

To the General Meeting of Shareholders of the Company

Report respective to the partial abolition of the preferential right of old shareholders in the scope of the imminent increase of the capital stock of the Company

Sirs,

1. Proposal to issue a convertible bond loan by the Company

(a) The Board of Directors has decided to call a Special General Meeting of Shareholders of the Company and to propose to it, among others, the issue of a convertible bond loan of a five year (5 year) duration, of a total amount of sixty million one hundred thousand Euros (€ 60,100,000), with a fixed interest rate of three point six percent (3.6%) and initial conversion price of ten Euros and thirty six cents (€ 10.36), with abolition of the preferential right of old shareholders, based on the relative report of the Board of Directors. The transaction will have the following structure:

(i) the subsidiary of the Company Euromedica Finance No 1 S.A., headquartered in Luxemburg, will issue an exchangeable loan of a five year duration, of a total amount of sixty million Euros (€ 60,000,000) and fixed interest rate of three point six percent (3.6%),

(ii) the deposit of capital and interest under the exchangeable loan will be guaranteed by the Company,

(iii) with the return of this exchangeable loan, Euromedica Finance No 1 S.A. will assume convertible bonds issued by the Company, of a value of sixty million Euros (€ 60,000,000), of a five year duration, with a fixed interest rate of three point six percent (3.6%) and initial conversion price of ten Euros and thirty six cents (€ 10.36),

(iv) the exchangeable bonds, provided the right of exchange is exercised, will lead to the acquisition of shares of the Company through their exchange with convertible bonds,

(v) the exchangeable bonds will be made available to the company CQS CONVERTIBLE AND QUANTITATIVE STRATEGIES MASTER FUND LIMITED (henceforth, CQS) with which the Company has come into agreement.

(b) In the measure that the above loan gives CQS the right to acquire shares of the Company, the Board of Directors has drawn its present report with which it justifies and substantiates the abolition of the preferential right of old shareholders of the Company.

(c) The issue of a convertible bond loan in accordance with what is exhibited above, ensures the further financing of the Company, with capital amounting to sixty million one hundred thousand Euros (€ 60,100,000). This capital, in combination with the capital that will be sourced through the imminent increase of capital stock of the Company, will be spent for the expansion of the market share of the Company and its further development in markets it is already active in as well as in new markets of the health services sector.

By case, the Company, following detailed evaluation of the data, will implement its development plan through the organizational expansion and/or through buy-outs and holdings in other companies of its sector, also including direct competitors.

In this manner, the Company intends to fully exploit the strategic advantages that it has acquired till today.

It is underlined that factors that are not within the control of the Company, such as the more general conditions of the market as well as specific investment opportunities, may completely alter the above planning.

2. Reasons that justify the abolition of the preferential right of the old shareholders of the Company. Advantages that arise for the Company by the possible participation of CQS in the capital stock of the Company.

The participation of CQS in the capital stock of the Company, in the measure that the conversion right is exercised:

(a) will create the preconditions for the substantial improvement of the assessment of the Company in that:

(i) it will lead to the concentration of investment interest in its sector, both between domestic and primarily between the international investors and analysts,

(ii) will give the Company

on the one hand, the capability, benefited by the specialized knowledge and experience of CQS, for the timely location and better exploitation of investment opportunities

on the other hand, easier access to international stock markets something that has been difficult up to today thus facilitating the financing of its investment plans,

(ii) will act as a passport for the attraction of other institutional investors of an international range,

(iii) will significantly improve the long term prospects of the Company and

(iv) will allow the internationalization of its capital composition.

(c) will be an acknowledgment of the strategy and course of the Company, that aims in making it the most important provider of health services in the country, with a pan-Hellenic network and with a presence in first level as well as second level hospitalization.

In conclusion, the participation of the strategic investor in the Company may substantially and selectively develop the implementation of its business plans and finally service its business interests.

3. The abolition of the preferential right of old shareholders is not injurious to their interests

The abolition of the preferential right of old shareholders of the Company is not injurious to their interests for the following reasons:

(a) the liquidity of the Company is substantially increased,

(b) the preconditions are created for the better assessment of the price of the share of the Company

(c) the old shareholders of whom the preferential right is abolished will be benefited by the diffusion of the benefit that will arise for the Company through the increased liquidity and therefore will be in a more optimum position in comparison with the existing one.

4. Justification of conversion price

The conversion price of ten Euros and thirty six cents (€ 10.36) is a product of negotiation between the Company and CQS and for its definition the following were taken into account:

(a) the benefits that will arise for the Company, as presented above,

(b) the assessments and planning of CQS for the Company and

(c) the stock exchange price of the share of the Company during the period of negotiations.

For the above reasons, we propose the abolition of the preferential right of the old shareholders.