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SPECIAL REPORT OF THE BoD of ALAPIS S.A. PROVIDED FOR IN PARAGRAPHS 4.1.4.1.1 AND 4.1.4.1.2 OF THE REGULATION OF THE ATHENS EXCHANGE.

According to paragraphs 4.1.4.1.1. and 4.1.4.1.2 of the Regulation of the Athens Exchange, the Board of Directors of the company ALAPIS S.A. (“**Alapis**” or the “**Company**”) provides the following information to the Extraordinary General Meeting of the Company’s shareholders, which was convened in relation to the proposed increase of the Company’s share capital with payment of cash and pre-emption rights in favour of its existing shareholders.

INTRODUCTION

(1) At its meeting held on 11.07.2011, the Company’s Board of Directors resolved to convene an Extraordinary General Meeting of its shareholders (the “**EGM**”) in order to approve, among other things, the increase of the Company’s share capital up to €98,060,022 through payment of cash, the issuance of up to 326,866,740 new common dematerialized voting shares in book entry form at a nominal value of €0.30 per share (the “**New Shares**”) at a ratio of 20 New Shares for 3 existing shares, with pre-emption rights in favour of its existing shareholders (the “**Increase**”). Moreover, it is proposed to the EGM to grant the authority to the Company’s Board of Directors, pursuant to article 13 par. 6 of Codified Law 2190/1920, to determine the issue price per New Share (the “**Issue Price**”), which may be higher than the Company’s outstanding shares’ market price at the ex-rights date and in any case it cannot be lower than €0.30, within a period of one year from such a decision, as well as to determine the deadlines for the payment of capital and the exercise of the preemptive rights together with the remaining details concerning the Increase. It is noted that the deadline for the coverage of the share capital in accordance to article 11 of Codified Law 2190/1920 (four-month period plus the option for a one-month extension) will commence from the date the decision was granted by the Board of Directors that determines the Issue Price. The difference, if any, between the New Shares’ nominal value and the Issue Price, will be accounted for by crediting the Shareholders Equity account, “Share Premium”.

(2) Moreover, the Board of Directors of Alapis will propose to the EGM to give to the Company’s shareholders, who have fully exercised their pre-emption rights in the Increase, the possibility to subscribe, without limitation at the Issue Price, to any New Shares that may have not been taken-up, while in case the Increase is not taken-up in full, it is suggested that the Board of Directors will have the discretion to offer any unsubscribed New Shares to third parties for subscription at least at the Issue Price, otherwise the Company’s share capital will be increased by the amount of the final take-up, in accordance with article 13a of C.L. 2190/1920.

(3) Finally, the Board of Directors will propose to the EGM the sale of the pre-emption rights arising from the total of 1,792,348 treasury shares of Alapis during the trading period of such rights on the Athens Exchange, to the extent that such shares have not previously been sold to potential interested third party investors.

1. REPORT ON THE USE OF THE FUNDS FROM A PREVIOUS INCREASE

The Company's share capital was increased by €294,180,066 through the issuance of 980,600,220 common registered shares, each having a nominal value of €0.30 and an issue price of €0.46 per share, pursuant to the resolution of the Board of Directors dated 05.08.2009, that was completed on 21.09.2009 with the raising of a total amount of €451,076,101.20, before issuance expenses, as it was certified by the Board of Directors after relevant decision.

The table below presents the allocation of the funds raised by category of investment.

TABLE OF USE OF FUNDS RAISED FROM THE SHARE CAPITAL INCREASE



ALAPIS S.A.
Company's Number in the Registry of Societe Anonymes 8057 / 06 / B / 86 / 11
TABLE OF USE OF FUNDS
RAISED FROM THE SHARE CAPITAL INCREASE OF THE COMPANY BY PAYMENT IN CASH
AND THE ISSUE OF NEW SHARES
FOR THE PERIOD 01/01/2010 - 30/06/2010
amounts in €

According to the decision 25/17.07.2008 of the Board of Directors of Athens Exchange along with the decision 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission, it is announced that from the share capital increase of the company by 294,180,066 euros, paid in cash, with a public listing held from 04/09/2009 to 18/09/2009 and the issue of 980,600,220 new common registered shares, with nominal value of 0.30 euro each, in accordance with the decision of the 2nd Repeat Extraordinary Shareholders General Meeting of ALAPIS SA held on 29/09/2008 and the decision of the company's Board of Directors dated 05/08/2009 and after the approval of the content of the Information Bulletin by Hellenic Capital Market Commission Decision with protocol number 2/520/24.08.2009, funds raised and have been certified with the decision of the company's Board of Directors on 21/09/2009: Total amount of 451,076,101.20 euros minus issuance expenses 28,012,827.85 euros raised, net amount to invest stands at 423,063,273.35 euros.

Use of raised funds up to 30.06.2010 has as follows:

| | EXPECTED INVESTED FUNDS ACCORDING TO THE INFORMATION BULLETIN up to 21.09.2011 (after the subtraction of issuance expenses from the 1st investing category) | 01/07/2009 - 31/12/2009 | 01/01/2010 - 30/06/2010 | TOTAL AMOUNT OF FUNDS THAT HAVE BEEN INVESTED UNTIL 30/06/2010 | TOTAL AMOUNT OF FUNDS THAT HAVE NOT BEEN INVESTED UNTIL 30/06/2010 |
|---|--|-------------------------|-------------------------|--|--|
| INVESTING CATEGORIES OF FUNDS RAISED | | | | | |
| A | INVESTMENTS CONCERNING ORGANIC GROWTH (Through working capital increase or / and fixed asset purchase) - Participations / Acquisitions in similar businesses. | 220.063.273,35 | 149.065.658,83 | 70.997.614,52 | 220.063.273,35 |
| | A1. ACQUISITIONS - PARTICIPATIONS IN SIMILAR BUSINESSES | 0,00 | 0,00 | 0,00 | 0 |
| | A2. PURCHASE OF FIXED ASSETS | 5.999.768,26 | 0,00 | 5.999.768,26 | 0 |
| | A3. SHARE CAPITAL INCREASE OF SUBSIDIARIES | 0,00 | 0,00 | 0,00 | 0 |
| | A4. WORKING CAPITAL INCREASE | 143.065.890,57 | 70.997.614,52 | 214.063.505,09 | 0 |
| | WORKING CAPITAL OF THE COMPANY AND THE GROUP | 143.065.890,57 | 70.997.614,52 | 214.063.505,09 | 0 |
| | A5 PHARMACEUTICALS AND OTHER PRODUCTS GROUP PORTFOLIO EXPANSION | 0,00 | 0,00 | 0,00 | 0 |
| B | DECREASE OF DEBT | 203.000.000,00 | 180.309.099,55 | 22.690.900,45 | 203.000.000,00 |
| | TOTAL INVESTMENTS AMOUNT (A + B) | 329.374.758,38 | 93.688.514,97 | 423.063.273,35 | 0 |
| Γ | NOT INVESTED FUNDS (placed on time deposits and current accounts) | 93.688.514,97 | 0,00 | 0,00 | 0,00 |
| | GRAND TOTAL | 423.063.273,35 | 423.063.273,35 | 423.063.273,35 | 0,00 |

Athens, 4 August 2010

The President of the B.o.D

Managing Director

Chief Accounting Officer

Aristotelis Charalabakis

Periklis Livas

Charalabos Zantzaz

In accordance with the order we have received from the Board of Directors of "ALAPIS S.A." (the Company), we carried out the pre-agreed procedures outlined below, within the framework of the provisions of the Athens Stock Exchange regulatory context, as well as of the relevant legislative framework of the capital market, as regards the Company's Raised Capital Allocation Report, on the subject of the share capital increase by payment in cash, which was carried out in September 2009. Company's Management has the responsibility of drafting the above mentioned Report. We undertook this responsibility in accordance with the International Standard for Related Services 4400, which is in effect for "Assignment Agreements for the Execution of Pre-Agreed Procedures Related to Provision of Financial Information". It is our responsibility to execute the above-mentioned pre-agreed procedures and to notify you of our findings. Procedures: 1. We compared the amounts referred to as disbursements in the attached Report "Allocation of Raised Capital from the Increase in the Company's Share Capital, by Payment in Cash", against the corresponding amounts that have been acknowledged in the accounting books and data of the Company, during the period to which they refer. 2. We have examined the Report for the thoroughness and consistency of its content against the information provided in the Information Bulletin, which was issued by the Company for this purpose, as well as against the relevant Decisions and Communications by the Company's competent bodies. Findings:

a) The amounts referred to as disbursements under every use / investment category in the attached "Allocation of Raised Capital from the Increase in the Company's Share Capital, by Payment in Cash", come from Company's books and data, for the time period that these are referred.

b) The content of the Report encompasses the minimum information required for this purpose in accordance with the Athens Stock Exchange regulatory context, as well as the relevant legislative framework of capital market, and is in compliance with the information cited in the relevant Information Bulletin and relevant Decisions and Communications by the Company's competent bodies.

Taking into account that the our work does not constitute an audit or a review, in accordance with International Auditing Standards or International Standards for the Assignment of Review Works, we do not formulate any other assurances other than those mentioned above. Had we carried out supplementary procedures or had we carried out an audit or overview, additional matters may have been brought to our attention, beyond the ones cited in the previous paragraph.

The present Report is intended for the exclusive use by the Company's Board of Directors, in accordance with the Athens Stock Exchange regulatory context, as well as the relevant legislative framework of capital market. It thus follows that it is forbidden to use the present Report for any other purposes, as its scope is confined solely to the data cited above and it does not extend to the Financial Reports that the Company prepared for the period ended on 30/06/2010, for which we have issued a separate Review Report dated August 5, 2010.

Athens, August 5th 2010
The Certified & Registered Auditor

BDO Certified and Registered Auditors AE
Patission 81 and Heyden Street, 104 34 Athens
S.O.E.L. Registration Number 111

Vrasidas Sp. Dimilakos
S.O.E.L. Registration Number 22791

2. INVESTMENT PLAN

It is proposed that the funds to be raised through the Increase be exclusively applied towards strengthening the Company's working capital, after deduction of the relevant issuance expenses, which will deduct the disposable funds.

It is clarified that in case the Increase is partially taken-up, the funds to be finally raised shall be applied for the above purpose.

In any case, the Company will inform its shareholders and the investors in time, as provided for by the Regulation of the Athens Exchange, on any action taken by it.

3. COMMITMENTS OF SHAREHOLDERS

Mr. Mario Al-Jebouri, who indirectly holds 15.206% of the Company's total voting rights and is Non-executive Deputy Chairman of its Board of Directors has informed Alapis that, at this stage and subject to the economic conditions in Greece and internationally, he intends to retain at least the above shareholding (i) until completion of the Increase and the listing of the New Shares on the Athens Exchange and (ii) for a period of six (6) months after the commencement of trading of the New Shares.

4. ISSUE PRICE

As mentioned above, it is proposed to the EGM to grant the authority to the Company's Board of Directors, pursuant to article 13 par. 6 of Codified Law 2190/1920, to determine the Issue Price, which may be higher than the Company's outstanding shares' market price at the ex-rights date and in any case it cannot be lower than €0.30, within a period of one year from such a decision.

Athens, 11.07.2011

The Board of Directors

For any further clarifications, please contact our Investor Relations department

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