

Report of the Board of Directors to the Extraordinary General Meeting of the Shareholders

The Board of Directors of IASO S.A. proposes to the General Meeting of the Shareholders of the Company an increase of the Company's share capital by cash payment and by simultaneous annulment of the pre-emption rights of the existing shares.

It is proposed these shares to be entirely distributed to new Doctors - associates, who have expressed their wish to participate to the company's share capital.

The BoD was led to the aforementioned proposal due to the following: The company has managed to successfully operate, as proved by its results, based on a special multi-shareholder structure. The main characteristics of this structure, as well known, apart from the multi-shareholder model are the professional medical capacity of the shareholders majority as well as the great dispersion.

The company's main aim is to sustain this shareholding structure, which, according to the BoD's belief, constitutes one of the main factors of its successful course and its establishment as the indisputable leader in the private maternity hospitals sector.

The BoD acknowledges the significant work performed by doctors in this sector, suggests the increase of the company's share capital by the issuance of 1,322,265 common registered shares.

Issue Price

The issue price of the shares is proposed to be 4.00 Euro per share. The distribution criteria of shares to the new associate doctors are suggested to be objective supporting the strategy of renewal of the production and shareholding structure. More specifically they should be related to age, productivity, the successful collaboration with the company etc. The criteria confirmation is suggested to be assigned to the BoD.

The BoD proposes, as already mentioned, the annulment of the pre-emption right of the existing shares, according to article 13 par. 6 of Law 2190/1920, so that the new doctors who are interested, will cover the total amount of the increase.

In case of distribution of all the new shares, an amount of Euro 5,289,060.00 will be raised, which: a) will increase the company's share capital by Euro 2,023,065.45 (1,322,265 shares per 1.53 Euro issue price) which will hereinafter amount to Euro 69,458,580.45 divided to 45,397,765 common registered shares of nominal value 1.53 per share and b) it will increase reserve fund (by Euro 3,265,994.55 (1,322,265 shares of 2.47 Euro issue price)

Distribution of funds raised

It is estimated that the above mentioned increase will not bring about any significant expenses and the total amount of funds raised will be released for the participation of IASO S.A in the share capital increase of its subsidiary IASO THESSALIAS S.A. IASO THESSALIAS S.A. will use the funds raised for financing part of its investment plan which is in progress and comprises of the construction of buildings and purchase of equipment for the operation of a maternity and general clinic at a wholly owned plot in the municipality of Nikaia, Larissa. IASO THESSALIAS' investment plan amounts to 40,000,000 € and is expected to be completed and start operations by the end of 2008.

Timetable of the funds raised distribution

The distribution of the funds raised is expected to be finalized right after the increase of the share capital, not later than the end of September 2008.

Allocation report of the funds raised from the previous increase

It is notified that the Share Capital increase of the Company IASO S.A. by cash payment (Public Offering by bookbuilding), which took place in accordance with decision 47/26.03.2000 of the Extraordinary General Meeting of the Shareholders and decision number 1/185/25.02.2000 of the Hellenic Capital Market Commission a resulted in the raise of funds (in total Euro 105,286,883.64 less the issuance charges Euro 5,174,451.82 = net amount Euro 100,112,431.83).

The distribution of such funds has been completed in accordance with the provisions of the Prospectus, with the decision of the General Meeting dated 30/06/2001 (published on 06/08/2001) and the decision of the ordinary general meeting of the shareholders dated 29/06/2004 (published on 19/07/2004) regarding the amendment of the program of allocation of funds raised, as follows:

α) Participation in the share capital increase of the subsidiary IASO GENERAL S.A. of an amount of Euro 44,314,211.81 (buildings, fields, equipment, working capital, b) Investments in IASO S.A of an amount of Euro 34,981,730 (buildings, fields, equipment, other assets), c) reinforcement of the working capital of IASO S.A. of an amount of Euro 10,603,990, and d) participation in the share capital of the remaining subsidiaries, (MODERN MULTIFUNCTIONAL REHABILITATION – RESTORATION CENTER S.A., IASO PEDIATRICS S.A., IASO THESSALIAS S.A..) of an amount of Euro 10,212,500.