38 "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization (Regulation 2015/2231/2.12.2015)

Effective for annual periods beginning on or after 1.1.2016

On 12.5.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 38 with which it expressly prohibits the use of revenue as a basis for the depreciation and amortization method of property, plant and equipment and intangible assets respectively. An exception is provided only for intangible assets and only when the following conditions are met:

(a) when the intangible asset is expressed as a measure of revenue, i.e. when the right over the use of the intangible asset is expressed as a function of revenue to be generated in such a way that the generation of a specific amount of revenue determines the end of the right of use, or

(b) when it can be demonstrated that the revenue and the consumption of the economic benefits are highly correlated.

This amendment had no effect in the consolidated financial statements.

Amendment to International Accounting Standard 16 "Property, Plant and Equipment" and to International Accounting Standard 41 "Agriculture": Bearer Plants (Regulation 2015/2113/23.11.2015)

Effective for annual periods beginning on or after 1.1.2016

On 30.6.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 41 with which it clarified that bearer plants, which are living plants that:

a) are used in the production or supply of agricultural produce;

b) are expected to bear produce for more than one period; and

c) have remote likelihood of being sold as agricultural produce, except for incidental scrap sales, shall be accounted for based on IAS 16 instead of IAS 41.

The above amendment does not apply to the activities of the Group.

Amendment to International Accounting Standard 27 "Separate Financial Statements": Equity Method in Separate Financial Statements (Regulation 2015/2441/18.12.2015)

Effective for annual periods beginning on or after 1.1.2016

On 12.8.2014 the International Accounting Standards Board issued an amendment to IAS 27 with which it provides the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. In addition, with the above amendment it is clarified that the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures, which under IAS 28 are accounted for with the equity method, do not constitute separate financial statements.

This amendment had no effect in the consolidated financial statements.

Improvements to International Accounting Standards – cycle 2012-2014 (Regulation 2015/2343/15.12.2015)

Effective for annual periods beginning on or after 1.1.2016

As part of the annual improvements project, the International Accounting Standards Board issued, on 25.9.2014, non- urgent but necessary amendments to various standards.

The Group is evaluating the impact from the adoption of the above amendments on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments to standards which are not valid yet nor have yet been adopted by the European Union and they have not been early applied by the Group.

International Financial Reporting Standard 9 "Financial Instruments"

Effective for annual periods beginning on or after 1.1.2018

On 24.7.2014, the International Accounting Standards Board completed the issuance of the final text of IFRS 9: Financial Instruments, which replaces the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. An indication of the new requirements is presented below:

Classification and measurement

Financial instruments shall be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

i. The entity's business model for managing the financial assets and

ii. The contractual cash flow characteristics of the financial assets.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading.

Moreover, with regards to embedded derivatives, if the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative shall not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments. With regards to the financial liabilities, the main difference is that the change in the fair value of a financial liability initially designated at fair value through profit or loss shall be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which shall be recognized directly in other comprehensive income.

Impairment
Contrary to the existing IAS 39, under which an entity recognizes only incurred credit losses, the new standard requires the recognition of lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, 12-month expected credit losses shall be recognized.

Hedging
The new requirements for hedge accounting are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:
• more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,
• the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
• in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.
It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet.
Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment to other standards and mainly to IFRS 7 where new disclosures were added.
The Group, in order to ensure proper application of IFRS 9 from 1.1.2018, is evaluating the impact from the adoption of the above amendments on its financial statements.

Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements", to International Financial Reporting Standard 12 "Disclosure of Interests in Other Entities" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Investment Entities: Applying the Consolidation Exception
<u>Effective for annual periods beginning on or after 1.1.2016</u>
On 18.12.2014, the International Accounting Standards Board issued an amendment to the above standards with which it clarified that the exception provided in IFRS 10 and IAS 28, for the preparation of consolidated financial statements and the application of the equity method respectively, applies also to a parent entity that it is a subsidiary of an investment entity which measures all of its subsidiaries at fair value according to IFRS 10. In addition, with the aforementioned amendment it was clarified that the disclosure requirements of IFRS 12 apply to the investment entities which measure all of their subsidiaries at fair value through profit or loss.
The adoption of the above amendment by the Group is not expected to have any impact on its financial statements.

Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture
<u>Effective date: To be determined</u>
On 11.9.2014 the International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent

loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investor's interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture.
In addition, in case the investor retains an investment in the former subsidiary and the former subsidiary is now an associate or joint venture, it recognises the part of the gain or loss resulting from the remeasurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investor's interests in the new associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment retained in the former subsidiary.
In IAS 28, respectively, it was clarified that the partial recognition of the gains or losses shall be applied only when the involved assets do not constitute a business. Otherwise, the total of the gain or loss shall be recognised. On 17.12.2015, the International Accounting Standards Board deferred the effective date for the application of the amendment that had been initially determined. The new effective date will be determined by the International Accounting Standards Board at a future date after taking into account the results of its project relating to the equity method.
The Group is examining the impact from the adoption of the above amendment on its financial statements.

International Financial Reporting Standard 14 "Regulatory deferral accounts"
Effective for annual periods beginning on or after 1.1.2016
On 30.1.2014 the International Accounting Standards Board issued IFRS 14. The new standard addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.
The above standard does not apply to the financial statements of the Group.

International Financial Reporting Standard 15 "Revenue from Contracts with Customers"
Effective for annual periods beginning on or after 1.1.2018
IFRS 15 "Revenue from Contracts with Customers" was issued on 28.5.2014 by the International Accounting Standards Board. The new standard is the outcome of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to develop common requirements as far as the revenue recognition principles are concerned.
The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments. According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A new revenue recognition model is introduced, by applying the following five steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The performance obligation notion is new and in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. The new IFRS 15 supersedes:
(a) IAS 11 "Construction Contracts";
(b) IAS 18 "Revenue";
(c) IFRIC 13 "Customer Loyalty Programmes";
(d) IFRIC 15 "Agreements for the Construction of Real Estate";

(e) IFRIC 18 "Transfers of Assets from Customers";and
(f) SIC-31 "Revenue—Barter Transactions Involving Advertising Services".
The Group is examining the impact from the adoption of IFRS 15 on its financial statements.

International Financial Reporting Standard 16 "Leases"
Effective for annual periods beginning on or after 1.1.2019
On 13.1.2016 the International Accounting Standards Board issued IFRS 16 "Leases" which supersedes:
• IAS 17 " Leases"
• IFRIC 4 "Determining whether an arrangement contains a lease"
• SIC 15 "Operating Leases – Incentives" and
• SIC 27 "Evaluating the substance of transactions involving the legal form of a lease".
The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.
The Group is examining the impact from the adoption of IFRS 16 on its financial statements.

Amendment to International Accounting Standard 7 "Statement of Cash Flows": Disclosure Initiative
Effective for annual periods beginning on or after 1.1.2017
On 29.1.2016 the International Accounting Standards Board issued an amendment to IAS 7 according to which an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities. The changes that shall be disclosed, which may arise both from cash flows and non-cash changes, include:
-- changes from financing cash flows,
-- changes arising from obtaining or losing control of subsidiaries or other businesses,
-- the effect of changes in foreign exchange rates,
-- changes in fair values and
-- other changes.
The Group is examining the impact from the adoption of the above amendment on its financial statements.

Amendment to International Accounting Standard 12 "Income Taxes": Recognition of Deferred Tax Assets for Unrealised Losses
Effective for annual periods beginning on or after 1.1.2017
On 19.1.2016 the International Accounting Standards Board issued an amendment to IAS 12 with which the following were clarified:
• Unrealised losses on debt instruments measured at fair value for accounting purposes and at cost for tax purposes may give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the asset by sale or by use.
• The recoverability of a deferred tax asset is assessed in combination with other deferred tax assets. However, if tax law offsets specific types of losses only against a particular type of income, the relative deferred tax asset shall be assessed in combination with other deferred tax assets of the same type.
• During the deferred tax asset recoverability assessment, an entity compares the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.
• The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

The Group is examining the impact from the adoption of the above amendment on its financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The composition of interim financial statements, according to IFRS requires that managements makes estimates and assumptions that affect the amounts that are recognized as assets or liabilities, the disclosure of contingent assets and liabilities at reporting date of the interim financial statements, as well as the amounts of income and expenses during the interim reporting period. The actual results may differ from these estimates.

These estimates , assumptions and judgments are periodically revised in order to correspond to the current data and reflect the current risks and are based in the former experience of Group's management relative to the level / volume of related transaction and facts.
Adjustment in accounting estimates are recognized in the period when they occured and the future accounting periods they affect.

The principle judgments and estimates referring to events the development of which could significantly affect the items of the interim Financial Statements are as follows:

(a) Provisions regarding the amounts of Clawback and Rebate:
In terms of compliance with Law 4172/2013 (GG 167A/23-07-2013) and the following Ministerial Decisions, which regulate clawback and rebate with retrospective application from 01.01.2014 up to 31.12.2018, company's management estimates the effects of these provisions on its Financial Statements. Given that the basic parameters for the calculation of clawback have not yet been disclosed and are not yet finalized, it is possible that variations may arise upon the final determination of Clawback for years 2014 and the period ended 30th June 2016 in the future, as long as these provisions remain valid.

b) Provisions for income taxes:
Income (current) tax liabilities according to IAS 12 are measured at the amounts expected to be paid to the taxation authorities, and include the provision for income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by the tax authorities upon settlement of the open tax years. The final settlement of the income taxes might differ from the income taxes that have been accounted for in the Financial Statement.

c) Provision for retirement indemnities:
The cost for the staff leaving indemnities is determined based on actuarial valuations. The actuarial valuation requires management making assumptions about future salary increases, discount rates. Management, at each balance sheet date when the provision is re-examined, tries to give its best estimate regarding the above mentioned parameters. Due to the fact that these programmes are for long term periods such estimates are subject to significant uncertainty.

d) Impairment of debtors:
The Group impairs the value of trade receivables when there is evidence or indications that the collection of each receivable in whole or up to a percentage is not feasible. The Management of the Group proceeds to temporary revaluation of the formulated provision for doubtful debts in relation to its credit policy and data from the Group's Law Department, which arises from processing past data and recent developments of each case.

e) Contingent assets and liabilities:
The Companies of the Group are involved (in their capacity as defendant and as plaintiff) in various lawsuits and legal amperages in the framework of its normal operation. The determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations.

f) Useful life of depreciable assets:
Group's management examines the useful life of the depreciable assets each year. At the 30th of June 2016, management estimates that the useful lives represent the predictable usefulness of the assets.

g) Impairment of property plant and equipment:
Property plant and equipment are tested for impairment when facts or changes in conditions indicate that their accounting balances may not be recoverable. The recoverable amount is the greater value between the fair value less distribution costs and value in use. For the calculation of the value in use management estimates its future cash flows from the asset or the cash generating unit and chooses the appropriate discount rate to calculate the present value of the future cash flows.

(j) Impairment of financial instruments:
Company follows the instructions of IAS in order to test its investments for impairment. During the determination whether an investment has been impaired, company estimates among other factors the duration or or how much the fair value of the investment is lower than the acquisistion cost which is a solid indication of impairment, the financial viability and the short term prospective, business policies, the investment's future including factors like industry's and business sector's progress, changes in technology as well as in operational and financial cash flows.

(*ja*) Deferred tax assets recoverability:
Deferred tax assets recognition includes estimates as regards their recoverability. More specifically, the recognition of deferred tax assets on carried forward tax losses requires management to estimate to the extent that it is probable that taxable profit will be available against which the losses can be utilized in each tax regime in which the Company and the subsidiaries of the Group operate. Company and Group's subsidiaries have not recognized future tax benefits on tax losses.

4. PAYROLL COST:

The payroll cost that is included in the interim financial statements is analyzed as follows:

	The Group		**The Company**	
	1/1	**1/1**	**1/1**	**1/1**
in thousands of euro	**30/6/2016**	**30/6/2015**	**30/6/2016**	**30/6/2015**
Wages and Salaries	28.222	30.650	27.411	29.721
Social security costs	6.450	6.570	6.278	6.385
Provision for retirement indemnities	235	281	231	276
Management fees and other staff expenses	106	84	57	78
Total payroll	**35.013**	**37.585**	**33.976**	**36.460**

5. DEPRECIATION AND AMORTISATION:

Depreciation and amortization inclouded in the the interim financial statements is analyzed as follows:

	The Group		The Company	
	1/1	1/1	1/1	1/1
in thousands of euro	30/6/2016	30/6/2015	30/6/2016	30/6/2015
Property, plant and equipment	4.139	4.458	4.046	4.094
Intangible assets	62	69	60	64
	4.201	**4.527**	**4.106**	**4.158**

6. ADMINISTRATIVE EXPENSES:

The administrative expenses that are inclouded in the the interim financial statements are analyzed as follows:

	The Group		The Company	
	1/1	1/1	1/1	1/1
in thousands of euro	30/6/2016	30/6/2015	30/6/2016	30/6/2015
Payroll cost (Note 4)	6.858	8.578	6.177	7.824
Third party fees	548	485	494	428
Depreciation and amortization (Note 5)	429	633	389	350
Third party services	1.060	973	971	877
Other expenses	1.825	1.598	1.749	1.366
Taxes - fees	193	243	191	227
Total	**10.914**	**12.511**	**9.971**	**11.073**

7. DISTRIBUTION COSTS:

The distribution costs that are inclouded in the the interim financial statements are analyzed as follows:

	The Group		The Company	
	1/1	1/1	1/1	1/1
in thousands of euro	30/6/2016	30/6/2015	30/6/2016	30/6/2015
Payroll cost (Note 4)	57	61	0	0
Third party fees	139	60	136	58
Depreciation and amortization (Note 5)	1	1	0	0
Third party services	13	10	0	0
Provisions for bad debts	809	807	809	807
Other expenses	54	73	47	56
Taxes - fees	74	227	74	226
Write offs of receivables	690	3.416	688	3.416
Total	**1.838**	**4.655**	**1.754**	**4.564**

The right off of receivables that took place in the A' semester 2016 mainly refer to trade receivables from private insurance companies.

8. OTHER INCOME:

The other income that are analyzed as follows:

	The Group		The Company	
	1/1	1/1	1/1	1/1
in thousands of euro	30/6/2016	30/6/2015	30/6/2016	30/6/2015

Income of services	417	588	427	595
Government grants	1	331	1	331
Income from rentals	516	449	591	523
Income from reversal of provisions **Rebate** and **Clawback** 1st and 2nd semester 2013 (L.4172/2013 art. 100) (see note 15)	284	-	284	-
Other income	808	580	527	221
Total	**2.027**	**1.948**	**1.831**	**1.671**

9. OTHER EXPENSES:

The other expenses refer to:

	The Group		The Company	
in thousands of euro	1/1 30/6/2016	1/1 30/6/2015	1/1 30/6/2016	1/1 30/6/2015
Loss on disposals of fixed assets	(2)	(12)	(2)	(12)

10. NET FINANCIAL RESULT

The net financial result presented in the interim financial statements is analyzed as follows:

The Group

in thousands of euro	1/1 30/6/2016	1/1 30/6/2016
Retirement indemnity interest costs	(74)	(71)
Interest on current loans/borrowings & relevant expenses	(4.004)	(3.980)
Financial expenses from derivatives	-	(848)
Factoring commissions	(125)	(250)
Finance lease interests	(3)	(5)
Derivative valuation at fair value	-	(311)
Total financial costs	**(4.205)**	**(5.465)**
Interest on deposits and relevant income	2	2
Income from derivatives	-	312
Derivative valuation at fair value	-	844
Total financial income	**2**	**1.157**
Net financial result	**(4.203)**	**(4.308)**

The Company

in thousands of euro	1/1 30/6/2016	1/1 30/6/2016
Retirement indemnity interest costs	(73)	(71)
Interest on current loans/borrowings & relevant expenses	(3.927)	(3.896)
Financial expenses from derivatives	-	(848)
Factoring commissions	(125)	(250)
Derivative valuation at fair value	-	(311)
Total financial costs	**(4.125)**	**(5.376)**
Interest on deposits and relevant expenses	2	1
Income from derivatives	-	312
Derivative valuation at fair value	-	844

Dividends from investments in companies	-	40
Total financial income	**2**	**1.196**
Net financial result	**(4.123)**	**(4.180)**

Dividends from investments amounted to euro 40 in companies of the comperative period refer to subsidiary "PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A."

11. INCOME TAX:

According to the tax legislation L.4334 (GG 80A/16.07.2015), the tax rate applicable in companies for the year 2016 and 2015 is 29% .

The income tax presented in the interim financial statements is analyzed as follows:

	The Group		**The Company**	
in thousands of euro	**1/1 30/6/2016**	**1/1 30/6/2015**	**1/1 30/6/2016**	**1/1 30/6/2015**
Current income taxes:				
Current income tax charge	(85)	(881)	-	(853)
Prior period taxes	(38)	-	-	-
Deferred income taxes	(448)	2.399	(440)	2.399
Income taxes expence / income	**(571)**	**1.518**	**(440)**	**1.547**

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.

During previous year, a tax audit has commenced for tax unaudited years 2009 and 2010 regarding Parent Company. The audit was concluded and the Company, adjusted the relative formed provision amounted to euro 1.900 th recognised in its accounting books.

For years 2011, 2012 and 2013 an audit has been carried out in terms of providing annual tax compliance certificate, according to the provisions of paragraph 5 of article 82 of CL 2238/94 as well as relevant explanatory circular POL 1159/2011, for the Parent Company and its subsidiaries with residence in Greece. 'IATRIKI TECHNIKI S.A.' PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.' and 'MATERNITY CLINIC GAIA S.A.'

In the same way for year 2014 and 2015 an audit has been carried out in terms of providing annual tax compliance certificate, according to the provisions of article 65A of Low 4174/2013, for the Parent Company and its subsidiaries with residence in Greece. 'IATRIKI TECHNIKI S.A.' PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.' and 'MATERNITY CLINIC GAIA S.A.'

Regarding its subsidiaries, the tax authorities have not audited their books and their elements for the years mentioned in table below:

Company's name	Company's location country	Activity	Participation (%)	Tax unaudited years
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	100.00%	2009-2010
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51.00%	2007-2015
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50.50%	2007-2015
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33.00%	2010
HOSPITAL AFFILIATES INTERNATIONAL S.A.	GREECE	Organization & Administration of Hospitals and Clinics	68.89%	2010 & 2012-2015
MEDSANA B.M.C.	ROMANIA	Diagnostic Center	100.00%	-
BIOAXIS S.R.L. (ex MEDSANA S.R.L.)	ROMANIA	Diagnostic Center	78.90%	-
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics and parking services	100.00%	2010, 2014-2015
MATERNITY CLINIC GAIA S.A.	GREECE	Maternity and gynecology clinic	100.00%	2010 & 2015
INTEROPTICS S.A.	GREECE	Trade & services of publication and electronic information & information systems	27.33%	2013-2015

The deferred taxes arising from the temporary differences between accounting and tax base of assets and liabilities are calculated based on the current tax rate.

The deferred tax recognized in the income statement is analyzed as follows:

	The Group		The Company	
in thousands of euro	1/1 30/6/2016	1/1 30/6/2015	1/1 30/6/2016	1/1 30/6/2015
- Property plant and equipment	(183)	(162)	(182)	(162)
- Leases	137	121	136	122
- Other	25	(116)	25	(116)
- Accounts receivable	(508)	2.513	(508)	2.513
- Deferred expenses	9	4	15	4
- Provision for retirement indemnities	72	39	73	37
Total Employee benefits	**(448)**	**2.399**	**(440)**	**2.399**

The Group has not formed deferred tax asset, for accumulated tax losses of companies included in the consolidation.

The reconciliation of income tax recognized in period's income statement for Group and Company has as follows:

	The Group			
in thousands of euro	1/1 30/6/2016		1/1 30/6/2015	
Profit / (loss) before income taxes		**1.722**		**(4.116)**
Income tax	29,00%	499	29,00%	(1.194)
Adjustment for prior years	2,21%	38	(0,10%)	4
Non taxable income	(0,17%)	(3)	2,17%	(89)
Non deductible expenses	2,55%	44	(33,36%)	1.373
Effect due to non recognition of deferred tax asset for accounting losses	0,00%	-	45,60%	(1.877)
Other	0,00%	-	0,22%	(9)
Tax effects of profits from subsidiaries abroad taxed at different rates	(0,41%)	(7)	0,10%	(4)
Tax effects of deferred tax from change in statutory tax rate	0,00%	-	(6,72%)	277
Income taxes reported in the statements of income	**33,16%**	**571**	**36,88%**	**(1.518)**

	The Company			
in thousands of euro	1/1 30/6/2016		1/1 30/6/2015	
	%		%	
Profit / (loss) before income taxes		**1.396**		**(4.034)**
Income tax	29,00%	405	29,00%	(1.170)
Non taxable income	0,00%	-	0,285	(11)
Non deductible expenses	2,51%	35	(30,61%)	1.235
Effect due to non recognition of deferred tax asset for accounting losses	0,00%	-	46,53%	(1.877)
Tax effects of deferred tax from change in statutory tax rate	0,00%	-	(6,86%)	277
Income taxes reported in the statements of income	**31,52%**	**440**	**38,35%**	**(1.547)**

12. EARNINGS PER SHARE:

The calculation of basic earnings per share in the 30th of June 2016 and 2015 is the following:

	The Group		The Company	
in thousands of euro	1/1 30/6/2016	1/1 30/6/2015	1/1 30/6/2016	1/1 30/6/2015
Net profit / (loss) after taxes attributable to equity holders of the parent	1.110	(2.628)	956	(2.487)
Weighted average number of shares outstanding	86.735.980	86.735.980	86.735.980	86.735.980
Basic earnings / (losses) per share				
Net profit / (loss) per share attributable to equity holders of the parent	**0,0128**	**(0,0303)**	**0,0110**	**(0,0287)**

Considering the fact that there are no financial instruments that further decrease the basic earning per share, the presentation of the diluted earning per share is not necessary.

13. PROPERTY PLANT AND EQUIPMENT:

During the current period purchases of fixed assets amounting to euro 987 th. for Company and euro 1.023 th. for Group took place. The most important among them refer to property plant and equipment, both for the Company and the Group, mainly refer to the procurement and installation of mechanical equipment in Marousi and Interbalkan clinic amounted to euro 94th. and 125th respectively. Furthermore during the reporting period additions in other equipment occurred in Marousi and Interbalkan clinic amounted to 333th. and 133th. respectively, like constructions in the air conditioning system as well as the internal structure of pediatric clinic in Marousi Clinic amounting to euro 121th..

There is mortgage attachment amounted to euro 196.8 th., which is registered on parent company's land and buildings. No mortgages exist on equipment.

14. INTANGIBLE ASSETS:

During the current period purchases of intangible assets amounting to euro 29 th. for Company and euro 30 th. for Group took place. The most important among them mainly involves the procurement of software regarding the protection of Company's information systems, amounting to euro 14th.

15. INVESTMENTS IN SUBSIDIARIES

The investments of the Athens Medical Center S.A. (Parent Company) in subsidiaries at the 30th June 2016 are analyzed as follows:

in thousands of euro	Participation %	Acquisition cost in 30/6/2016	Acquisition cost in 31/12/2015
Iatriki Techniki S.A.	*100,00%*	25.421	25.421
Physiotherapy center S.A	*33,00%*	19	19
Axoniki Erevna S.A.	*50,50%*	545	545
Erevna S.A	*51,00%*	503	503
Hospital Affiliates International	*68,89%*	91	91
Eurosite S.A	*100,00%*	8.335	8.335
Medsana Buch	*100,00%*	33	33
BIOAXIS SRL (former Medsana Srl)	*78,90%*	517	517
Athens Paediatrics Center	*58,30%*	169	169
Maternity clinic Gaia SA	*100,00%*	23.540	23.540
Total		**59.173**	**59.173**
Impairment loss		(39.102)	(39.102)
Balance		**20.072**	**20.072**

The above-mentioned subsidiaries are consolidated, except from Athens Pediatrics Center SA, which is under liquidation procedure. The operation of this company was interrupted before the transition date to IFRS, 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 Statement no final judicial decision has been issued for its dissolution and its final deletion from the S.A. register. Its acquisition cost is totally impaired in the Company's accounting books.

Additionaly the acquisition cost in BIOAXIS SRL (former Medsana Srl) has been completely deleted in the stand alone Financial Statement of the Company, according to the provisions of IAS 27 and 39. This subsidiary is not operational and its accounting balance was greater than its recoverable amount.

During year 2012 subsidiary Hospital Affiliates International with residence in Greece entered liquidation procedure. This subsidiary had not any revenue since, while their assets are of no significance compared to the Group's ones. By the same way this specific investment's acquisition cost is totally impaired in the Company's accounting books.

The subsidiaries Axoniki Erevna S.A. and Erevna S.A remain in liquidation procedure up to date. The specific investments were impaired to the extent that their balances correspond to the estimated liquidation result that applies to parent Company.

Impairment per investment is analyzed as follows:

in thousands of euro	Participation percentage	Impairment at 30/6/2016	Impairment at 31/12/2015
Iatriki Techniki S.A.	*100,00%*	13.140	13.140
Axoniki Erevna S.A.	*50,50%*	534	534
Erevna S.A	*51,00%*	389	389
Hospital Affiliates International S.A.	*68,89%*	91	91
BIOAXIS SRL (former Medsana Srl)	*78,90%*	517	517
Athens Paediatrics Center	*58,30%*	169	169
Maternity clinic Gaia S.A.	*100,00%*	23.540	23.540
Eurosite	*100,00%*	722	722
Total		**39.102**	**39.102**

16. RECEIVABLES FROM CUSTOMERS:

The trade accounts receivable are analyzed as follows:

	The Group		The Company	
in thousands of euro	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Trade debtors – open balances (before **Rebate** and **Clawback**) of corresponding year	142.949	131.758	142.493	131.340
Estimated effect of **Rebate** and **Clawback** (L.4172/2013 art. 100)	(25.939)	(27.690)	(25.939)	(27.690)
Trade debtors – open balances (after Rebate and Clawback)	**117.010**	**104.068**	**116.554**	**103.650**
Checks receivable (post-dated) & bills receivable	18.409	18.452	18.407	18.451
Doubtful debtors	700	1.003	700	1.003
Starting balance	**136.119**	**123.523**	**135.661**	**123.104**
Less: Provision for impairment (trade debtors)	(27.324)	(26.216)	(27.320)	(26.211)
Less: Provision for impairment (trade accounts receivable)	(700)	(1.003)	(700)	(1.003)
Ending balance	**108.095**	**96.304**	**107.641**	**95.889**

The movement of Rebate and Clawback for Company and Group are as follows:

in thousands of euro	**30/6/2016**	**31/12/2015**
Beginning balance	**(27.690)**	**(47.488)**
Provision for year that charged the results	(9.372)	(11.122)
Utilization of provision due to credit notes issuance	10.838	29.722
Reversal of provisions	284	1.198
Ending balance	**(25.939)**	**(27.690)**

It is noted that the company in terms of the Company's common bond loan agreement, amount of euro 54,9 mil from receivables mentioned above related to public insurance organizations has been pledged in favour of the borrowing banks as assurance for maintaining loan's covenants.

The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is not considered significant in terms of Group's assets and liabilities. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors.

The Group and Company impair the value of trade receivables when there is evidence or indications that the collection of each receivable in whole or up to a percentage is not feasible. The Management of the Group and the Company proceed to temporary revaluation of the formulated provision for doubtful debts in relation to the credit policy and data from the Group's Law Department, which arise from processing past data and recent developments of each case.

For all Group and Company's receivables, indications for their probable impairment have been assessed.

During period 1.1.-30.6.2016 an additional impairment has been recognized, for doubtfull debtors, amounting to euro 809 th. for Group and Company. Additionaly, the Company and the Group also proceeded during current period to the deletion of trade receivables, charging this year's results, which amounted to euro 688 th (Note 7).

Furthermore some debtors that have not been impaired in delay because they refer to debtors from public insurance funds and private insurance companies whose credit risk is not considered significant relating to Group's figures.

Specifically the impairment account has as follows:

	The Group		The Company	
in thousands of euro	30/6/2016	31/12/2015	30/6/2016	31/12/2015
Opening balance	**27.219**	**23.099**	**27.215**	**23.099**
Debtors impairment that charged the results (see note 7)	809	4.120	809	4.115
Reversal of impairement due to deletion of trade receivables	(4)	0	(4)	0
Ending balance	**28.024**	**27.219**	**28.020**	**27.215**

Maturity of trade accounts receivable is presented in the following table:

	The Group		The Company	
in thousands of euro	30/6/2016	31/12/2015	30/6/2016	31/12/2015
Trade debtors (<365 days) - non past due	33.845	45.629	33.665	45.487
Checks receivable (post-dated) & bills receivable (<365 days) -non past due	3.976	3.865	3.976	3.865
Trade debtors (>365 days) – Past due	83.165	58.440	82.889	58.162
Checks receivable (post-dated) & bills receivable (>365 days) - Past due	14.432	14.588	14.431	14.586
Less: Provision for impairment	(27.324)	(26.216)	(27.320)	(26.211)
doubtful debtors past due & impaired	700	1.003	700	1.003
Less: Provision for impairment	(700)	(1.003)	(700)	(1.003)
Total	**108.095**	**96.304**	**107.641**	**95.889**

17. PREPAYMENTS AND OTHER RECEIVABLES:

The prepayments and other receivables are analyzed as follows:

	The Group		The Company	
in thousands of euro	30/6/2016	31/12/2015	30/6/2016	31/12/2015
Advances to third parties	63	77	25	40
Retained taxes	5.775	4.553	5.523	4.235
Receivables from credit cards	842	704	842	704
Other accounts receivable	6.653	6.447	4.838	4.570
Short-term receivables from associates	-	-	6.157	5.807
Prepaid expenses, earned income	855	940	1.281	769
Impairment of otheraccounts receivables	-	-	(390)	(390)
Total	**14.187**	**12.722**	**18.276**	**15.736**

18. CASH AND CASH EQUIVALENTS:

The cash and cash equivalents are analyzed as follows:

	The Group		The Company	
in thousands of euro	30/6/2016	31/12/2015	30/6/2016	31/12/2015
Cash in hand	879	1.370	804	1.305
Deposits sight	3.638	9.056	3.141	8.596
Total	**4.517**	**10.426**	**3.945**	**9.901**

In Bank deposits, there are deposits in other currencies included which are translated based on official exchange rate at each reporting date. Group's balance in foreign currency at 30th June 2016 came up to euro 238 (31th December 2015 : euro 201).
Company's deposits are kept in Greek financial institutions, and are submitted to restrictions regarding cash withdrawals and transfers of working capital, according to Π.Ν.Π. 65/28.6.2015 and applied based on ministerial decisions.

19. LOANS:

The Group's and Company's loans are analyzed as follows:

in thousands of euro	The Group		The Company	
Non-current loans	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Finance leases	43	74	11	16
Total	**43**	**74**	**11**	**16**
Current loans				
Bond loans	136.001	137.651	136.001	137.651
Working capital	12.297	11.337	10.048	9.088
Finance leases	58	58	11	11
	148.357	**149.047**	**146.060**	**146.750**
Total of loans due	**148.400**	**149.121**	**146.071**	**146.766**

The financial clauses of the Loan include presuppositions of minimum Net Debt, minimum proportion of Net Debt to EBITDA, EBITDA to the total amount of interest expenses minus interest income, total Bank Debt to the total Bank Debt plus Equity.

For the period 1.1.2016 – 30.6.2016, as well as for years 2015, 2014 and 2013, three of the above mentioned clauses were not satisfied by the Company, resulting to the reclassification of the common bond loan from long term to short term borrowings, according to **IAS 1**.

Management is negotiation process with borrowing banks for the restructuring of the bond loan and its reclassification to non current. It is noted that during this interim period company paid up bonds amounted to euro 1,737 th. while the obligation for interest expenses, for interim period 1.1.2016 - 30.6.2016, was paid up regularly. Up to the approval date of interin financial statements at 30.6.2016 by the Bord of Directors, the expiration date of bonds of the common bond loan issuance program, which was initially at 31.3.2016 amounted to euro 40,546th. was extended up to 20.7.2016, with the consent of the borrowing banks. Management expects the negotiations to end up in a positive way for the Company and the Group.

The current bank loans, except the common Bond Loan, have been received by the Company and its subsidiaries for serving their needs in working capital.

The leasing liabilities refer to the leasing of mechanical –hospital equipment.

Leasing liabilities are analyzed as follows:

Leasing Liabilities - Minimum payments of leases:

	The Group		The Company	
in thousands of euro	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Up to 1 year	62	63	11	11
Between 1 & 5 years	43	76	11	16
After 5 years	-	-	-	-
Total	**105**	**139**	**22**	**28**
Future finance charges on finance leases	(4)	(7)	-	-
Present value of lease liability	**101**	**132**	**22**	**28**

The present value of the leasing liabilities is the following:

	The Group		The Company	
in thousands of euro	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Up to 1 year	58	58	11	11
Between 1 & 5 years	43	74	11	16
After 5 years	-	-	-	-
	101	**132**	**22**	**28**

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 except the one mentioned in note 13.

20. OTHER NON CURRENT PAYABLES

	The Group		The Company	
in thousands of euro	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Insurance and pension contributions payable	3.899	4.578	3.899	4.577
Total	**3.899**	**4.578**	**3.899**	**4.577**

The non current obligations of Company and by extension the Group, refer to non current portion of regulated liabilities to insurance funds (IKA and TSAY).

More specifically, during the previous year, Company proceeded to the regulation of its liabilities to IKA for years 2014 and January of 2015. The repayment period extends from the period of June 30 2015 to July 31, 2023.

Additionaly Company proceeded to a respective regulation liabilities to TSAY for years 2012, 2014 and 2015, during previous year. The repayment period extends from the period of June 30 2015 to January 31, 2019.

21. TRADE PAYABLES

The trade accounts payable are analyzed as follows:

	The Group		The Company	
in thousands of euro	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Suppliers	70.476	72.312	84.363	85.869
Checks outstanding and bills payable (postdated)	7.849	8.000	6.700	6.386
Total	**78.325**	**80.312**	**91.063**	**92.255**

22. OTHER CURRENT PAYABLES

	The Group		The Company	
in thousands of euro	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Obligations to affiliated companies not included in the consolidation	-	31	-	31
Sundry creditors	14.906	16.769	12.081	13.898
Insurance and pension contributions payable	8.604	10.398	7.140	8.567
Accrued expenses	4.892	1.823	4.862	1.763
Dividends payable	72	72	-	-
Advances from clients	6.456	3.045	6.456	3.045
Other	1.528	1.379	1.289	1.146
Total	**36.458**	**33.517**	**31.828**	**28.450**

23. OPERATING SEGMENT REPORTING – SEASONALITY OF INTERIM BUSINESS OPERATIONS :

The definition of operating segments is based on «management approach» while the standard requires the report of group's information based on internal organizational and managerial structures, related to operating segments.

Hence the group's operating segments are the following: a) Domestic healthcare service, b) Healthcare service provided abroad (Romania) and c) Sale of medical tools & sanitary/health equipment.

A' semester 2016

in thousands of euro	**Domestic healthcare service**	**Healthcare services provided abroad**	**Sale of medical tools & sanitary/health equipment**	**Other**	**Eliminations**	**Total**
Sales						
To customers	80.316	2.172	25	40	-	**82.554**
Intersegment	200	-	5.246	-	(5.445)	-
Total	**80.516**	**2.172**	**5.271**	**40**	**(5.445)**	**82.554**
Results						
Profit before taxes, financing and investing activity and depreciation	9.722	131	259	4	-	**10.116**
Financial income	2	-	-	-	12	**14**
Financial expenses	(4.126)	(12)	(68)	-	-	**(4.205)**
Profit before taxes	1.484	56	167	4	12	**1.722**
Taxes	(465)	(2)	(95)	(8)	-	**(571)**
Profit after taxes	1.018	54	71	(4)	12	**1.151**
Assets in 30th June 2016	387.300	1.106	37.753	10.373	(63.053)	**373.479**
Liabilities in 30th June 2016	323.164	413	26.704	2.653	(39.453)	**313.481**

A' semester 2015

in thousands of euro	**Domestic healthcare service**	**Healthcare services provided abroad**	**Sale of medical tools & sanitary/health equipment**	**Other**	**Eliminations**	**Total**
Sales						
To customers	80.816	2.188	82	34	-	**83.120**
Intersegment	193	-	5.086	-	(5.279)	-
Total	**81.009**	**2.188**	**5.168**	**34**	**(5.279)**	**83.120**
Results						
Profit before taxes, financing and investing activity and depreciation	4.552	114	90	(5)	-	**4.752**
Financial income	1.197	-	-	-	(60)	**1.137**
Financial expenses	(5.377)	(16)	(72)	(0,46)	-	**(5.465)**
Profit before taxes	(3.807)	29	(273)	(5)	(60)	**(4.116)**
Taxes	1.525	1	(7)	-	-	**1.518**
Profit after taxes	(2.282)	30	(280)	(5)	(60)	**(2.598)**
Assets in 31st December 2015	382.869	1.078	36.979	10.439	(61.123)	**370.243**
Liabilities in 31st December 2015	320.130	438	26.001	2.716	(37.890)	**311.396**

It is noted that in domestic healthcare service sector, the most significant part of sales to customers (approximately 32% the a' semester of 2016), refers mainly to public insurance funds that are included in the broader public sector.

24. RELATED PARTY DISCLOSURES:

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

- with the President of the BoD and the legal persons or other business activities he is related with, due to the majority of shares acquisition in its capital
- 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 subsidiaries related receivables is needed, hence no provision/allowance for doubtful debtors against these receivables is formed, except the case of subsidiary Hospital Affiliates International and associate LAVIE ASSURANCE.

The balances and transaction with the related party accounts of the Group are as follows:

<u>Subsidiaries</u>

	Company			
in thousands of euro	*Receivables* on 30/6/2016	*Liabilities* on 30/6/2016	*Income for the period* 1/1-30/6/2016	*Purchases for the period* 1/1-30/6/2016
IATRIKI TECHNIKI S.A.	450	36.206	4	5.246
PHYSIOTHERAPY CENTER S.A.	-	348	58	200
EUROSITE	3.390	-	27	-
GAIA	2.725	-	1	-
HOSPITAL AFFILLIATES INTERNATIONAL S.A.	393	-	-	-
TOTAL	**6.958**	**36.554**	**90**	**5.446**

	Company	
in thousands of euro	*Receivables from dividends* at 30/6/2016	*Income from dividends* for the period 1/1-30/6/2016
PHYSIOTHERAPY CENTER S.A.	-	-
TOTAL	**-**	**-**

	Company			
in thousands of euro	*Receivables on 31/12/2015*	*Liabilities on 31/12/2015*	*Income for the period 1/1-30/6/2015*	*Purchases for the period 1/1-30/6/2015*
IATRIKI TECHNIKI S.A.	-	35.077	8	5.086
EREVNA S.A.	-	31	-	-
PHYSIOTHERAPY CENTER S.A.	-	269	54	193
EUROSITE	3.456	-	26	-
GAIA SA	2.346	-	1	-
HOSPITAL AFFILLIATES INTERNATIONAL S.A.	392	-	-	-
TOTAL	**6.194**	**35.377**	**89**	**5.279**

	Company	
in thousands of euro	***Receivables from dividends on 31/12/2015***	***Income from dividends for the period 1/1-30/6/2015***
PHYSIOTHERAPY CENTER S.A.	-	40
TOTAL	**-**	**40**

Part of Company's receivables from subsidiaries Eurosite S.A. and Gaia S.A.and specifically receivables amounted to euro 1.548 and euro 2.528 respectively, refer to deposits of Parent Company for the purpose of future share capital increase of these subsidiaries. The rest of the receivables of the above mentioned companies, refer to financial facilitation and are thus expected to gradually recover either through the reactivation of these companies or through the liquidation of their assets. Finally, regarding the receivables of euro 390 from Hospital Affiliates International S.A., the Company formed equivalent impairment, charging prior year's results.

The Parent Company has guaranteed in favor of subsidiary Medsana for its borrowings (financial leases) amounted to euro 79 th.

Associates- Other	**The Group**				**The Company**			
in thousands of euro	***Receivables on 30/6/2016***	***Liabilities on 30/6/2016***	***Income for the period 1/1-30/6/2016***	***Purchases for the period 1/1-30/6/2016***	***Receivables on 30/6/2016***	***Liabilities on 30/6/2016***	***Income for the period 1/1-30/6/2016***	***Purchases for the period 1/1-30/6/2016***
IKODOMIKI EKMETALEFTIKI S.A.	3	-	-	-	3	-	-	-
LA VIE Assurance	1.745	39	-	-	1.745	39	-	-
KORINTHIAKOS RYTHMOS	6	316	-	204	6	89	-	172
TRADOR S.A.	26	-	-	-	26	-	-	-
Total	**1.780**	**355**	**-**	**204**	**1.780**	**128**	**-**	**172**

	The Group				**The Company**			
in thousands of euro	***Receivables on 31/12/2015***	***Liabilities on 31/12/2015***	***Income for the period 1/1-30/6/2015***	***Purchases for the period 1/1-30/6/2015***	***Receivables on 31/12/2015***	***Liabilities on 31/12/2015***	***Income for the period 1/1-30/6/2015***	***Purchases for the period 1/1-30/6/2015***
IKODOMIKI EKMETALEFTIKI S.A.	3	-	-	-	3	-	-	-
LA VIE Assurance	1.744	39	-	-	1.744	39	-	-
SYCHRONI ECHODIAGNOSI	-	27	-	-	-	27	-	-
KORINTHIAKOS RYTHMOS	6	557	-	148	6	29	-	102
TRADOR S.A.	26	-	-	-	26	-	-	-
AGGEIOLOGIKI DIEREVNISI S.A.	-	4	-	-	-	4	-	-
TOTAL	**1.779**	**627**	**-**	**148**	**1.779**	**99**	**-**	**102**

The company in relation to receivables of euro 1.744 (in 31/12/2015) from ***LAVIE ASSURANCE***, formed in the past, provision for impairment loss of euro 909, charging its results.

	The Group		The Company	
in thousands of euro	**1/1 - 30/6/2016**	**1/1 -30/06/2015**	**1/1 - 30/6/2016**	**1/1 -30/06/2015**
Compensations of executives and members of the Board	1.606	2.735	1.360	2.416

	The Group		The Company	
in thousands of euro	**30/6/2016**	**31/12/2015**	**30/6/2016**	**31/12/2015**
Liabilities to executives and members of the Board	1.631	2.194	1.411	2.086

25. Fair value of financial instruments

Group measures the fair value of assets and liabilities, that are traded in an active market, based on available market prices. Active market is the market when prices of organized market are available in a direct and regular basis from stockmarkets, external dealers – brokers, valuation services or supervising authorities and these values refer to common transactions among market participants, that take place regularly.

In all other cases, Group measures fair value by using valuation techniques, that are appropriate for specific circumstances and for which available and sufficient data exist for valuation purposes, which on one hand maximize the use of relative observable values and on the other hand minimize the use of non observable values. In cases no observable market data exist, data based on internal assessments and assumptions are used, for example determination of projected cash flows, discounting rates e.t.c.. In every case Group uses assumptions for measuring the fair value, which would be used by market participants, given that they act according to their best financial interest.

All items af assets and liabilities, measured at fair value or for which fair value is disclosed, are categorized in terms of the quality of data used in the measurement of their fair value as follows:

• level 1: Published purchase prices (not revised or adjusted) for financial assets that are traded in active capital markets
• level 2: Valuation tecniques based directly on published purchase prices or computed indirectly from published purchase prices of similar instruments
• level 3: Valuation tecniques which are based on available information or Group's estimations as there are no observable data in the market.

Since January 1 2009, Group applies the amendment of IFRS 7, which requires the disclosure of financial assets measured at fair value according to a hierarchy of 3 levels.

There are no financial instruments of assets and liabilities that are measured at fair value at 30th June 2016 and 31st December 2015 respectively.

Fair value of the Group's and Company's financial assets and liabilities mentioned below, approximate their accounting balance.

- Trade receivables
- Other current assets
- Cash and cash equivalents

- Other non current assets
- Trade teceivables
- Other current liabilities
- Bank loans
- Other non current liabilities

26. LEGAL DISPUTES - 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.

The Company has excercised legal remedies for annulment against the relevant Health Ministry decisions to the Council of the State and has also excercised appeals and applications for suspention against the stand alone acts of EOPYY to the Administrative Court of Appeal. We note that following the verdicts of the Administrative Court of Appeal, the power of these decisions of EOPYY has been suspended. However these decisions are considered to be outstanding and are refered to the Council of the State. Company's management with the agreed opinion of its legal advisors although it expects to be justified, for reasons of prudence and in view of providing a complete picture of the anticipated effect on the Company's and Group's financial results, included the above mentioned amounts in its financial statements. Additionaly and for tax compliance purposes proceeded to the issuance of relevant credit notes, based on the updated certifications for the amounts of Clawback and Rebate, issued by EOPYY.

27. Commitments:

(i) Commitments from operational leases:

The 30th of June 2016 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 30th of June 2016 and they amount to € 1.052 (€1.014 at 30th of June 2015).

The minimum future payable rental leases based on non-reversible contracts of operational leases of 30th of June 2016 and 31st December 2015 are as follows:

in thousands of euro	**30/6/2016**	
Commitments from operational leases:	**The Group**	**The Company**
Within one year	2.164	2.332
1-5 years	5.951	6.164
After 5 years	11.543	11.555
	19.658	**20.051**

in thousands of euro	31/12/2015	
Commitments from operational leases:	**The Group**	**The Company**
Within 1 year	2.200	2.367
1-5 years	6.447	6.623
Over 5 years	12.258	12.258
	20.905	**21.248**

(ii) Guarantees:

The Group in 30th of June 2016 had the following contingent liabilities:
Had issued letters of guarantee for good performance for a total amount of € 132 (€ 171 in year 2015).

28. SUBSEQUENT EVENTS:

There are no subsequent events, regarding interim financial statements, that affect the Group or the Company and for which further disclosure is required according to IFRS.

Maroussi, 28/09/2016

THE PRESIDENT OF THE BOD	***THE CHIEF EXECUTIVE OFFICER AND MEMBER OF THE BOD***	***THE GENERAL GROUP CFO***	***THE PARENT CFO***	***THE PARENT CHIEF ACCOUNTANT***
GEORGIOS V. APOSTOLOPOULOS	***VASSILIOS G. APOSTOLOPOULOS***	***EMMANOUIL P. MARKOPOULOS***	***PETROS D. ADAMOPOULOS***	***PANAGIOTIS CH. KATSICHTIS***
ID AK 038305	***ID Ξ 350622***	***ID Π 001034***	***ID AZ 533419***	***ID AB 052569 O.E.E. Rank No.17856 Classification A'***

IMPORTANT NOTE: These financial statements and notes have been translated to English language from the original statutory Greek financial statements and notes. In case that differences exist between this translation and the Greek financial statements and notes, the Greek financial statements and notes will prevail.