

# 2006 ANNUAL REPORT

*(According to decision No. 7/372/15.02.2006 by the BoD of the Hellenic Capital Market Commission)*



ASSOCIATED WITH  
HARVARD MEDICAL  
INTERNATIONAL

DIAGNOSTIC AND THERAPEUTIC  
CENTER OF ATHENS HYGEIA S.A.





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## PART A'

### **1. Information on the Compilation of the Annual Report and the Company's Certified Auditors**

#### **1.1. Information on the Compilation of the Annual Report**

The present Annual Report contains all the additional information necessary for investors to form a proper and complete opinion on the activities of the company "DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS – "HYGEIA" SOCIETE ANONYME" (hereinafter the "Company" or "HYGEIA S.A.").

The preparation and distribution of the present Annual Report has taken place according to the provisions of the current legislation, as regards to the information appealing to investors, and specifically as such is defined by the provisions of the amended, by means of decision No. 7/372/15.02.2006, article 8 of decision No. 5/204/14.11.2000 by the Board of Directors of the Hellenic Capital Market Commission.

The individuals responsible for the preparation of the Annual Report as well as for the accuracy of the data contained therein, are the following:

- Mr. Paschalis Bouchouris, Chief Executive Officer of HYGEIA S.A., 4 Erythrou Stavrou Str. & Kifisias Ave., tel. +30-210-68.67.000
- Ms. Eleonora Kelepouri, Deputy Finance Director of HYGEIA S.A., 4 Erythrou Stavrou Str. & Kifisias Ave., tel. +30-210-68.67.000
- Mr. Nicholas Giampanas, Head of Investor Relations of HYGEIA S.A., 4 Erythrou Stavrou Str. & Kifisias Ave., tel. +30-210-68.67.000

The Board of Directors of HYGEIA S.A. declares that all of its members have been informed of the content of the present Annual Report, and together with the authors responsibly certify that:

- All information and data provided therein are complete and accurate.
- No figures exist and no events have taken place, whose non-disclosure or omission could render the figures and information contained in the Annual Report misleading - partly or in whole.

The present Annual Report is available at the Company's offices on 4 Erythrou Stavrou Str. & Kifisias Ave., Marousi, tel. +30-210-68.67.000, as well as in electronic format through the Company's website ([www.hygeia.gr](http://www.hygeia.gr))

Investors interested in further information or any clarifications may refer during business days and hours to the Head of Investor Relations, Mr. Nicholas Giampanas tel. +30- 210-6867000.



## 1.2. Ordinary Certified Auditors

The Company is audited by Certified Auditors – Accountants.

The audit of the Individual and Consolidated Financial Statements for fiscal year 2004, was conducted by Certified Auditor – Accountant Mr. Vasilios Goutis (SOEL Reg. No. 10411), of the auditing firm PRICEWATERHOUSECOOPERS Certified Auditors – Accountants Societe Anonyme (268 Kifisias Ave., Halandri).

The audit of the Individual and Consolidated Financial Statements for fiscal year 2005, was conducted by Certified Auditor – Accountant Mr. Antonis Papageorgiou (SOEL Reg. No. 11691), of the auditing firm PRICEWATERHOUSECOOPERS Certified Auditors – Accountants Societe Anonyme (268 Kifisias Ave., Halandri).

The audit of the Individual and Consolidated Financial Statements for fiscal year 2006, was conducted by Certified Auditor – Accountant Mr. Sotiris Konstantinou (SOEL Reg. No. 13671), of the auditing firm Grant-Thornton Certified Auditors – Accountants Societe Anonyme.

The financial data and results, both for the Company and for the Group, were considered accurate and sincere. The Certified Auditors – Accountants’ audit report for fiscal year 2006 is presented in Part B, Chapter 6 of the present Annual Report.

The Company has been audited by the tax authorities up to fiscal year 2002 included.

## 2. Information on the Company

### 2.1. General Information

The Company was established with its current legal form on August 24th 1970 under the name “Diagnostic and Health Care Center “ATHENS ASTYKLINIKI” S.A.” (under the approval decision No. 50770/4246/06.08.1970 by the Minister of Commerce, Govt. Gazette 1245/14.08.1970). By means of a decision by the Company’s Extraordinary General Shareholders’ Meeting on 20.01.1971, the Company’s name was changed to “DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS S.A.” (approval decision No. 7324/26.07.1971 by the Minister of National Economy, Govt. Gazette 1513/20.09.1971). By means of the decision by the Company’s Extraordinary General Shareholders’ Meeting on 23.05.1973, the name was changed yet again to “DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS – “HYGEIA” SOCIETE ANONYME”. This last amendment was approved by the decision No. 193446/09.07.1973 by the Attica Prefect, which was published in Govt. Gazette No. 1433/21.07.1973. The Company’s distinctive title is “hygeia s.a.”.

The Company’s domicile was initially set at the Municipality of Athens, while by means of an amendment to its Articles of Association on 29.06.1976 (Govt. Gazette 2631/05.03.1976), the domicile was transferred from the Municipality of Athens to the Municipality of Amarousio Attica and specifically to 4 Erythrou Stavrou Str. & Kifisias Ave., in a self-owned building, which also houses the Company’s offices.



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The Company is registered in the Societe Anonyme Registrar of the Ministry of Development under S.A. Reg. No. 13165/06/B/86/14, while it is also registered in the Athens Chamber of Commerce and Industry under Reg. No. 073320.

Its duration was set to eighty (80) years from its legal establishment, namely until December 31st 2050.

The Company's objective according to article 4 of its Articles of Association is:

- a. The construction, organization and exploitation of a standard therapeutic and diagnostic center in the Attica region, with high scientific quality and with the objective of preventive examination and therapy of patients, according to modern developments in science, as well as the establishment of similar therapeutic and diagnostic units and sections in Greece and abroad.
- b. The provision of health services also to external patients with the operating departments and laboratories of the Clinic.
- c. The development of special activities for the promotion of medical research and therapy methods.
- d. The pursuit of scientific cooperation and contact of the Company with the most recognized scientists in Greece and abroad for the exchange of information in the different sectors of medical science, as well as the promotion of scientific research in any way, namely with studies, announcements, publications of scientific journals etc. or through other means, or the Company's participation in companies or enterprises that are under establishment or will be established with any relevant activity, in the context of the Company's objectives.
- e. The exploitation, in any way, of all spaces located in the Clinic, indoor or outdoor, is owned exclusively by the Company and used directly or indirectly for the serving of patients, guests, relatives or visitors of the patients or the Clinic.
- f. The provision of any kind of services (administrative-managerial, organizational, advisory, financial etc.) on health issues towards all Health Institutions, Centers, Clinics or doctors in Greece or abroad. The provision of educational or vocational services to medical, nursing, administrative and support staff in Greece or abroad.
- g. The establishment of a pre-graduate and/or post-graduate Medical School in Greece or abroad according to the legislation in effect.
- h. The import from abroad, the purchase from abroad and the wholesale and retail trade and sale, in Greece and abroad of any kind of medical material and devices, consumable and non-consumable, medical equipment, reactors and chemicals, materials of medical examinations and analysis and any kind of raw and auxiliary materials needed for the construction or manufacturing and packaging of the above. Also, any similar material used in general in the health sector.
- i. The representation in Greece of foreign houses that operate in the aforementioned sectors, as well as the representation of Greek Companies producing and trading the aforementioned items.



By means of the Decision by the Company's Extraordinary General Shareholders' Meeting on 14.01.2003 (Govt. Gazette 910/03.02.2003), article 4 of the Company's Articles of Association was amended and its objective was expanded as regards to cases h and i above.

Apart from the aforementioned, there has been no other amendment to the Company's objective after 2003.

The sector of the Company's business activity, according to the classification of the National Statistics Service of Greece (STAKOD 03), is defined as the Health and Social Care sector (Sector 85) and specifically the sub-sector of hospital activities (sub-sector 851.1).

The Company was listed for the first time on the Main Market of the Athens Exchange (hereinafter A.E.) on June 7<sup>th</sup> 2002. Today the Company's share is traded in the Large Capitalization category.

## 2.2. Administrative Licenses

The following licenses have been granted to HYGEIA S.A.:

- a) the No. K.Y. 5468/10.05.75, License by the Attica Prefecture (Social Services Division) concerning the Operation of a General Clinic, with a capacity of three hundred and eleven (311) beds,
- b) the No. D.Y. 7886/02.02.78 decision by the Attica Prefecture concerning the increase of the hospital's capacity by 43 beds,
- c) the No. D.Y. 16424/26.06.84 decision by the Eastern Attica Prefecture (Health Services Division) concerning the approval of the modification in the indoor areas of the Company's building and the increase of beds, which amounted to 373,
- d) the No. D.Y. 29665/15.03.88 decision by the Eastern Attica Prefecture (Health Services Division) concerning the approval of the expansion by seven (7) beds of the Intensive Care Unit,
- e) the No. D.Y. 33889/15.07.97 decision by the Eastern Attica Prefecture (Health Services & Public Health Division) concerning the approval for the transfer of the Artificial Kidney Dialysis Unit to a modernized area and the repartition of beds in the existing Departments and Units of the Hospital, without modifying the Company's total approved number of beds, which amounts to 382,
- f) the No. D.Y. 7982/02.06.98 decision by the Eastern Attica Prefecture (Health Services & Public Health Division) concerning the approval for the repartition of beds per departments and the approval of new departments,
- g) the No. D.Y. 12965/30.05.2001 decision by the Eastern Attica Prefecture (Health Services Division) concerning the revision of the Company's Establishment and Operation License and the decrease of the number of beds to 369 and the establishment of new departments,,
- h) the No. D.Y. 21730/18.07.2002 decision by the Eastern Attica Prefecture (Health Services Division) concerning the revocation of the Bone Marrow Transplant Special Unit, the beds of which are transfer to the Hematology Clinic of the Pathology Section,



- i) the No. D.Y. 26315/30.09.2002 decision by the Eastern Attica Prefecture (Health Services Division) concerning the operation of a Nephrology and Gastroenterology Department, without modifying the existing total number of beds,
- j) the No. 11049/12.05.2005 decision by the Uniform Self-Government Prefecture of Athens-Piraeus, Eastern Attica division (Public Health Division) concerning the operation of a D' Pathology and B' Urology Department, without changing the already approved total number of beds.

In the context of most excellent serving of its customers – patients, the Company complies with all the good operation terms stipulated by the effective provisions on Private Clinics, and always holds all the required certifications by the relevant authorities.

It is noted that the Company's operation license remains effective. In order for such to maintain its effectiveness, the clinic is audited by the Public Health Division of the Eastern Attica Prefecture in order to receive a good operation certificate.

Specifically, the Company holds the following good operation certificates:

No.	CERTIFICATE	ISSUING AUTHORITY	SUBJECT
1.	D.Y. 26315/30.09.2002 (δ15)	Self-Government Prefecture of Athens – Piraeus Eastern Section Health Division	Good operation certificate of the HYGEIA S.A. General Clinic, with a Capacity of 369 beds, according to the good operation conditions of P.D. 235/2000. The Company is not subject to the provisions of par. 6.1 and 6.2 of the joint Ministerial Decision No.A3b/Φ.15/18198/90, and thus is entitled to health expenditures without discounts.
2.	7231/03/15.01.2004	Self-Government Prefecture of Athens – Piraeus Eastern Section Health Division	Good operation certificate of the HYGEIA S.A. General Clinic, with a Capacity of 369 beds, according to the good operation conditions of P.D. 235/2000. The Company is not subject to the provisions of par. 6.1 and 6.2 of the joint Ministerial Decision No.A3b/Φ.15/18198/90, and thus is entitled to health expenditures without discounts.
3.	11376/12.05.2005	Uniform Self- Government Prefecture of Athens – Piraeus Eastern Attica Division Health Services Department	Good operation certificate of the HYGEIA S.A. General Clinic, with a Capacity of 369 beds, according to the joint Ministerial Decision No.A3b/Φ.15/18198/90, and thus is entitled to health expenditures without discounts.



### 2.3. Trademarks

HYGEIA S.A., aiming initially at copyrighting and subsequently at reinforcing its reputation, has submitted the following trademarks to the Trademark Department of the Ministry of Development:

No.	Trademark No.	Class	Approval Decision	Maturity Date	ΔΕΒΙ No:
1.	<b>131.184</b> (presentation)	42 medical services	982/1997	13.06.2016	12/1997
2.	<b>131.185</b> "hygeia"	42 medical services	983/1997	13.06.2016	12/1997
3.	<b>131.186</b> (model of building structure)	42 medical services	984/1997	13.06.2016	12/1997
4.	<b>145.134</b> "DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS" (model of the Goddess of Health's head)	42 medical services	5612/2000	15.06.2009	10/2000

Furthermore, the Company holds the following European Union trademarks:

- "DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS HYGEIA": This trademark has been published and its registration is pending.
- Descriptive trademark (model of building structure): this trademark has been published.

The two aforementioned trademarks ("DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS HYGEIA" and model of building structure) have been registered in the Czech Republic, Slovakia, Russia, Hungary, Romania and Bulgaria in order to distinguish health services.

### 2.4. Brief History

**1970** HYGEIA S.A. is established under the name "Diagnostic and Health Care Center "ATHENS ASTYKLINKI" S.A." by doctors, who in their majority are professors of the Athens University. Mr. N. Christeas was head of the founding team of doctors and the objective was to create a large high-standard and modern private clinic in Greece.

**1971-1973** Two successive amendments of the Company's name lead to its current name, "DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS – HYGEIA S.A.". The Company constructed a building complex in the Municipality of Amarousio, where it began providing high quality health services. Subsequently, and following the granting of required licenses from the Athens Construction Development Division, the building complex was expanding with the construction of three additional floors, while its indoor areas were modified in order to enable the operation of new departments and to expand its capacity in beds.



- 1975** The Company is granted an operation license for the General Clinic, with a capacity of 311 beds based on Dec. No. K.Y. 5468/10.05.1975 by the Attica Prefecture (Social Services Division).
- 1978 – 1998** The Eastern Attica Prefecture grants the Company approvals for the operation of new departments as well as for the increase of its bed capacity.
- 1990** Participation of the Company, with a 20% stake, in the establishment of the company "MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A."
- 1992** The Company continues to expand its activities and participates, with a 30% stake, in the establishment of the company "HYGEIA OPHTHALMOS – OPHTHALMOLOGY CENTER S.A."
- 1998** The Company participates, with a 10% stake, in the establishment of the company "HYGEIA – NUTRITION SOCIETE ANONYME" and acquires a participation percentage in the general partnership "DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS S.A. AND GEORGIOS POLITAKIS G.P."
- 2001** The Company increases its participation percentage in the general partnership "DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS S.A. AND GEORGIOS POLITAKIS G.P." to 99%.
- 2002** HYGEIA S.A. lists its shares on the Main Market of the Athens Exchange. With the listing of its shares on the Athens Exchange, the Company raised capital amounting to approximately € 18,786 thousand, for the implementation of an investment plan of approximately € 22,270 thousand, which referred to the purchase of new medical machinery products and equipment and the renovation of the IT software.  
In May 2002 the Company goes forward with a particularly significant collaboration agreement with the internationally recognized Harvard Medical International, a non-profit organization of the Harvard University Medical School.  
In June 2002, the acquisition of 60% of the share capital of ALAN MEDICAL S.A. was completed, as had been decided during the Company's Extraordinary General Shareholders' Meeting on 30.03.2002.  
In September 2002, the activities of the subsidiary company "DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS S.A. AND GEORGIOS POLITAKIS G.P." were suspended, and which are now exercised by the Company.
- 2003** The Company purchased the machinery owned by the companies "INTERSONAR DIAGNOSTIC AND THERAPEUTIC CENTER OF PEPTIC SYSTEM S.A.", "ECHODIAGNOSTIC LTD" and "MICROCIRCULATION LTD", in the context of P.D. 235/2000. Today the Company continues to provide the aforementioned services itself.  
HYGEIA S.A. acquired the remaining 40% of the company ALAN MEDICAL S.A.  
Moreover, during the same year, one floor of HYGEIA S.A. is transformed to a Chemotherapy Unit, which operated with significant success.
- 2004** In March 2004, the operation of the unique in Greece Gamma Knife commenced. Gamma Knife is a high-technology machine specialized in brain damage therapy.



- In June 2004, the operation of the also unique for the country PET / CT ( positron emission tomography – computed tomography) commenced, which specializes in the diagnosis of neoplastic diseases and other degenerative brain diseases (i.e. Alzheimer) and offers significant information on the correct handling of diseases such as cancer, through the re-staging of the disease.
- 2005** In April 2005, the Computerized Magnetic Tomography & Osteoporosis department is certified by ISO 9001: 2000 (02.38/499.2 EL0T).  
In July 2005 HYGEIA S.A. acquired all the machinery of the company HYGEIA OPHTHALMOS – OPHTHALMOLOGY CENTER S.A., which provide diagnostic services, and at the same time transferred the total shares owned by the latter (namely 30%). HYGEIA OPHTHALMOS – OPHTHALMOLOGY CENTER S.A. continues to operate within the HYGEIA S.A. building and works exclusively on ophthalmologic treatments with the Excimer Laser. During the same year, the Neurosurgical Clinic of HYGEIA S.A. organized with great success a post-graduate program in association with the ROYAL COLLEGE OF SURGEONS, UNIVERSITY OF ERLANGEN and HARVARD MEDICAL INTERNATIONAL. The first workshop referred to Cervical Spine Surgery (Prof R. Laing, Cambridge) and the second to Pituitary Surgery (Prof R. Fahlbusch and Prof M. Buchfelder, Erlangen).
- 2006** During April 2006, and in the context of uniting forces in the private health sector, HYGEIA S.A. made a strategic decision to acquire (indirectly and directly) a total percentage of 24.83% of the share capital of “MITERA PRIVATE MATERNITY AND SURGICAL CLINIC SOCIETE ANONYME”, (hereinafter “MITERA S.A.”).  
In May 2006 the Positron Emission Tomography – Computed Tomography department (PET/CT) is certified by ISO 9001: 2000.  
In December 2006 the Technical Support Division is certified by ISO 9001:2000  
Moreover, during 2006 the acquisition of 70% of the share capital of ANIZ S.A. – CAFETERIA AND RESTAURANT EXPLOITATION ENTERPRISES, was concluded.
- 2007** In April 2007 Hygeia decides jointly with the companies Euroadvisors S.A. and the British Minmax Health Ltd., to establish a new company for the realization of a stem cell bank network in the countries of Eastern Europe and Middle East. Hygeia S.A. will participate by 50% of the share capital, while the remaining two companies by 25% each.  
During the same month, the Company announced its entrance in activities related to health products with the establishment of the company Y\_PHARMA S.A., in which the former will participate by 85% of its share capital. The latter company will trade medicines and other general medical products aiming at customers in Greece and abroad.  
On April 11<sup>th</sup>, the establishment of the most powerful Health Services Provider Group in Greece was announced following the decisions by the BoDs of Hygeia and Mitera to unite their forces. This business combination will take place with a Share Capital Increase of Hygeia S.A. and an exchange of shares that will emerge from such with an exchange ratio of 2.2 shares of Hygeia S.A. for each share of Mitera S.A. Shareholders of Mitera S.A. have already made a positive decision on the BoD’s proposal, during the General Meeting that took place on May 12<sup>th</sup> 2007. Shareholders of Hygeia S.A. will be invited to decide on the issue during the Ordinary General Shareholders’ Meeting that will take place on June 19<sup>th</sup> 2007.



## 2.5. Achievements

From the first year of its operation and until today, the Company's primary objective has been the creation, organization and continuous improvement of an exemplary and high scientific quality, diagnostic and therapeutic center in the Attica region, which will provide high level medical services. The diagnosis and treatment of patients is based on the most modern and effective developments and methods in Medical Science, always having the full serving of customers – patients as the basic principle.

In this context, HYGEIA S.A. continuously executes new investments in facilities and in modern medical technology as well as in the continuous renewal of partnerships with recognized and scientifically established doctors.

HYGEIA S.A.'s scientific achievements have been and are a result of its continuously renewed and modernized scientific knowledge.

Specifically, a few of HYGEIA S.A.'s most significant achievements in the Greek health sector are the following:

- Introduction of the preventive health Check-Up (1970)
- Placement of intraocular lenses for cataract (1985)
- By pass (1985)
- Separation of siamese twins (1989)
- Heart transplant (1990)
- Fluid organ transplant Unit (i.e. bone marrow etc.) (1990)
- One-day surgical Unit (1992)
- Percutaneous spondyloplastic intervention (1994)
- Standard intensive care unit (1994)
- Interventional neuroradiology, cerebral aneurism embolisation (1995)
- Cerebral angiomas embolisation (1995)
- Treatment of aortic aneurisms (1995)
- Establishment of the Center of Radiation Oncology (C.R.O.) (1995)
- Helicobacter Pylori (1996)
- Prostate brachytherapy (1997)
- Intra Cytoplasmic Sperm Injection (1998)
- ISO certification of hospital department – Center of Radiation Oncology (1999)
- Intravascular Brachytherapy of Peripheral Vessels (2000)
- Collaboration with Harvard Medical International (2002)
- Magnetic tomography of the heart (2002)
- Intensity Modulated Radiation Therapy - I.M.R.T (2003)
- Gamma Knife surgery (2004)
- Positron Emission Tomography – Computed Tomography (PET/CT) (2004)
- Deep Brain Stimulation (DBS) (2006)

## 2.6. Collaboration of HYGEIA S.A.- Harvard Medical International

In May 2002 the Company went forward with a strategically significant collaboration agreement with the internationally recognized Harvard Medical International, a non-profit organization of the Harvard University Medical School. The following are included in the context of implementing the aforementioned agreement – collaboration:

- the establishment of a project Administration Committee for the coordination of the activities between the two parties, aiming at implementing the partnership's objectives,
- the examination of the quality of HYGEIA S.A.'s provided services, according to the standards of Hospitals cooperating with the Harvard Medical School,
- the training of resident doctors and staff of HYGEIA S.A. (Medical, Nursing, Administrative) on issues relating to their specializations,
- the gradual, as a result of preceding, certification of HYGEIA S.A.'s scientific staff, with an active participation in the HYGEIA S.A. – Harvard Medical International collaboration, as members of Harvard Medical International,
- the preparation for the establishment of a Medical School in Greece.

As a result of the aforementioned activities, HYGEIA S.A. is entitled to use the registered name "Harvard Medical International".

Furthermore, during 2005, it was agreed by both parties to prepare the accreditation of HYGEIA S.A., with HMI as an advisor, based on the standard of the Joint Commission International (JCI) of the American Accreditor of Health Organizations. The project, which commenced in January 2006, will have a two year duration and will lead to HYGEIA S.A.'s accreditation by JCI.

## 2.7. Description of Activities

The first and second degree health services in which HYGEIA S.A. operates in, require the provision of a broad range of services in order to cover not only the continuously increasing needs but also to adapt to the ongoing developments in medical technology.

In this context, HYGEIA S.A., by possessing a series of excellently equipped clinics, diagnostic and scientific laboratories as well as trained nursing staff, strives and has succeeded at covering almost all the needs of first degree and second degree health care, by offering patients innovative medical methods through unique, for Greek standards, medical instruments and technologies.

Specifically, for the high-quality service of its customers – patients, HYGEIA S.A. maintains the following:

- 17 Pathology Clinics
- 19 Surgical Clinics
- 6 Diagnostic Laboratories
- 8 Imaging Laboratories
- 16 surgery rooms
- 10 Outpatient Departments



- Quality assurance department
- Physical Medicine & Rehabilitation

The Company's total hospital beds in operation amount to 369 beds, 21 of which belong to the Intensive Care Unit. At the same time, HYGEIA S.A. develops research programs, whose primary objective is the development of new innovative medical methods that in turn will be able to create new medical services in favor always of the customer – patient.

## 2.8. Sections, Departments and Clinics

**PATHOLOGY SECTION:** The pathology section of HYGEIA S.A. includes the following clinics:

- **A', B', C', D' Pathology Clinics:** whose activities refer to internal pathology. Additionally, the B' Pathology Clinic deals with research on patients with extended un-explained fever. The pathology clinics are on duty every day interchangeably and are responsible for the medical evaluation of patients arriving from out-patient clinics and for their referral to the appropriate specialized medical units.
- **A' and B' Cardiology Clinics:** in cooperation with all the Cardiosurgical Clinics (presented below in the surgical section), cover the entire range of cardiosurgical procedures, while at the same time such cover all emergency cardiologic cases from the Out-patient department as well as cases of hospitalized patients in other units, on a 24 hour basis. The Clinics also perform the medical reports on HYGEIA S.A.'s electrocardiograms. It is noted that these clinics are supported by the laboratories of bloodless techniques and by the hemodynamic laboratory for cardiac intubation, coronary angiography, angioplastics and coronary stent implantation as well as implantation of pacemakers.
- **A' Pathology – Oncology Clinic:** deals with the organization and operation of HYGEIA S.A.'s Oncology Council, which convenes regularly every Friday. This Clinic also undertakes research activities and participates actively in the activities of the Hellenic Research Teams HECOG and SHOG, while at the same time it also conducts independent research activities.
- **B' Pathology – Oncology Clinic:** whose activity includes the support of patients that present neoplastic conditions. The research activities of this clinic are presented in the largest medical conferences that take place throughout the world.
- **Hematology Clinic:** whose activity includes the treatment of benign conditions, the treatment of heavy blood diseases as well as autologous bone marrow transplants. The Clinic is head of the Bone Marrow Transplantation Unit and it also includes Special Units, amongst which are the Bone Marrow Freezing Laboratory and the Apheresis Unit.
- **Thoracic Clinic:** whose activity includes the support of patients with thoracic conditions. The Clinic includes a Thoracic Laboratory – Department, which is distinguished in three sub-laboratories: the Pulmonary Function Tests Laboratory, the Broncology Department and the Sleep Department. The Clinic's research activities refer to medical technology and applied respiratory muscle physiology.
- **Diabetes Clinic:** which deals with the prevention, diagnosis and treatment of diabetes. The clinic is staffed with specialized scientific personnel.



**SURGICAL SECTION:** The surgical section of HYGEIA S.A. includes the following clinics:

- **A' and B' Cardiosurgical Clinics:** which conduct a broad range of cardiosurgical procedures such as bypass procedures, surgery for related heart conditions, valve replacement procedures as well as surgery on aneurisms or other smaller scale procedures. The A' Cardiosurgical Clinic cooperates with the Cardiosurgical Clinic of the Chieti University in Italy, which is considered a pioneer in the cardiosurgery sector.
- **A' Surgical Clinic:** which conducts surgeries of all types. Procedures are conducted with latest technology surgical equipment especially as regards to the minimally invasive surgery. The Clinic's special activities refer to Endoscopic Surgery, Surgical Oncology, the Surgery of Endocrine Glands as well as Surgery relating to obesity (Bariatrics). The Clinic is staffed by specialized general surgeons, graduates of universities from the U.S.A. and the United Kingdom. Its staff maintains an active clinical and research cooperation with the Medical Center of the University of Massachusetts and Harvard University. The Clinic also has Research Activities such as: Minimally Invasive Surgery, Trauma surgery, Oncology and Endocrinologic Procedures.
- **B' Surgical Clinic:** which covers the entire range of general surgery. Its special activities concern Biliary Clinical Surgery and Colon surgery.
- **C' Surgical Clinic:** which deals with Minimally Invasive Surgery, Colon Surgery and clinical research of preventive factors in the antibiosis of patients that present neoplasia of the colon.
- **D' Surgical Clinic:** which covers the entire range of general surgery, with particular emphasis on surgical cases of the colon and biliary vessels.
- **Neurosurgical Clinic:** which working in full cooperation with the Neurosurgical and Interventional Neuroradiology Clinic, covers the entire range of Neurosurgical procedures. Specifically it conducts Radiosurgery with the unique for Greek standards Gamma Knife technology, Vascular Neurosurgery, spine Microsurgery, Stereotactic neurosurgery and Pituitary Surgery. The clinic, apart from its clinical work, organizes post graduate seminars for doctors and has a rich publications.
- **Neurosurgical and Interventional Neuroradiology Clinic:** which is in a position to handle all types of neurosurgery, specialized in Interventional Neuroradiology, for embolisation of arteriovenous malformations (brain aneurisms) and is excellently equipped with a highly modern digital angiograph.
- **A', B', C' and D' Orthopedic Clinics:** which deal with trauma, musculoskeletal tumors, athletic trauma, endoscopy of joints and endoscopic use of Laser. The clinics also publish scientific research papers in recognized foreign scientific journals that refer mainly to syndemic knee contusions.
- **A' and B' Urology Clinics:** which deal with general urology, urologic oncology, gynecological urology and plastic surgery on the urinary system.
- **Heart and Vessel Clinic:** which operates in the area of cardiac and vascular functionality.
- **Thoracic Surgery Clinic:** which apart from general thoracic surgery, also deals with throat and esophagus surgery. Moreover, a significant number of patients with lung cancer are operated, following tested protocols.



- **Plastic and Reconstructive Surgical Clinic:** this clinic realizes all Plastic, Reconstructive and Aesthetic surgical procedures. Specifically, Craniognathic Facial Surgical procedures are conducted for the correction of anomalies related to the cranio, face or jaws. Furthermore, stabilization of facial fractures or implemented as well as removal of benign or malignant tumors in the head and neck area. The Clinic also operates in Surgery of the upper limb as well as in Reconstructive Microsurgery.
- **Plastic Aesthetic Surgery and Laser Clinic:** which deals with general plastic surgery, rehabilitation of problems associated with accidents, burns, removal of tumors etc., as well as with aesthetic surgery in an effort to reconstruct aging symptoms. The clinic also operates significantly in the sector of applying surgical laser, either in conjunction with the classic methods of plastic surgery, or as stand alone therapy for the treatment of scars, for plastic surgery on lashes with laser and all other applications that lasers provide solutions to problems, which plastic surgery cannot provide.
- **Angiosurgical Clinic:** which operates in the area of intravascular surgery.
- **A' Gynecological Clinic:** which deals with the surgical rehabilitation of problems of the reproductive system, fertility problems, for which all modern therapies are provided, including In Vitro Fertilization, GIFT and Preimplantation Genetic Diagnosis. It also deals with the prevention – timely diagnosis and therapeutic treatment of all gynecological problems, which concern the female genetic system, having developed significant scientific activity in Gynecological Oncology.
- **Otorhinolaryngology Clinic:** which offers all the diagnostic, therapeutic and surgical services for any case and condition in such sensitive areas of the body. The clinic, amongst others, conducts aerodynamic measurements, endoscopic and stroboscopic examinations, audiogram and electronic palatography.

## 2.9. Scientific and Diagnostic Departments

Apart from the aforementioned clinics, several scientific and diagnostic departments also operate in HYGEIA S.A., for the higher-quality treatment of the patients – customers' needs. Such departments carry substantial equipment and have a significant contribution in the treatment of patients, while most of the departments have received the ISO certification for their high-quality services.

It is also worth noting that HYGEIA S.A. offers the unique for Greek standards Gamma Knife department. This department includes the most specialized machinery for the prompt diagnosis and correct treatment of chronic conditions and diseases.

Specifically, the scientific and diagnostic departments of HYGEIA S.A. are the following:

### • Central Laboratories

The Company's Central Laboratories are staffed by doctor Biopathologists, Biochemists, Biologists, manufactures and administrative staff and include the following departments, which operate on a 24 hour basis:

- hematology,
- blood donation,
- biochemical,

- microbiology,
- urodiagnostic
- urochemical

The Biochemical Department of the Central Laboratories is connected with the external quality control system National System of External Evaluation of Results Quality in Clinical Chemistry (E.S.E.A.P.), while the Microbiology Department is connected with the WHONET monitoring network and the external quality control program of the W.H.O.

All the central laboratory departments are subjected to a daily internal quality control with standard liquids, standard bacteria stems etc., while all the departments following the procedures of the N.C.C.L.S. (National Committee of Clinical Standards) and are connected with the quality control of the College of American Pathologists. Moreover, research projects of particular interest are conducted in the Company's Central Laboratories. The present subject of the research work concerns the control of anti-hematopetalic action of aspirine and research of B' Thalassemia.

The Central Laboratories' equipment includes, amongst others, five (5) over-automated biochemical analysts, two (2) fully automated Elisa systems and three (3) automated hematological analysts.

It is noted that the aforementioned department was certified by ISO 9001:2000 (ELOT) during April 2007.

#### • **Gamma Knife Department**

HYGEIA S.A. operates the only Gamma Knife in the country, a specialized equipment that treats brain conditions. Gamma Knife is the proposed therapeutic radiosurgical method for blood vessel defects, primary brain tumors or metastatic tumors, Parkinson, trigeminal neuralgia and epilepsies. According to international bibliography and experience, this therapeutic treatment is considered more effective than the respective microsurgical procedure.

Specifically, it is estimated that Gamma Knife:

- a) treats the aforementioned conditions with the most effective allocation of radiation at the targeted tumor and the neighboring healthy tissues, due to the advanced Gamma plan design system, which leads to the minimization of adverse complications, and
- b) treats the aforementioned conditions in very quickly and reassures the comparability of results on a global level, as the same protocol is followed everywhere with the results of treatments being discussed in the international community of Gamma Knife.

The Gamma Knife department of HYGEIA S.A. is excellently staffed by Neurosurgeons, Radiotherapists, Anesthesiologists.



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### • PET/CT Department

HYGEIA S.A. has the first PET / CT department that operated in Greece, which provides complete information as regards to the exact location, the magnitude, the character and the range of diseases in any part of the body.

The PET imaging is based on the apperception of the FDG radiomedicine, which is retained by hyper-metabolic tissues such as cancer cells. This allows the PET/CT to image the malignant tissue, before such can be visible by other methods.

The installed PET/CT in HYGEIA consists of a latest technology positron emission tomography (PET) with a Lutetium Oxyorthosilicate (LSO) detection crystal and a computerized tomography (CT), which allows full body examinations to be carried out in 30 minutes or less. The PET/CT constitutes a priceless instrument, with vastly multiplying clinical applications as regards to oncology (lung cancer, colon cancer, Lymphoma, Melanoma, breast cancer, esophagus cancer etc.), as well as to other areas (Neurology, Cardiology). The clinic is staffed by Nuclear Medicine doctors, Radiology doctors, Radiophysics, Radiation technicians, nursing and administrative staff.

It is noted that the department is certified by ISO 9001: 2000 (ELOT) from May 2006.

### • Check-Up Department

The Preventive Pre-symptomatic Check-Up department is staffed by Pathologists and Cardiologists, nursing staff and realizes general clinical-laboratory examinations, blood check-ups, gynecological check-ups, health tests of newly hired employees and special patient check-ups, such as cardiologic, high-pressure and orthopedic-rheumatologic.

### • Pathologic-anatomic Laboratory

The Pathologic-anatomic Laboratory mainly implements tissue examinations. Specifically, any disease that induces damage to any part of the organization can be diagnosed by a histological examination as long as part of the damage is extracted and sent to the specific laboratory. Apart from usual histological tests, the department conducts immune-tissue chemical tests on tumors, for the definition of hormonal receivers and prognostic factors, in situ hybridization for detecting viruses and DNA measurement for tumors of all organs with the CAC-200 Image analysis system.

### • Nuclear Medicine Laboratory

The Nuclear Medicine Laboratory is divided into:

- the IN VIVO section – which includes 2 gamma – PICKER cameras, one with two heads and one with three heads, which are also unique in Greece and handle static, tomographic and dynamic scintigraphies.
- the IN VITRO section, which deals with hormonal tests, tests for type A and B hepatitis, Shilling Tests as well as cancer indicators.

The department is staffed by Nuclear doctors, Radio-physics, Radiopharmacists and Nuclear medicine technologists, as well as by administrative staff.

- **Breast Center**

The Breast Center deals with the preventive examination, diagnosis and surgical treatment of breast conditions. The center cooperates with highly specialized Sergeants and operates in close cooperation with the imaging and laboratory departments of HYGEIA S.A.

- **Breast Imaging Department**

The department is equipped with a mammogram and a specialized breast ultrasound-tomography, for the prompt diagnosis and monitoring of relevant problems. It is staffed by Radiologists specialized in Mammograms and Radiation technologists.

- **Tomography Laboratory**

The Computerized Tomography Laboratory's activity consists of conducting computerized tomographies of the entire human body, the conduction of dynamic research with vast incision sequences and immediate reconstruction of images in real time. Additionally, the laboratory conducts computerized angiographies of the brain, central and peripheral vessels of the body, with computerized coronary angiography and three dimensional computerized tomographies, stereotactic biopsies and measurements of bone density.

The laboratory is equipped with two highly modern computerized tomographs (Siemens) and its high quality services have been certified by ISO 9001: 2000 (ELOT) since April 2005.

- **Radiodiagnostic Laboratory**

The Radiodiagnostic Laboratory deals with classic radiological X-ray tests, which are printed on common radiographic films. This way, the bones, lungs, kidneys and other parts of the body are depicted. The Radiodiagnostic Laboratory also conducts tests on the esophagus, stomach, colon and the biliary system, myelographs, panoramic and dental x-rays, ascending bladder cystographies etc., The laboratory is equipped with three (3) radiological digital systems, one (1) radiosopic digital machine, four (4) portable radiological machines and two (2) portable radiosopic (C-ARM) for use in surgery.

- **Laboratory of Haemodynamic Procedures, Interventional Cardiology, Interventional Neuroradiology and Interventional Radiology**

The Haemodynamic Procedures Laboratory consists one of the most advanced applications of the medical science. This department conducts diagnosis of cardiovascular conditions and makes decisions on the type of procedure that should be applied.

The Interventional Radiation Laboratory is a pioneering laboratory in Greece, the unique in the country which meets the requirements of the Hellenic Central Health Council (KESY). The laboratory applies modern methods for diagnosis and treatment of vascular conditions in the brain and spinal cord (aneurisms, arteriovenous dysplasia, vascular tumors), which are treated with angiographic techniques.

The laboratory, equipped with three (3) digital angiographs of latest technology, 3D Angiography, anesthesia machines etc., conducts all the interventional diagnostic and therapeutic activities



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(embolism of any organ, angioplastics with balloons and stents, placement of filters etc.) as well as electrophysiological tests.

The laboratory is staffed by Cardiologists from Interventional Cardiology, Neurosurgeons, Neuroradiologists, Radiation technologists, specialized nursing staff and administrative staff.

#### • **Center for Radiotherapeutic Oncology**

Radiotherapeutic Oncology is one of the basic methods followed for treating neoplastic conditions apart from surgery and chemotherapy. This specific therapy method requires, maybe even more than any other method, the support from complex and expensive machinery as well as from powerful computers and modern know-how, which the Company has.

The center's equipment includes three (3) Linear accelerators, one (1) therapy Simulator, Cobalt unit, HDR Brachytherapy unit, immobilization means and blocks construction laboratory, and external radiotherapy beam design computer. At the same time, the department is staffed by doctors Radiotherapists, Oncologists, Radiophysics, Radiation technologists specialized in Radiotherapy and by nursing and administrative staff. The department is the 1st in Greece that has been certified by ISO in Health Services.

#### • **Cytology Laboratory**

The Cytology Laboratory is one of the Company's basic laboratories. It conducts tests on materials of various origins that aim both at diagnosis and at prevention of neoplastic and other conditions. Additionally, the laboratory conducts DNA analysis and other special tests. The laboratory has been supplied with the new technology THIN – PREP machine, which provides the ability to retrieve high resolution samples.

#### • **Physiotherapy and Rehabilitation Department**

The Company's Physiotherapy and Rehabilitation Department, covers inpatients as well as outpatients. The department's techniques contribute to the doctors' overall effort for rehabilitation and quick recovery of patients. The department is equipped with Physiotherapeutic equipment (Laser, CPM, Magnetic Fields, TENS etc), equipment of special instrumental kinesitherapy and neuromuscular rehabilitation equipment (biofeedback etc). Apart from the overall Physiotherapeutic techniques, the department also provides occupational therapy and speech therapy services as well as the cardiac rehabilitation program for those who have had cardiac surgery and for those with heart conditions.

#### • **Clinical Neurophysiology Laboratory**

This department conducts Electromyographies, Electroretinographies, Visual Evoked Responses (visual, acoustic etc), Electroencephalographs, brain mapping with a 24hour recording etc. The department is staffed by Neurologists, specialized technologists and by administrative staff.

#### • **Gastroenterological Department**

The department is one of the most modern in the country, including five (5) rooms with specialized endoscopic equipment and one (1) room with a radioscopy machine with conducts diagnostic and therapeutic endoscopies (gastrosopies, colonoscopies and enteroscopies), endoscopic ultrasounds, diagnostic approach of the small intestine with Endoscopic capsule as well as operational gastroenterological tests such as esophageal manometry and pH test, H<sub>2</sub> breath tests etc.





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specially trained nursing staff, which is in a position to handle any case. The outpatient department is also reinforced by fully equipped ambulances that operate also as Mobile Cardiologic Units.

#### • **Ophthalmology Center**

The Ophthalmology Center is equipped with the most modern ophthalmological equipment and conducts the overall ophthalmologic diagnostic tests and procedures. The center is staffed by Ophthalmologists, ophthalmology technologists and by administrative staff.

#### • **Abdominal Ultrasound Department**

The Abdominal Ultrasound Department includes colored high resolution ultrasound tomographs with particular diagnostic speed and it conducts upper and lower abdominal tests, intravaginal ultrasound, vascular, breast, myoskeletal ultrasounds etc. The department also conducts organ biopsies with the help of ultrasound tomography.

#### • **Cardiac Ultrasound Department**

The Cardiac Ultrasound Department, which has two (2) modern colored ultrasound tomographs, conducts tests such as colored cardiac Doppler (triplex) for the examination of the morphology and operation of the heart, ecocardiographies for endocardiac conditions, operation of prosthetic valves etc, and stress echo cardiographs for the identification of problems in the myocardium. The department is staffed by Cardiologists specialized in ultrasound tomography and by administrative staff.

#### • **Oran Implants and Periontology Department**

This department, in cooperation with the I.T.O.I. (International Team of Oral Implantology) and the University of Verne, conducts research programs and at the same time operates as a hospital unit for dental treatment of patients with particular health problems. Gnathosurgical and periontology problems can be treated in this department together with the placement of implants. The department is staffed by Gnathosurgeons and Periontologists, Anaesthesiologists and administrative staff.

#### • **One-Day Surgery Unit**

The one-day surgery units operated initially in a specially designed area in 1992 and since then constitute an innovative service in the health sector. Surgical procedures are conducted in an excellently organized area that was designed based on high international standards. The six surgical rooms in the area, include latest technology medical machines, which together with the specially designed recovery area, provide high security and comfort. The procedures conducted in the One-Day Surgery Unit concern almost all cases such as ophthalmology, otorhinolaryngology, urology, gynecology, orthopedics etc.

#### • **Home Care Department**

HYGEIA S.A.'s mobile units are stand-by on a daily 24hour basis, aiming at the immediate response to the needs of home-cared patients as well as of any other call (tel. 1051) for immediate medical health within the Attica region. The mobile units consist of one doctor, one nurse and an orderly and include full diagnostic equipment, health and pharmaceutical materials. Additionally, through the use of Telemedicals, the information collected in the patient's file regarding his/her condition, may be sent to doctors of different specializations and a medical opinion can be formed by distance.



### • Gynecology Department

The Gynecology Department mainly deals with the preventive examination of women. It is equipped with latest technology machines and is staffed by specialized Gynecologists and nursing staff.

### • Neurodegenerative Brain Diseases Research and Therapy Department

The Department deals with the diagnosis, therapy and research of brain diseases such as Alzheimer and Parkinson disease. The department includes a Memory Department and is staffed by Neurologists, Psychiatrists and a specialized Psychologist.

### • Urodynamic Department

The Department deals with the research and therapeutic treatment of malfunctions of the lower urinary system, which are due to damages of the system itself and to neurological conditions, trauma or affiliate anomalies.

## UNITS THAT OPERATE IN HYGEIA S.A. AND PROVIDED SERVICES:

### • Lithotripsy Unit

The Lithotripsy Unit is equipped with the MFL 5000 (Dornier) machine for the treatment of stones in the urinary system with effectiveness that reaches 90-95%.

### • Magnetic Tomography Unit

The Magnetic Tomography Unit's activity consists of conducting magnetic tomographies, namely the reception of imaging, without the use of X-rays, on any axis, with the use of the magnetic field and the help of a computer. The laboratory is equipped with two magnetic tomographs (0.5 and 1.5 Tesla Philips) and conducts, apart from the classic magnetic tomographies, angiographies of the entire body, mammographs, cholecystographies and diffusion and filtration tests in order to reveal even the smallest damages in the brain. The high quality services provided by this department have been certified by ISO 9001: 2000 (ELOT).

### • Kidney Unit

The objective of this Unit is the integrated approach to kidney rehabilitation. Moreover, there is also a research department whose main activity is the research of pathogenetic mechanisms of diseases that are mainly related to kidney function. The Company's kidney unit is excellently equipped as regards to medical equipment, it is housed in modern building facilities and maintains 28 hemodialysis machines.

### • Aesthetic Surgical Laser Units

These Units realize treatments of hypertrichosis and removal of tattoos. The therapy is painless and does not present complications. Additionally, the units conduct aesthetic surgery procedures such as treatments of skin conditions, eyelash plastic surgery and hair transplants.

### • Prostate Brachytherapy Unit

This Unit conducts radiotherapy activities for the treatment of prostate. The existence of a modern Radiotherapeutic Center with a Brachytherapy Unit, allows the implementation of pioneering



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methods with the use of radiation. The therapy provided by the department is realized within one day, during which the patient may also be released from HYGEIA S.A.

### • Obesity – Metabolism Malfunction – Endocrinology Unit

Obesity (the excessive increase of fat in the body) constitutes one of the largest health problems internationally. Apart from psycho-social problems that are created, it also induces somatic disorders, increasing the possibilities for serious diseases. For this reason, the Company created the department, in order to scientifically face the problems associated with obesity.

### • Ophthalmological Myopia Laser Unit

The unit includes a Myopia Laser complex and conducts procedures with correct myopia with Laser.

## 2.10. Quality Management Program

Hygeia has adopted a Quality Management Program from 2003. All efforts to improve the quality of the Hospital's services have been submitted, are monitored and developed through the Program. Such efforts may consist of internal monitoring and improvement of services, or certification or accreditation, namely the achievement of a certification by a third party.

For the monitoring and improvement of clinical operations, **Committees (CM) & Work Forces (WF)** operate, each with a different objective, aiming primarily at research, analysis and commenting on issues that concern their specific interest, with the intension of both solving clinical issues that emerge and of promoting services to new, higher-quality standards.

The coordination and supervision of CM and WF takes place by the **Quality Council (QC)**, which sets the strategies on quality issues and defines specific objectives, measurements and priorities. Moreover, it also monitors the compliance with regulations, both of the Hospital and the Greek Legislation in effect.

The Committees and Work Forces, through the Quality Council, work together with the Hospital's other units (Scientific Board, Department Directors, other Scientific Committees etc.) for the resolution and improvement, with the best possible consensus and the broader possible implementation range.

### QUALITY COMMITTEES & WORK GROUPS THAT OPERATE IN HYGEIA:

1. **Committee for Disease Control.** Its objective is to develop, maintain and continuously improve the disease control procedure of HYGEIA, to reduce the percentage of infectious diseases, to control and prevent hospital diseases, resistive micro-organisms, and the exposure of employees to pathogens transmitted through blood.
2. **Committee for Health Information Management.** Its objective is to evaluate and improve the composition and the completeness of the medical file and the prompt and correct availability of the patient's information.
3. **Risk Management & Security Committee.** Its objective is the definition, recording and reduction of risk by increasing at the same time the provision of security towards patients, families and employees of the hospital, as well as the coordination of all efforts for the evaluation and improvement of security issues.

4. **Medication Committee.** Its objective is the evaluation of the use of medicines, the management and security of medication and the continuous improvement of the pharmacy's operation.
5. **Surgery Committee.** Its objective is to propose and implement rules and policies for the effective operation of the Surgery, in order to provide secure and high-level surgical care to patients.
6. **Clinical Care Committee.** Its objective is the development of a plan and criteria for the most effective Clinical Care of patients, in a way that improves clinical results.
7. **Anesthesiologists Committee.** Its objective is to develop, maintain, and continuously improve the secure provision of anesthesia to patients, irrespectively of degree of such or where it is provided.
8. **Laboratory Work Force.** Its objective is to develop a cohesive way of providing Laboratory services, which will combine the faster and more secure transfer of patients with the best possible clinical results.
9. **Radiation Work Force.** Its objective is to develop an implementation and test system of Radiodiagnostic / Radiotherapeutic services, which will reassure direct, secure and reliable results for the clinical evaluation of patients.

All the aforementioned are realized through recorded procedures, regular compliance checks with the procedures and implementation of interventions for the optimization and development of the quality of care provided by HYGEIA.

## 2.11. Research programs and development of new services

HYGEIA S.A., understanding the continuously increasing needs in the health sector for continuous research and development, considers the promotion of medical research as one of the most basic operations an integrated diagnostic and therapeutic center should develop. In this context, it has gone forward with the establishment and operation of the molecular biology research center "Antonis Papagiannis".

The objective and the secondary objectives of the aforementioned Research Center, are the following:

- The contribution to the research activities of the Greek and global scientific community and
- The development and promotion of Molecular Biology both in the sector of prevention and in the diagnostic and research sector, with the prospect of faster and more complete utilization of the recent results and progress in Molecular Biology, for the benefit of the total society.

The HYGEIA "Antonis Papagiannis" Molecular Biology Research Center, implements research programs related to oncology (metastasis, genetic tendency for neoplasia), senile decay, and molecular biology of viruses and bacteria.

Indicatively, the following continued gene mutation monitoring programs are presented:

- Familial Adenomatous Polyposis Coli, FAP. In this program, mutations of the gene APC in members of families with Familial Adenomatous Polyposis Coli are examined.
- Hereditary nonpolyposis colorectal cancer (HNPCC). This program examines mutations of MMRG genes in family members with nonpolyposis colorectal cancer.



- Hereditary breast and ovary cancer. This program examines mutations of BRCA1 and BRCA2 genes in families with a history in breast/ovary cancer.

The financing of the research programs takes place by HYGEIA S.A., by competitive research programs, by private research programs and by the Center's resources (donations).

In 2007, HYGEIA went forward with the **establishment of a new company with the name STEM-HEALTH S.A., in order to develop a stem cell bank network** in Greece and the countries of Eastern Europe and the Middle East. The company was established jointly with the companies Euroadvisors S.A. and the British company Minmax Health Ltd., **with the following shareholding structure: 50% "Hygeia S.A.", 25% Euroadvisors S.A. and 25% Minmax Health Ltd.**

**The agreement creates the exclusive cooperation for 23 countries** with one of the oldest and largest stem-cell cord blood banks of the USA, New England Cord Blood Bank Inc., from Boston. Specifically, the cooperation includes **exclusivity in the use by STEM-HEALTH S.A. of the technology of New England Cord Blood Bank Inc. as regards to storing stem-cells, utilizing research results as well as cooperation in research for new medical applications.**

The development plan of STEM-HEALTH S.A. aims at creating stem-cell banks in Greece and other countries, through which the opportunity will be provided for parents to store the stem-cells of their children when born in their own country for a period of 20 years, simply and painlessly with the removal and processing of blood located in the umbilical cord of the newborn. Today, cord blood stem cells are widely used to restore the hematopoiesis and immune system of patients that have undergone chemotherapy or radiation. Until today more than 6,000 stem cell transplants have taken place worldwide with compatible donors suffering from leukemia, genetic or neoplastic diseases.

## 2.12. Analysis of Turnover per Category of Services

HYGEIA S.A., operating in the sector of first and second degree health care, continuously expands the range of offered diagnostic and interventional services as it establishes new diagnostic departments, laboratories and clinics, reinforcing at the same time the existing facilities.

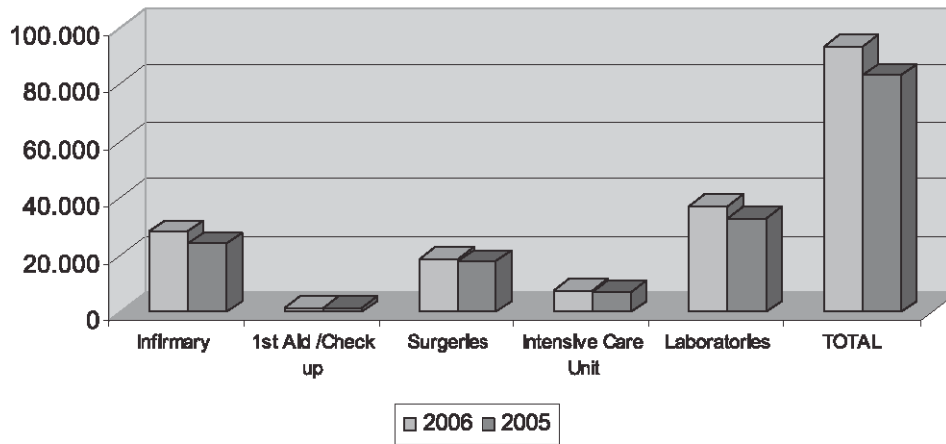
The following table presents the structure of the Company's turnover per category of provided medical service, for the two-year period 2005-2006 as well as respective graphs:

EVOLUTION OF TURNOVER 2005-2006 PER MEDICAL SERVICE

MEDICAL SERVICES (amounts in thousand €)	2006		2005	
	AMOUNT	%	AMOUNT	%
Infirmary	28,410	30.3%	24,086	28.9%
1 <sup>st</sup> Aid /Check up	1,635	1.7%	1,446	1.7%
Surgeries	18,708	20.0%	17,733	21.2%
Intensive Care Unit	7,567	8.1%	7142	8.6%
Laboratories	37,319	39.9%	33,046	39.6%
<b>TOTAL</b>	<b>93,639</b>	<b>100.0%</b>	<b>83,453</b>	<b>100%</b>

\* Possible differences in summation of the table's data are due to rounding.

**EVOLUTION OF TURNOVER 2005-2006 PER MEDICAL SERVICE**



According to the above, the Company's turnover for 2006 amounted to € 93,639 thousand, thus presenting an increase of approximately 12.2% compared to 2005.

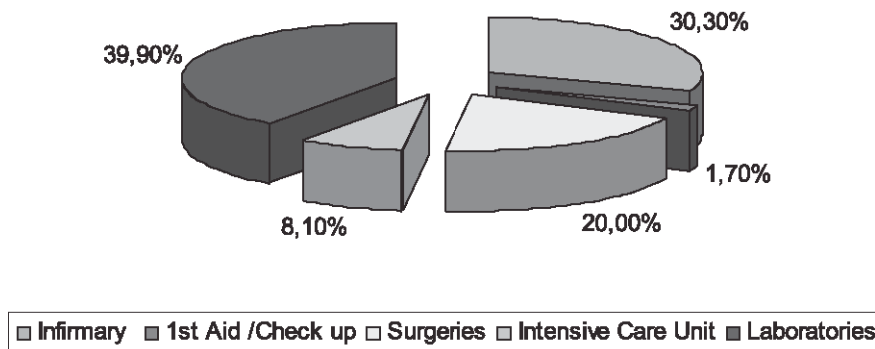
Specifically, the infirmary posted an increase of 18%, a fact that emerged from the increase of hospitalization days. Turnover from 1st Aids and Check-ups increased by 13.1%, remaining however at low levels as a percentage of the Company's total turnover (1.7%).

The Company's turnover from surgeries during the period presented an increase of approximately 5.5%, while turnover from the intensive care unit posted an increase of approximately 6%.

The operation of laboratories represents the largest portion of the Company's turnover, posting an increase of approximately 13%, a fact which reflects both the laboratories' dynamic and their future upward trend.

Following, a graph of the turnover structure of HYGEIA S.A. for fiscal year 2006, is presented.

**Turnover Breakdown**



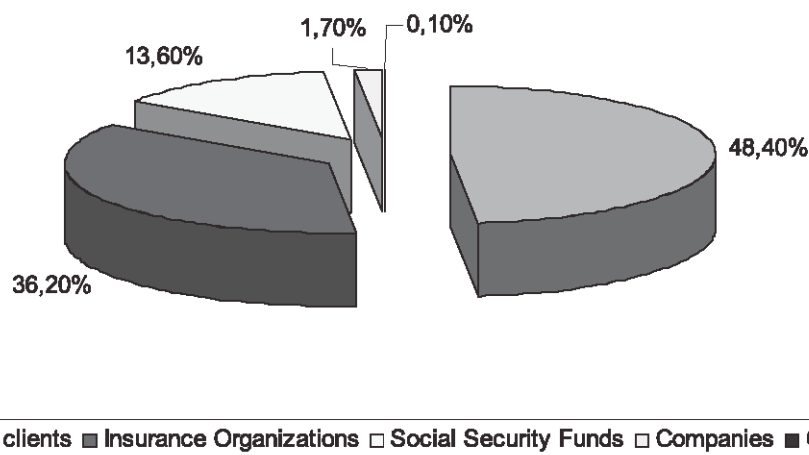
The Company provides its services to both private patients – clients and to patients – clients covered through cooperating public insurance funds and insurance organizations. Furthermore, such clients are divided into internal and external clients, namely patients that remain in HYGEIA S.A. for hospitalization and patients which are treated by HYGEIA S.A. without being admitted to such.

The following tables present the structure of the Company's turnover per category of clients for the period 2005-2006:

STRUCTURE OF TURNOVER PER CATEGORY OF CLIENTS

MEDICAL SERVICES (amounts in thousand €)	2006		2005	
	AMOUNT	%	AMOUNT	%
Private customers	45,362	48.4%	41,232	49.4%
Insurance organizations	33,860	36.2%	28,583	34.3%
Social security funds	12,693	13.6%	12,549	15.0%
Companies	1,587	1.7%	989	1.2%
Other	137	0.1%	100	0.1%
<b>TOTAL</b>	<b>93,639</b>	<b>100.0%</b>	<b>83,453</b>	<b>100%</b>

\* Possible differences in summation of the table's data are due to rounding.



As depicted in the above tables, private customers constitute the main volume of HYGEIA S.A.'s clients. The Company's turnover from the provision of medical services to private customers increased by 10% during 2006, continuing thus to correspond to approximately 49% of annual turnover.

Insurance Organizations, with which the Company cooperates, constitute the second largest category of customers and refer to domestic and foreign insurance organizations. For 2006, Insurance Organizations constituted 36.2% of the Company's total turnover, presenting thus an increase of 18.4%.

The third largest category of HYGEIA S.A.'s customers corresponds to Social Security Funds, which represent approximately 13.6% of the Company's total turnover for 2006, and which posted an increase of 14.7%.

The following tables present the allocation of HYGEIA S.A.'s turnover per internal and external patients – customers and per category of customers:

ALLOCATION OF TURNOVER PER CATEGORY OF CUSTOMERS AND TYPE OF HEALTH CARE

CUSTOMER CATEGORY (amounts in thousand €)	2006		
	Internal patients	External patients	Total
Private customers	34,148	11,214	45,362
Insurance organizations	31,922	1,938	33,861
Social security funds	12,006	687	12,693
Companies	1,250	336	1,586
Other	94	43	137
<b>TOTAL</b>	<b>79,420</b>	<b>14,219</b>	<b>93,639</b>

ALLOCATION OF TURNOVER PER CATEGORY OF CUSTOMERS AND TYPE OF HEALTH CARE

CUSTOMER CATEGORY (amounts in thousand €)	2005		
	Internal patients	External patients	Total
Private customers	32,200	9,032	41,232
Insurance organizations	27,128	1,455	28,583
Social security funds	11,719	830	12,549
Companies	705	284	989
Other	79	21	100
<b>TOTAL</b>	<b>71,831</b>	<b>11,622</b>	<b>83,453</b>

\* Possible differences in summation of the table's data are due to rounding.

It is worth noting that turnover from external patients – customers increased by 22.3% during 2006 compared to 2005, increasing at the same time the participation of this category in the total turnover from customers, as such amounted to 15.2% for 2006 compared to 13.9% during the previous year.

Finally, it is noted that no individual customer of the Company constitutes a percentage high than 10% of the total provided medical services. Consequently, there is no significant dependence on specific customers.

## 2.13. Suppliers

HYGEIA S.A. has entered into cooperation agreements with several companies, for the provision of materials required to realize its activities. In detail, the Company's basic suppliers are the following:

- **Health Materials:** ALAN MEDICAL S.A., VAMVAS IOANNIS S.A., OMICRON MEDICAL S.A., BIOCOSMO S.A., ROCHE S.A., BIODYNAMIC S.A., etc.
- **Medical Equipment and Machinery:** JOHNSON & JOHNSON HELLAS S.A., PHILIPS HELLAS MEDICAL SYSTEMS S.A., SIEMENS S.A., GENERAL ELECTRIC, PAPAPOSTOLOU NIKOS S.A. PROTON S.A. etc.
- **Hospital Cleaning:** ISS SERVISYSTEM S.A.



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- **Machinery Maintenance:** PHILIPS HELLAS MEDICAL SYSTEMS S.A., SIEMENS S.A., PAPAPOSTOLOU NIKOS LTD, PROTON S.A., etc.
- **Patient Nourishment:** THALYSSIA CATERING – GENERAL CATERING S.A.
- **Radiological Material:** AGFA GEVAERT S.A., SIEMENS S.A. and PHILIPS HELLAS MEDICAL SYSTEMS S.A., BOSTON SCIENTIFIC HELLAS S.A., etc.
- **Special Medical Material:** ALAN MEDICAL S.A. BOSTON SCIENTIFIC HELLAS S.A., AKTIS MEDICALS S.A., LADAKIS S.A., KARAGIANNIS N. PETROS S.A., HIMED SOLUTIONS LTD, ORTHOMEDICAL S.A., VAMVAS IOANNIS S.A., etc.
- **Heating Oil:** AVIN OIL S.A.
- **Oxygen and Medical Gases:** ELVIA G.P.
- **Constructions and Works:** TH. PAPAGIANNIS & ASSOCIATES S.A., IEM ENTERPRISES S.A., MJF GAS Ltd., AIRCOM S.A. and VEREMIS S.A.
- **Pharmaceuticals:** E. MITROPOULOU & SIA LTD
- **IT Programs:** IBM HELLAS A.E., ATKOSOFT S.A. and SAP HELLAS S.A.

The company is not dependent on specific suppliers, as there is no supplier which represents a percentage larger than 10% of the total purchases for 2006, with the exception of ALAN MEDICAL S.A., which is a 100% subsidiary of HYGEIA S.A.

It is noted that the supply of the Company's medical materials from ALAN MEDICAL S.A., corresponds to a clearly commercial trade for which no written type of contract is needed (purchase of products from the free market) and each time transactions are carried out according to the market's terms.

In any case, the Company, due to its multiyear experience in the sector, has the ability to replace its existing supply sources with new ones and with the same terms.

## 2.14. Fixed Assets

Land-plots and building facilities

The Company's self-owned land-plots are briefly described below:

- a) Land-plot with an area of 11,107 sq.m., in Marousi (Kokkina Chomata or gefyrakia position),
- b) Land-plot with an area of 1,555.80 sq.m. adjacent to the aforementioned land-plot (a) at the Kokkina Chomata or gefyrakia position,
- c) Land-plot with an area of 2,050 sq.m., adjacent to the aforementioned land-plots (a,b) at the Kokkina Chomata or gefyrakia position,
- d) Land-plot with an area of 2,026 sq.m., adjacent to the aforementioned land-plots (a,b,c) at the Kokkina Chomata or gefyrakia position,

Specifically, on the first land-plot of 11,107 sq.m., the Company has constructed a multi-storey building which consists of fifteen (15) over-ground floors and two (2) under-ground floors, with a total area of 30,144 sq.m.. This building houses HYGEIA S.A. operations.

The building facilities as well as the subsequent expansions of HYGEIA S.A.'s facilities in Marousi (4 Erythrou Stavrou Str. & Kifisias Ave.), have been constructed legally according to the License No. 1350/16.02.1972, by the Athens Building Division and the Revision Deed Nos. 10959/06.10.1972 and 5868/25.02.1992, which approved the construction of three additional stories and the modification of the use of the A' Basement and the buildings layout. Following, with the License Nos. 76/01.06.1981 and 80/30.05.1984 by the Athens Building Division, permission was provided for the construction-addition of an Underground Car Par, as such was amended by the Revision No. 2441/87 of the Building Division, thus approving the modification of the underground floors to storage and auxiliary areas.

Furthermore, HYGEIA S.A. also owns a store in the Municipality of Halandri, with a total area of 79.2 sq.m., which has been leased for the operation of a pharmacy.

Also, HYGEIA S.A. owns several spaces within its building facilities, which are offered for renting in order to enhance its income from received leases on the one hand, and to provide additional services to customers – patients and visitors on the other.

It is noted that according to the submitted each year real estate tax statements, the area in which the Company's land-plots are located has not yet been included in the system for the objective evaluation of property.

HYGEIA S.A. appointed an independent appraisers company to conduct an evaluation of the land-plots and buildings' value as at 31.12.2003 (transition date to the International Financial Reporting Standards – IFRS). The estimations were based on appropriate valuation methods according to the nature and the use of the estimated fixed assets. The basic estimation methods used are the following:

- The utilization method for land-plots
- The income capitalization method for the building
- The property-market method for the store

Based on the exception provided by IFRS 1, in the opening balance sheet of 31.12.2003, the Company used the fair value as the opening cost for land-plots and buildings, as such was defined according to the above. The surplus of the readjustment that emerged, was registered in profit carried forward.

A detailed description of the aforementioned amounts, is presented in the notes on the financial statement of fiscal year 2006.

It is noted that until 31.12.2006 there were no collateral assets written on HYGEIA S.A.'s fixed assets.



## 2.15. Insurance Contracts

HYGEIA S.A. has signed the following insurance contracts for its fixed equipment and facilities with the Insurance Organization "ALLIANZ Societe Anonyme of General Insurance":

No.	INSURED FEATURE	INSURANCE COMPANY	CONTRACT NUMBER	MATURITY DATE OF CONTRACT	PARTICIPATION PERCENTAGE %	INSURED CAPITAL (in million €)
1.	Fire, Natural phenomenon, Earthquakes etc.	ALLIANZ	22.001.891	31/12/06	100%	56.48
2.	General Civil Responsibility towards Third Parties & Professional Civil Responsibility	ALLIANZ	20.000.185	1/1/07	100%	0.32
3.	General Civil Responsibility towards Third Parties & Professional Civil Responsibility	ALLIANZ	20.001.282	1/1/07	100%	0.04
4.	Coverage for Employee & Money Transfer Trust	ALLIANZ	22.001.985	31/12/06	100%	0.03
5.	Life, Accidents and Health	ALLIANZ	1019	31/12/06	100%	-
<b>TOTAL</b>						<b>56.87</b>

Total insurance premiums for fiscal year 2006 amounted to approximately € 540 thousand.

During 2007, the company went forward with a renewal of the contracts.

No.	INSURED FEATURE	CONTRACT NUMBER	INSURANCE COMPANY	PARTICIPATION PERCENTAGE%	MATURITY DATE OF CONTRACT	INSURED CAPITAL (in million €)
1	Fire, Natural phenomenon, Earthquakes etc.	22005296	ALLIANZ	50	31/12/2007	36.5
			ETHNIKI	50	31/12/2007	36.5
2	Loss of profit	22005296	ALLIANZ	50	31/12/2007	27.5
			ETHNIKI	50	31/12/2007	27.5
3	Life, Accidents and Health	1019	ALLIANZ	100	31/12/2007	
4	General Civil Responsibility towards Third Parties & Employer Civil Responsibility	14/20006253	ALLIANZ	100	1/4/2008	1
5	Vehicles	from 20190287 to 20190297	ALLIANZ	100	31/12/2007	0.5 + 0.1
6	Responsibility of Management Executives	24/20006282	ALLIANZ	100	1/4/2008	5
7	Professional Civil Responsibility of Doctors	20001282	ALLIANZ	100	30/6/2007	0.04
<b>TOTAL</b>						<b>136.64</b>





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## Priorities

The priorities as regards to the evaluation, appointment and supply of the biomedical equipment included in the plan, are defined according to the following criteria:

- The age and operational level of existing equipment
- The provision and application of innovative medical-technological products
- The availability of areas where the supplied equipment will be established, taking into account that part of the investment plan refers to the improvement or re-construction of building infrastructure or modification of the use of such
- Other factors, which during the management's evaluation are required to be taken into account in each case

Until today, supply procedures for a total value of approximately 1.2 million euro have been completed, while it is estimated that until the end of March 2007 the supply of medical equipment budgeted at approximately 7 million euro will have been appointed. The implementation of the total investment plan will be completed in any case before the end of the current year.

From the evaluation of information until today, it is concluded that the evaluation and negotiation procedures followed by the Supply Division reassured significant economic benefits for the hospital.

We also consider that it has been made clear to the suppliers market that our actions take place under absolute transparency rules and that the only criteria for our choices is the interest of the hospital we represent.

HYGEIA S.A., understanding the trends and challenges in the private health sector and with the provision of the most integrated and modern health services as its principle, considers the adoption of an extensive and continuous investment policy essential and necessary.

The investments carried out each year by HYGEIA S.A., aim amongst others, at meeting the new scientific levels of medical science each time and at the more rapid servicing of its patients – customers, thus contributing to both the continuous qualitative course of HYGEIA S.A. in the provision of private sector hospital services and in the further substantial increase of the Company's income and profitability.

The realization of a complete investment policy will result in the expansion in new hospital sections, the increase in the number of provided services, the increase of productiveness due to the upgrading of existing activities and finally in the expansion of the market share held by HYGEIA S.A.



## 2.17. Information regarding the Company's shareholders, management and employees

### Shareholders

The Company's shares were listed on the Main Market of the Athens Exchange on 07.06.2002. Today, the shares are traded in the Large Capitalization category.

The shareholding structure, according to the most recent announcements of P.D. 51/1992, is presented in the following table (Shareholders Registry as at 10/4/2007):

SHAREHOLDER	NUMBER OF SHARES	% OF TOTAL
MARFIN CAPITAL S.A.*	17,081,655	26.61%
Ioanna Arvanitou	9,328,363	14.53%
Broad Investment Community	37,789,982	58.86%
<b>TOTAL</b>	<b>64,200,000</b>	<b>100.00%</b>

\* MARFIN CAPITAL S.A. is a subsidiary of MARFIN FINANCIAL GROUP S.A.

The following table presents the dispersion of shares according to the most recent announcements of P.D. 51/1992:

RANGE	SHAREHOLDERS		SHARES	
	NUMBER	%	NUMBER	%
1-100	529	7.26%	32,515	0.05%
101-200	578	7.94%	98,166	0.15%
201-500	1,406	19.30%	540,165	0.84%
501-1.000	1,840	25.26%	1,504,238	2.34%
1.001-10.000	2,240	30.75%	7,976,710	12.42%
10.001 – 1.000.000	486	6.67%	21,979,120	34.24%
1.000.001 and above	5	0.07%	32,069,086	49.95%
<b>TOTAL</b>	<b>7,284</b>	<b>100.00%</b>	<b>64,200,000</b>	<b>100.00%</b>



## Management – Operations Division

HYGEIA S.A., according to article 9 of its Articles of Association, is managed by a 13-member Board of Directors, which was elected by the Extraordinary General Meeting on 27.09.2006 and was formed to a body on 27.09.2006 with the following structure:

NAME	BoD POSITION	CAPACITY	ADDRESS
Andreas Vgenopoulos	Chairman	Lawyer, Graduate of the Athens University Law School	10 Parnithos Str., Ekali
Themistoklis Charamis	Vice-Chairman	Economist, Graduate of the Athens University of Economics and Business	15 M. Renieri Str., Filothei
Paschalis Bouchouris	Chief Executive	Economist, Graduate of the Officer Piraeus University	40 Thermopylon Str., Vrilissia
Areti Souvatzoglou	Executive Member	Head of Human Resources of the MARFIN FINANCIAL GROUP	10 Parnithos Str., Ekali
Anthony Rapp	Executive Member	Administrative Manager of HYGEIA S.A.	48 Kynourias Str., Ano Glyfada
Aikaterini Leventi	Executive Member	Legal Consultant	34 Varnis Str., N. Smyrni
Anastasios Kyprianidis	Executive Member	Business Consultant	6 Ag. Apostolon Str., Ymittos
Christos Maroudis	Non-Executive Member	Obstetrician Gynecologist Doctor	44 Solonos Str., Athens
Fotios Karatzenis	Non-Executive Member	Lawyer, Graduate of the Athens University Law School, LL.M Post-Graduate and Dr. Jur Phd	24 Kifisias Ave., Marousi
Vasilios Seitanidis	Non-Executive Member	Doctor, Graduate of the Athens Medical School, Phd holder	3 Evripidou Str., Filothei
Nikolaos Damigos	Non-Executive Member	Lawyer, Graduate of the Thessaloniki University Law School	15 Filikis Etaireias Square
Alexandros Edipidis	Independent Non-Executive Member	Hotel Enterprises Management Graduate	24B Kifisias Ave., Marousi
Konstantinos Los	Independent Non-Executive Member	Post-Graduate Degree Holder of an Economics (M.A.) and Mechanical Engineer (M.S.)	23 Papagou Str., Ekali

The term of the aforementioned BoD is annual, namely until 27.09.07.

The BoD includes six (6) non-executive members from which two (2), namely Mr. Alexandros Edipidis and Mr. Konstantinos Los, are independent non-executive members, as stipulated by the provisions of L. 3016/2002.

According to the Company's Management, it is noted that the Company has fully complied with the requirements and conditions of L. 3016/2002 regarding corporate governance.

Moreover, according to article 42 of the Company's Articles of Association, the Board of Directors responsibility in cases of scientific issues that refer to its operation, provided health care, participation in scientific conferences, election of Scientific Directors of Departments and ethics rules, is supported by the Scientific Board, which consists of five-members and is appointed by the Board of Directors.

The structure of the Scientific Board comprises of doctors with established status and trust. The members of the Scientific Board receive no remuneration for the participation in such.



The present Scientific Board was formed to a body on 06.05.2005 and its composition is as follows:

- Mr. Vasilios Seitanidis, Chairman, Head of Hematology Clinic
- Mr. Kosmas Iliadis, Vice-Chairman, Head of Thoracic-surgical Clinic
- Nr. Nikolaos Vakalis, Member, Head of Central Laboratories
- Mr. Konstantinos Georgilis, Member, Head of B' Pathology Clinic
- Mr. Charalambos Paskalis, Member, Head of Intensive Care Unit

The responsibilities of the Scientific Committee according to article 43 of the Company's Articles of Association, are the following:

- Approval of submitted doctor applications, for their cooperation with HYGEIA S.A.
- Formation of opinion towards the Company's BoD as regards to the election of scientific directors of departments.
- Following a request by the Chairman or General Manager or Chief Executive Officer or the heads of different departments or doctor associates or on its own behalf, the Board administers the examination of any scientific issue concerning the operation of HYGEIA S.A., the provided health care or the achievement of the scientific objectives stated in article 4 of the Articles of Association. The Board provides its opinion relating to the above and submits the appropriate proposals towards the BoD or the General Manager and the Chief Executive Officer.

Moreover, the Scientific Board may propose towards the BoD the convention of scientific conferences in HYGEIA S.A., its participation in scientific conferences domestically and abroad, the invitation of Greek and foreign scientists for the conductions of lectures, seminars or symposiums, as well as for training issues of HYGEIA S.A.'s medical staff.

In the context of its responsibilities, the Scientific Board Generally represents HYGEIA S.A.'s medical staff on scientific issues. It also monitors the general terms of exercising the medical profession, including ethical rules based on the present articles of association and the internal operation regulation of the clinic, while it also reassures the provision of high-level medical services by HYGEIA S.A., informing the BoD of the Company on relevant issues.

With the initiative of the Company's BoD Chairman, the two boards convene to a joint session under the chair of the former, during which mixed responsibility issues are discussed and the work of the two boards is coordinated. During these joint sessions minutes are kept according to the provisions of article 18 of the Articles of Association.

By means of a decision by the Company's BoD, other responsibilities may also be appointed to the Scientific Board.

The Company's management consists of a staff of executives with academic background and professional experience, which includes the following individuals:



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#### **Paschalis Bouchouris of Anastasios – Chief Executive Officer**

Graduate of the Economics Department of the Piraeus University, he worked until 1986 as a senior executive in industrial and commercial companies. From 1992 and until today he works in health services provider companies (LITO S.A., IASO S.A., ERRIKOS DYNAN etc.). He served for 2 years as General Secretary of the Ministry of Health and Social Solidarity. From April 2006 he is Chief Executive Officer of HYGEIA S.A.

#### **Floyd - Anthony Rapp of Floyd - Anthony – Administrative Manager**

During the past 6 years he held the position of Head of Organization, Development and Quality Assurance of the IATRIKO ATHINON Group. He has more than 20 years experience in the Administration of the Medical Service of the American Military Air force, while he also held Managerial positions in the Onasio Cardiosurgical Center and the Interamerican Insurance Group. He has been offering his services to HYGEIA S.A. since May 2006.

#### **Antonis Vouklaris of Anastasios – Head of Marketing**

A graduate of the Nursing School of the Athens University, he has been trained in social psychology and holds a post-graduate degree in Organization and Administration of Health Services. During the past 5.5 years he held the position of Head of Marketing for the IATRIKO ATHINON Group. He has 14 years professional experience in Marketing and sales departments of health services companies and multinational health product companies. He has been offering his services to HYGEIA S.A. since May 2006.

#### **Nikolaos Podas – Head of Internal Audit**

He is an Economist graduate from the University of Macedonia, with a Master of Arts from the University of Reading. He has served as Director and Chairman of BoD of Hospitals and has great experience in Private sector entities.

#### **Olga Daliggarou – Head of Nursing Division**

She is a graduate from the Military School of Nursing in Athens with a post-graduate degree in Organization and Administration of Health Units from CNAM. She has worked at Onasio as General Head of Nursing Services and the Quality Project Management Committee for the quality network, and also as Head of Disease Control She has coordinator for the Health Sector Coordinating Unit during the Athens Olympic Games. She has been offering her services to HYGEIA S.A. since December 2006.

#### **Giannis Kondos – Head of IT**

He is a Mathematician, graduate from the Kapodistrian University of Athens specialized in IT Systems and Software Technology, with a post-graduate degree in Business Administration from the university Nottingham Business School. He has multi-year experience in the IT sector and specifically in the health sector, working with private therapeutic and diagnostic centers. He has served as Special IT Consultant from the Ministry of Health and as Chairman of the National Blood Donation Center. He has been offering his services to HYGEIA S.A. since November 2006.

#### **Maria Vasiliadou – Head of Human Resources**

She is a Business Administration graduate of the University of Patra with a post-graduate degree in Organization and Administration of Health Units. She has been operating in the Human Resources sector during the past 15 years, while the last 2 years she held the position of HR Manager of Metropolitan hospital. She has been offering her services to HYGEIA S.A. since November 2006.

**Stavros Aikaterinopoulos – Head of Technical Support**

He is a Civil Engineer graduate – Contractor of Public Works. He has worked with studies, supervisions and constructions, as well as with the financial management of projects. He has also served as Technical Consultant in companies, hospital institutions and organizations. He has been offering his services to HYGEIA S.A. since July 2006.

**Anastasios Dinos – Head of Security & Support Services**

During the past 10 years he held the position of Head of Security in the IASO Group. In the security sector, he has worked in the past as Head of Security of HYGEIA and the Intercontinental hotel for three years. He has been offering his services to HYGEIA S.A. since May 2006.

**Eleonora Kelepouri – Deputy Finance Director**

She has worked as Financial & Administrative Director in the companies PAPAPOLITIS SA, SAM NATAN SA and FANCO SA. She has also served as head Accountant at MINION SA for 3 years and at ELMEC Sport SA for 3 years. She has been offering her services to HYGEIA since October 2006.

**Michalis Mytilinis– Financial Controller**

Graduate of the Business Administration department of the Aegean University and an MBA graduate of the Athens Economic University. He has ten years experience in the sector of Credit Control, Budgeting & Reporting, Treasury and Financial Control, through respective positions he held in the companies TOYOTA Hellas, Coca-Cola Hellas and Vodafone-Panafone. He has been offering his services to HYGEIA S.A. since November 2006.

**Nikolas Giampanas- Investor Relations**

A Civil Engineer graduate from the National Technical University with a MSc in Environmental Engineering and an MBA specialized in Finance from Imperial University. He has worked for 5 years as a constructor and planner of large public projects. Following his MBA, he turned to the corporate sector where he worked for 3 years at Global Finance and for 4 years at the Boutari Group as Head of Development and Corporate Affairs. He has been offering his services to HYGEIA S.A. since November 2006.

The BoD members of HYGEIA S.A. and its Senior Executives have not been convicted for acts relating to dishonesty or financial crimes, nor are their involved in pending judicial proceedings pertaining to bankruptcy, criminal acts or subject to any prohibition on the right to:

- Conduct business activities
- Perform stock exchange transactions
- Work in a professional capacity as an investment consultant, bank or insurance company executive, underwriter or brokerage executive, etc.



## 2.18. Subsidiary and Associate Companies

Based on the consolidated financial statements of HYGEIA S.A. for 2006, the following companies are subsidiaries of HYGEIA S.A.:

### Subsidiaries

#### ALAN MEDICAL S.A. SOCIETE ANONYME COMPANY OF IMPORT AND TRADE OF MEDICAL MATERIALS

Establishment Year:	1993
Domicile:	Athens
Duration:	27 years
Share Capital:	€ 60,000
Employees:	9 individuals
Business objective:	Trade of any kind of medical materials, medical machinery devices

The company's shareholder structure is as follows:

SHAREHOLDER	NUMBER OF SHARES	PARTICIPATION PERCENTAGE
HYGEIA S.A.	2,000	100%
<b>TOTAL</b>	<b>2,000</b>	<b>100%</b>

The following table presents the brief financial information on ALAN MEDICAL S.A. for fiscal years 2005 - 2006, according to I.F.R.S.:

#### BRIEF FINANCIAL INFORMATION

(amounts in thousand €)	2006	2005
Tangible Fixed Assets	115	146
Total Assets	2,284	3,284
Share Capital	60	60
Total Equity	876	1,424
Total Long-term Liabilities	140	132
Total Short-term Liabilities	1,268	1,728
Turnover	3,939	4,938
Gross Profit	820	1,740
Earnings before Taxes	294	1,225
Earnings after taxes	202	810

ALAN MEDICAL S.A. has been audited by the tax authorities until the fiscal year 2002 included. The audit of the 2006 Financial Statements was conducted by the Certified Auditor-Accountant Mr. Dimitrios Dedoulis (S.O.E.L. Reg. No. 10451) of the auditing Firm S.O.L. S.A. Certified Auditors.

It is noted that ALAN MEDICAL S.A. is a basic supplier of HYGEIA S.A. in medical materials. No termination of HYGEIA S.A. with ALAN MEDICAL S.A. is expected, as HYGEIA S.A. is the sole shareholder (100%) of ALAN MEDICAL S.A. Additionally, the Company, due to its multi-year experience in the sector, has the ability to replace its existing supply sources with new ones and with new terms.



## ANIZ S.A. CAFETERIA AND RESTAURANT EXPLOITATION ENTERPRISES

Establishment Year:	1993
Domicile:	Athens
Duration:	27 years
Share Capital:	€ 60,000
Employees:	25 individuals
Business objective:	Exploitation of Cafeterias Restaurants

The company's shareholder structure is as follows:

SHAREHOLDER	NUMBER OF SHARES	PARTICIPATION PERCENTAGE
HYGEIA S.A.		70%
<b>TOTAL</b>	<b>2,000</b>	<b>100%</b>

The following table presents the brief financial information of ANIZ S.A. for fiscal years 2005 - 2006 according to I.F.R.S.:

## BRIEF FINANCIAL INFORMATION

(amounts in thousand €)	2006	2005
Tangible Fixed Assets	85	89
Total Assets	671	490
Share Capital	60	60
Total Equity	163	74
Total Long-term Liabilities	108	106
Total Short-term Liabilities	401	310
Turnover	893	1.026
Gross Profit	685	748
Earnings before Taxes	276	157
Earnings after Taxes	253	77

The company ANIZ S.A. has been audited by the tax authorities until fiscal year 2002 included.

ANIZ S.A. operates the dining enterprises in the Hygeia areas.

## SOCIETE ANONYME HEALTH SERVICES &amp; INVESTMENTS HOLDINGS COMPANY (MITERA HOLDINGS S.A.)

Establishment Year:	2003
Domicile:	Athens
Duration:	6 years
Share Capital:	€ 1,024,395.00
Employees:	-
Business objective:	Participation in companies that operate in the health services sector.



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The company's shareholder structure is as follows:

SHAREHOLDER	NUMBER OF SHARES	PARTICIPATION PERCENTAGE
HYGEIA S.A.	3,304,500	100%
<b>TOTAL</b>	<b>3,304,500</b>	<b>100%</b>

The following table presents the brief financial information of MITERA HOLDINGS S.A. for fiscal years 2005 - 2006 according to I.F.R.S.:

**BRIEF FINANCIAL INFORMATION**

(amounts in thousand €)	2006	2005
Tangible Fixed Assets	1.304	1.004
Total Assets	1.326	1.181
Share Capital	1.024	1.024
Total Equity	1.472	1.079
Total Long-term Liabilities	0	0
Total Short-term Liabilities	1.158	1.105
Turnover	0	0
Gross Profit	0	0
Earnings before Taxes	1.249	1.079

\* the Company MITERA HOLDINGS S.A. closes its fiscal periods on 30/7

\*\* The Data of the Table are according to Greek Generally Accepted Accounting Standards

MITERA HOLDINGS S.A.'s only holding is 12.62% of the share capital of MITERA S.A.

**Y-PHARMA S.A.**

In April 2007 the Company decided to establish a pharmaceutical and general medical use items trade company, which will operate directly in the Greek market and subsequently also in other countries.

The establishment of the new company with the name **Y-PHARMA S.A.** will be completed within a month with the initial share capital of € 300,000 and a shareholder structure of 85% "Hygeia S.A.", 15% "M.A. Remedy-Medical Ltd".

The development plan of Y-PHARMA S.A., includes the procurement of Private and Public Health Sector entities (hospitals, diagnostic centers, rehabilitation centers etc.).

## Associates

### MITERA PRIVATE GENERAL, MATERNITY GYNECOLOGIC & PEDIATRIC CLINIC S.A.

Establishment:	1973
Domicile:	6 Erythrou Stavrou Str., Marousi
Duration:	50 years
Share Capital:	€ 20,316,000
Business Activity:	Maternity & Health Services

The shareholder structure of MITERA S.A. as at 31.12.2005 is as follows:

SHAREHOLDER	NUMBER OF SHARES	PARTICIPATION PERCENTAGE
MITERA HOLDINGS	4,274,704	12.62%
HYGEIA S.A.	4,135,225	12.21%
Other Shareholders	25,450,071	75.17%
<b>TOTAL</b>	<b>10,000</b>	<b>100.0%</b>

### BRIEF FINANCIAL INFORMATION

(amounts in thousand €)	Consolidated 2006	Company 2006	Company 2005
Net Book Value of Tangible Assets	58.047	24.101	24.066
Total Current Assets	19.085	11.809	18.404
Share Capital	20.316	20.316	20.316
Total Equity	21.711	24.469	24.205
Provisions	1.790	1.549	1.549
Total Long-term Liabilities	0	0	9.860
Total Short-term Liabilities	53.991	49.553	34.086
Turnover	68.794	68.794	62.047
Gross Profit	16.670	16.670	16.169
Earnings before Taxes	11.333	17.540	16.837

The compile compiles consolidated results for the 1st time.

The audit of the 2006 Financial Statements was conducted by the Certified Auditor - Accountant Mr. Evaggelos Poulis (S.O.E.L. Reg. 1205), of the auditing firm SOL S.A.

On February 14th 2007, the Company's BoD decided to participate in the Share Capital Increase of the associate MITERA GENERAL PRIVATE, MATERNITY - GYNECOLOGICAL & PEDIATRIC CLINIC S.A., which was decided by the Extraordinary General Shareholders Meeting on 13.1.2007.

The cost of the company's participation in the aforementioned increase amounted to 1,471,737.58 €, which included a) the amount of seven hundred and twenty three thousand six hundred and sixty four euro and thirty eight cents (723,664.38) in order to receive 289,466 shares that correspond to the stock options of the shares held by the company directly and b) the amount seven hundred and forty eight thousand seventy three euro and twenty cents (748,073.20), in order to receive 299,229 shares from



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those undistributed from the Share Capital Increase, which will emerge due to the non exercise of the stock options by the Company's 100% subsidiary MITERA HOLDINGS S.A. The company decided to cover the aforementioned shares, in order to maintain its direct and indirect participation stakes in the company MITERA S.A.

Subsequently, following the coverage of MITERA S.A.'s share capital increase, by a percentage of 24.84%, the company during 31/3/2007, holds a participation percentage in MITERA S.A. of 13.04% directly and 11.80% indirectly (through its 100% subsidiary MITERA HOLDINGS S.A.).

In April 2007, the BoDs of the companies Hygeia S.A. and Mitera S.A. decided to join forces through exchange of shares. The exchange ratio proposed is 2.2 shares of Hygeia S.A. for each share of Mitera S.A. The final decisions will be made in May 2007 from the shareholders of the two companies, during their General Meetings.

#### MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A.

Establishment:	1990
Domicile:	4 Erythrou Stavrou Str., Marousi
Duration:	50 years
Share Capital:	€ 293,500
Employees:	10 individuals

Business Activity: Use and exploitation of medical machinery which conduct magnetic tomography as well as anything related to magnetic tomography of medical machinery as well as the import from abroad of spare parts, related machinery or machinery required for the operation of the magnetic tomography.

It is noted that the aforementioned company operates as a diagnostic laboratory. The two (2) magnetic tomographs that operate in its facilities, constitute ownership of the company and no special license is required for their operation.

The shareholder structure of MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A. as at 31.12.2006 is as follows:

SHAREHOLDER	NUMBER OF SHARES	PARTICIPATION PERCENTAGE
I. Andreou of Andrea	3,165	31.7%
HYGEIA S.A.	2,000	20.0%
I. Segditsa of Theodoros	1,000	10.0%
P. Filalithis of Evgenios	710	7.1%
I. Politakis of Konstantinos	400	4.0%
D. Razis of Vikedios	400	4.0%
A. Petounis of Konstantinos	300	3.0%
G. Avlami of Pavlos	250	2.5%
K. Aslanoglou of Georgios	200	2.0%
A. Papacharalambous of Nikolaos	200	2.0%
Th. Stroggylou of Ilias	200	2.0%
I. Petropoulou of Vasilios	200	2.0%
I. Kalavrytinis of Spyridonas	100	1.0%
D. Karydis of Iraklis	100	1.0%
P. Kosmidis of Athanasios	100	1.0%
L. Politopoulos of Agisilaos	100	1.0%
Ch. Taoufik of Abdala	100	1.0%
S. Tzannis of Dimitrios	100	1.0%
Other shareholders	375	3.7%
<b>TOTAL</b>	<b>10,000</b>	<b>100.0%</b>

It is noted that none of the company shareholders mentioned above as other shareholders, owns a percentage larger than 1% of the company's total Share Capital.

The following table presents the brief financial information of MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A. for fiscal years 2005 - 2006 according (G.A.A.P.):

#### BRIEF FINANCIAL INFORMATION

(amounts in thousand €)	2006	2005
Net Book Value of Tangible Assets	234	203
Total Current Assets	1,173	824
Share Capital	294	294
Total Equity	505	470
Provisions	28	28
Total Long-term Liabilities	-	-
Total Short-term Liabilities	843	533
Turnover	2,273	2,021
Gross Profit	557	317
Earnings before Taxes	394	153
Earnings after Taxes and BoD Remuneration	280	55



The audit of the 2006 Financial Statements was conducted by the Certified Auditor - Accountant Mr. Antonis Papageorgiou (S.O.E.L. Reg. No. 11691), of the auditing firm PRICEWATERHOUSECOOPERS S.A. Certified Auditors Accountants Auditing Firm (268 Kifisias Ave., Halandri).

During 2006, the ordinary tax audit for fiscal years 2003 and 2004 was concluded for the company MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A. HYGEIA S.A. has signed the following leasing contract for the following property with the company MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A.:

Total area of 107 sq.m. according to the private leasing agreement dated 15.03.1990 between HYGEIA S.A. (lessor) and the company "MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A." (lessee), the duration of which was set to nine (9) years, namely from 01.08.1990 until 31.07.1999. Based on the additional deed dated 23.07.1999, the duration of the lease was extended until 31.07.2008, with the same terms and agreements included in the aforementioned private leasing agreement and in the relevant additional deeds dated 04.12.1996 and 29.01.1999.

The lease was set to € 440 in monthly installments (plus half of tax stamp) and 7% of the turnover realized by the lessee. This percentage was increased to 12% from 01.01.1996, according to the additional deed dated 04.12.1996.

The basic use of the aforementioned facilities by the lessee is the establishment of a magnetic tomography complex.

## 2.19. Staff

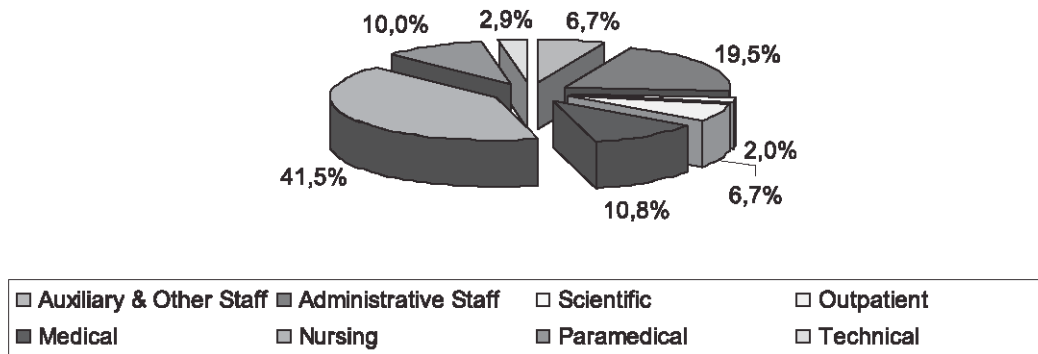
The following table presents the development of HYGEIA S.A.'s average staff for the fiscal years of 2005 and 2006:

DEVELOPMENT OF STAFF

STAFF	2006	%	2005	%
Nursing and Para-medical	521	51.43%	552	53.08%
Medical	197	19.45%	178	17.11%
Administrative and Other	295	29.12	310	29.81%
<b>TOTAL</b>	<b>1,013</b>	<b>100%</b>	<b>1,040</b>	<b>100%</b>

The composition of HYGEIA S.A.'s Staff during 2006 is presented in the following graph:

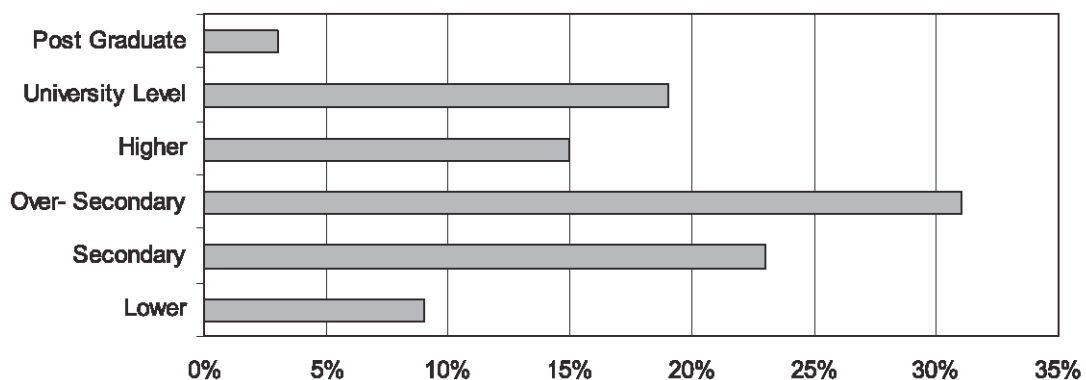
**Staff Breakdown**



For its staffing as well as for the development of its employees, the Company uses modern employee selection and training methods, aiming at continuously improving an exemplary and high-scientific level diagnostic and therapeutic center. The Company, recognizing the essential contribution of its staff in its development, puts particular emphasis on the maintenance of an excellent working environment and on the substantial training and education of its human resources, with the objective of providing high-level medical services.

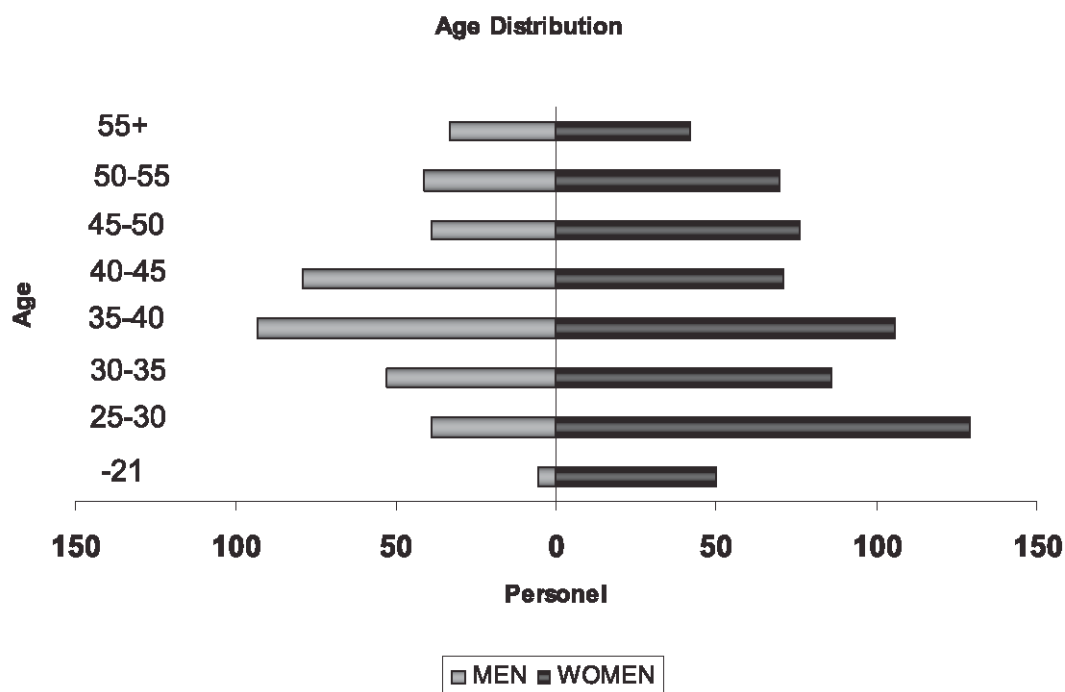
As presented by the following table, approximately 70% of the Company's employees for 2006, correspond to grades with above secondary education, a fact that reflects the importance the Company puts on its employees' educational level.

**Education Level**



It is worth noting that, as it appreciates that its basic advantage corresponds and should correspond to its employees, the Company tries to maintain a relatively low average age of employees. Specifically, for 2006 the average age of HYGEIA S.A.'s employees amounting to 39 years, a fact that provides HYGEIA S.A. with the opportunity for a long-term development of its employees and for investments in the reinforcement of its relationships with its staff.

The following graph presents the age distribution of HYGEIA S.A.'s staff for 2006.



The following table presents the remuneration and other employee benefits, during the two-year period 2005-2006, which were included in the cost of provision of services and administrative expenses:

(amounts in € '000)	2006	2005
Wages and day-wages	22,707	21,291
Employer contributions	5,851	5,534
Retirement cost of defined benefit plans- N.2112/20	719	501
Retirement cost of defined benefit plans - 1697 retirement Plan 1697	784	808
Other employee benefits	1,170	1,130
<b>Total</b>	<b>31,231</b>	<b>29,265</b>

*\*Possible differences in the summation of the table data, are due to rounding.*

The other employee benefits mainly concern children's day care center expenses for the Company's employees' children, free brunch provided by the Company, life insurance and free transfer with service buses.

The retirement cost of defined benefit plans refers to the 1076 retirement Plan with ALLIANZ, details of which are presented in chapter 2.5 "Insurance Contracts".

It is noted that the Company signs written notification notices of individual employment contract terms that contain the basic agreement terms, which also are those that meet the requirements of P.D. 156/94.

On 31.08.1978 and according to the provisions of D.L.199/1936 "regarding amendment of employment laws", of L.D. 3789/1957 "regarding amendment and supplement of provisions of labor



law”, of the P. Decree of 24.06.1958 “regarding the preparation, submission procedure, approval, announcement and publication of Employment Regulations”, of P.D. 1156/1977 “regarding the Organization of the Ministry of Employment”, the Opinion of the Regulations Department of the Supreme Employment Council dated 20.10.1977 and the relevant application by the Company, the Ministry of Employment approved the Employment Regulation of the Company's employees.

The Company voluntarily provides additional benefits to its employees and specifically, employee transportation expenses, education expenses, long-term experience awards etc. Moreover it has also provided loans to several employees for their extraordinary needs.

## **2.20. Employment Relationship of Doctors with the Company**

The Company's relationships with doctors are divided into three (3) categories:

- A) Monthly wage employment relationship.
- B) Partner doctors with contracts.

It is noted that, for the two aforementioned categories, contracts have been signed with each doctor.

- C) Doctors - independent partners who receive remuneration from their patients. In For this category of doctors, the Company pays remuneration for the monitoring of patients.

## **2.21. Events after 31/12/2006**

### **GROUP**

On April 11th, the establishment of the most powerful Health Services Provider Group in Greece, was announced following the decision by the BoDs of Hygeia and Mitera to joint forces. This combination will take place with an exchange of shares and specifically 2.2 shares of Hygeia S.A. for each share of Mitera S.A. The final decisions will be made by the General Meetings of the two companies, which will take place during May of the current year.

### **FINANCING**

The above developments are in line with the strategic plan set by the company and includes amongst others, development through establishment or acquisition of relevant companies in Greece and abroad.

This Activity is expected to be reinforced significantly by the increase of liquid assets during 2007, which will be derived by the successful issuance of a Convertible Bond Loan amounting to € 300,015,000. Apart from the above, the General Meeting on 18.07.2006, provided its approval for the issuance of a Bond Loan amounting to € 200,000,000, which will further reinforce the Company's development if deemed necessary.



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## NEW ACTIVITIES

During the end of April 2007, Hygeia proceeding to renting an area of 3,500 sq.m. on the National Road, at the area of Lykovrysi, which will accommodate the following activities:

- A. The company ALAN MEDICAL which is owned 100% by Hygeia and which operates in the sector of trade of health - hospital - consumable items, special items and medical equipment. ALAN MEDICAL will undertake supplies for the Group's existing hospitals (Hygeia, Mitera and Lito) as well as for any hospitals and diagnostic centers that may be added to the Group, having the expansion of its activities as its direct priority also.
- B. The company Y-PHARMA S.A., in which Hygeia participates by 85% of its share capital and which trades medicines and other pharmaceutical products. The company, which will supply the Group's existing hospitals (Hygeia, Mitera and Lito) as well as any hospitals and diagnostic centers that may be added to the Group with pharmaceuticals, also has the expansion to other entities as its direct priority.
- C. The central launderettes of the Group's hospitals. With the capacity of processing 11 tones of clothing during each 8hour shift, it can serve the needs of the Group's hospitals, having the ability at the same time to cover the needs of other entities also. The operation of the central launderettes, which is expected during October 2007 with a total investment cost of €1,200,000, will provide significant cost reductions due to economies of scale in staff, detergents and water, giving the opportunity for the unit's commercial exploitation at absolutely competitive prices.

## ALBANIA

The articles of association of the company in which Hygeia participates by 80% have been completed and signed. The initial share capital of € 1,000,000 has been deposited and within the 1st half of 2007, the building study will be completed and the construction company will be selected for the immediate commencement of works.

The hospital will have 140 beds and all the modern Departments and Laboratories. Given the total lack of modern medical and hospital services in Albania, as well as the continuously developing economy of the country, "HYGEIA HOSPITAL - TIRANA" ShA. is expected to constitute the first successful step for the Group's expansion in the Balkans.

## STEM-CELL BANKS

In April 2007, HYGEIA decided, jointly with the companies Euroadvisors S.A. and the British company Minmax Health Ltd, to establish a new company for the implementation of a stem cell bank network in countries of Eastern Europe and the Middle East. Hygeia S.A. will participate by 50% of the share capital, while the remaining two companies by 25% each.

The company's activities will consist of establishing stem cell banks in Greece and in 23 countries for which is has received exclusivity from one of the oldest and largest stem-cell cord blood banks of the USA, New England Cord Blood Bank Inc., from Boston.



## NETWORK CREATION

Hygeia's strategic choice is the establishment of a network of diagnostic centers. Already during the 1st half of 2007, the diagnostic center LITO LAB in Piraeus will commence operations, while during 2007 the acquisition of at least 2 more diagnostic centers is expected along with activities through the network creation in the areas of home care and doctor at home, initially in the Attica prefecture and following in other cities.

This network will support Hygeia's strategic choice to expand to large clientele (insurance companies, large group contracts) as well as to create report centers for selected disorders and diseases.

## 3 Stock Exchange Data of Company Share

The following table presents the evolution of the HYGEIA S.A. share from 01.01.2006 to 31.03.2007

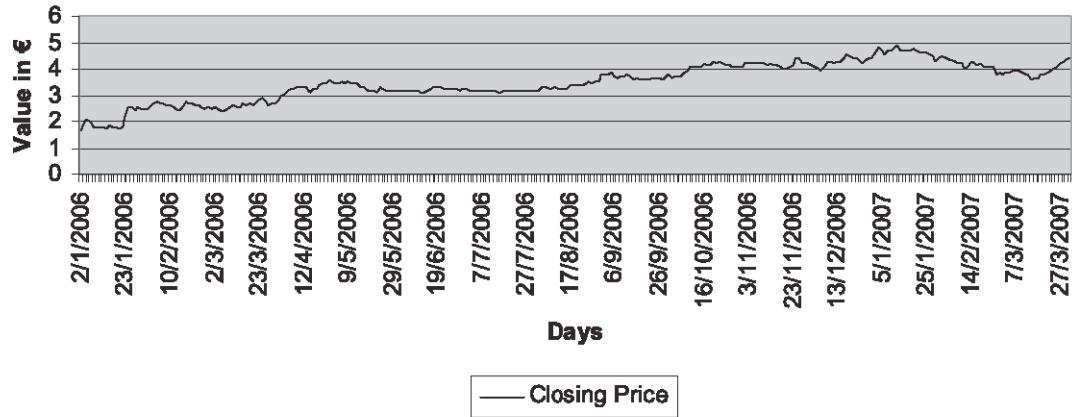
DATE	CLOSING PRICE <sup>1</sup> (IN €)	MONTHLY VOLUME (No. OF SHARES)	MONTHLY VALUE OF TRANSACTIONS (IN thousand €)
31.01.2006	2.5	29,662,787	66,126
28.02.2006	2.56	3,447,263	9,177
31.03.2006	2.84	11,751,453	26,535
28.04.2006	3.56	4,863,948	16,212
31.05.2006	3.18	2,472,024	8,255
30.06.2006	3.24	1,143,361	3,603
31.07.2006	3.18	659,496	2,071
31.08.2006	3.78	10,300,477	31,724
29.09.2006	3.78	1,996,303	7,416
31.10.2006	4.08	5,413,966	22,128
30.11.2006	4.18	4,502,407	18,770
29.12.2006	4.42	7,393,678	31,256
31.01.2007	4.44	8,552,547	40,064
28.02.2007	3.86	3,685,144	15,283
30.03.2007	4.4	5,392,948	21,357

Note.: The closing price refers to the last trading day of each month.

## Graphs

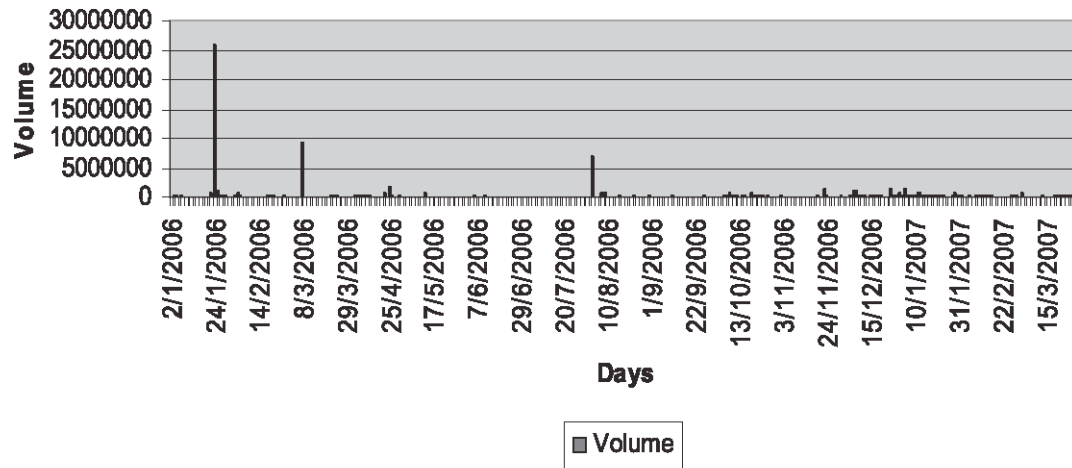
Evolution of HYGEIA S.A. share price and volume for the period from 01.01.2006 to 31.3.2007

### Share Price



### Volume of Transactions

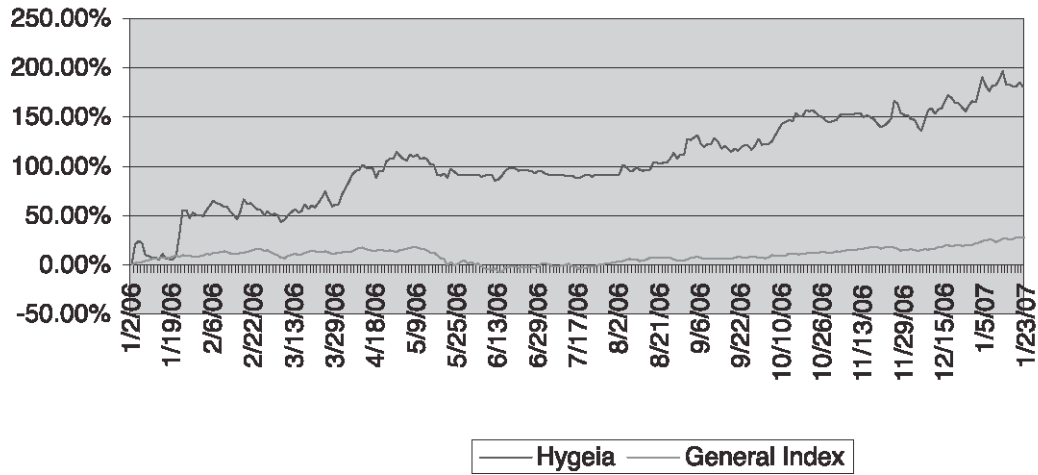
#### Transaction Volume



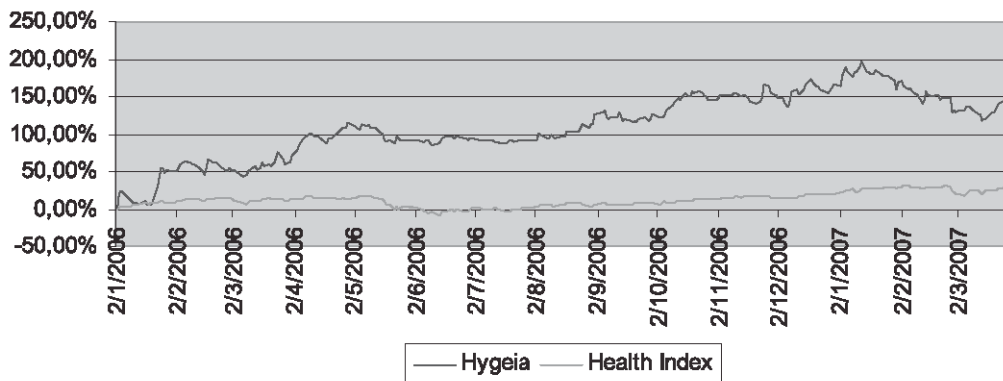


Evolution of HYGEIA S.A. share for the period from 01.01.2006 to 31.3.2007 in relation to the evolution of the Athens Exchange General Index and Health Index

**Comparative Graph of HYGEIA S.A. – A.E. General Index Performance**



**Comparative Graph of HYGEIA S.A. – Health Index Performance**





## PART B'

MINIMUM INFORMATION ACCORDING TO AMENDMENT OF ARTICLE 8 OF DECISION NO. 5/204/14.11.2004.

### 4. Annual Financial Statements for fiscal year 2006 - Company and Group (see Special Issue of Annual Financial Statements)

#### 4.1. Balance Sheet

	Note	GROUP		COMPANY	
		31 DECEMBER 2006	2005	31 DECEMBER 2006	2005
<i>Amounts in €</i>					
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Tangible Assets	5.1	89,859,798	93,962,781	89,656,659	93,816,532
Investment property	5.2	1,993,078	1,995,648	1,993,078	1,995,648
Company Goodwill	5.3	7,221,830	0	0	0
Intangible Assets	5.4	4,406,982	4,948,754	4,401,250	4,934,432
Financial assets available for sale	5.5	11,739	11,739	11,739	11,739
Investments in associate companies	5.6.1	60,356,540	104,860	27,720,619	58,694
Investments in subsidiaries	5.6.2	0	0	31,318,281	886,364
Other Long-term Receivables	5.7	58,842	108,537	33,199	81,947
		<b>163,908,810</b>	<b>101,132,319</b>	<b>155,134,825</b>	<b>101,785,356</b>
Current Assets	5.8	2,859,319	2,742,819	2,745,087	2,427,943
Customers and other Trade Receivables	5.9	27,381,373	25,563,865	27,170,139	25,748,875
Cash and cash equivalents	5.10	5,294,501	1,880,659	4,106,741	1,395,839
		<b>35,535,192</b>	<b>30,187,343</b>	<b>34,021,967</b>	<b>29,572,657</b>
<b>Total Assets</b>		<b>199,444,002</b>	<b>131,319,662</b>	<b>189,156,792</b>	<b>131,358,013</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity attributed to the parent's shareholders</b>					
Share capital	5.11	26,322,000	17,548,000	26,322,000	17,548,000
Other reserves	5.11	71,375,333	20,241,027	71,375,333	20,241,027
Profit carried forward	5.11	3,087,874	2,223,527	876,560	1,906,851
<b>Total Equity</b>		<b>100,785,206</b>	<b>40,012,554</b>	<b>98,573,893</b>	<b>39,695,878</b>
Minority Interest	5.11	49,618	0	0	0
<b>Total Equity</b>		<b>100,834,824</b>	<b>40,012,554</b>	<b>98,573,893</b>	<b>39,695,878</b>
<b>LIABILITIES</b>					
<b>Long-term Liabilities</b>					
Loans	5.12	20,120,199	20,268,039	20,075,517	20,240,961
Deferred Income tax	5.13	11,504,590	3,164,862	4,299,952	3,174,595
Provisions for staff retirement indemnities	5.14	10,471,475	9,859,196	10,383,773	9,809,248
Provisions for liabilities and expenses	5.15	3,015,000	1,555,000	2,900,000	1,500,000
		<b>45,111,264</b>	<b>34,847,097</b>	<b>37,659,242</b>	<b>34,724,804</b>
<b>Short-term Liabilities</b>					
Suppliers and related liabilities	5.16	29,523,123	29,921,833	29,095,079	30,536,453
Current income tax		116,132	122,137	0	0
Provisions for liabilities and expenses	5.15	156,000	133,000	156,000	133,000
Loans	5.12	23,702,659	26,283,041	23,672,578	26,267,878
		<b>53,497,914</b>	<b>56,460,011</b>	<b>52,923,658</b>	<b>56,937,331</b>
<b>Total Liabilities</b>		<b>98,609,178</b>	<b>91,307,108</b>	<b>90,582,900</b>	<b>91,662,135</b>
<b>Total Equity &amp; Liabilities</b>		<b>199,444,002</b>	<b>131,319,662</b>	<b>189,156,792</b>	<b>131,358,013</b>

## 4.2. Income Statement

<i>Amounts in €</i>	Note	GROUP 31 DECEMBER		COMPANY 31 DECEMBER	
		2006	2005	2006	2005
Sales		94,593,377	83,558,207	93,638,975	83,453,136
Cost of goods sold	5.17	(79,368,544)	(76,682,141)	(79,946,773)	(78,335,925)
<b>Gross Profit</b>		<b>15,224,833</b>	<b>6,876,066</b>	<b>13,692,202</b>	<b>5,117,211</b>
Other operating income	5.19	4,503,422	3,142,397	4,518,764	3,132,687
Distribution expenses	5.18	(9,233,827)	(7,058,570)	(8,813,230)	(6,725,895)
Administrative expenses	5.18	(1,148,687)	(1,013,528)	(631,907)	(828,709)
Other operating expenses	5.19	(4,233,070)	(2,238,191)	(4,213,208)	(2,213,522)
<b>Operating Profit</b>		<b>5,112,670</b>	<b>(291,825)</b>	<b>4,552,621</b>	<b>(1,518,228)</b>
Financial income	5.20	139,781	108,168	129,347	104,413
Financial Expenses	5.20	(4,718,816)	(2,073,062)	(4,708,847)	(2,067,598)
Other Financial Results	5.21	8,102	6,600	767,600	767,280
Earning from Acquisition of Company		32,342	-	-	-
Profit/(Loss) from associate companies		2,411,206	10,863	-	-
<b>Net profit/(loss) for the period before taxes</b>		<b>2,985,287</b>	<b>(2,239,256)</b>	<b>740,721</b>	<b>(2,714,133)</b>
Income Tax	5.22	(1,948,424)	(107,362)	(1,771,011)	307,108
<b>Net profit/(loss) for the period after taxes</b>		<b>1,036,863</b>	<b>(2,346,618)</b>	<b>(1,030,291)</b>	<b>(2,407,025)</b>
<b>Allocated to:</b>					
Shareholders of the parent		1,028,347	(2,346,618)	(1,030,291)	(2,407,025)
Minority shareholders		8,516	-	-	-
<b>Earnings/(losses) per shares corresponding to shareholders of the parent for the period Basic/diluted</b>	5.23	<b>0.024</b>	<b>(0.05)</b>	<b>(0.024)</b>	<b>(0.05)</b>
Results Before Taxes Financing and Investment Results and Depreciations		11,612,322	6,807,017	10,989,008	5,537,358
Results Before Taxes Financing and Investment Results		5,112,670	(291,825)	4,552,621	(1,518,228)
Earnings after Taxes		1,036,863	(2,346,618)	(1,030,291)	(2,407,025)

### 4.3. Statement of changes in equity

	GROUP				
	Attributed to the parent's shareholders				
	Share Capital	Other Reserves	Profit carried forward	Minority Interest	Total Equity
<b>Balance as at December 31st 2004</b>	17,548,000	20,241,027	11,846,145	0	49,635,172
Net profit/(loss) for the period	0	0	(2,346,618)	0	(2,346,618)
Dividend distribution	0	0	(7,276,000)	0	(7,276,000)
Transfer to reserves	0	0	0	0	0
<b>Balance as at December 31st 2005</b>	17,548,000	20,241,027	2,223,527	0	40,012,554
Net earnings for the period	0	(11,694)	1,040,041	8,516	1,028,347
Income / expenses recognized directly to equity	0	0	(183,858)	0	(183,858)
Provision of stock options to employees	0	0	172,162	0	172,162
Increase of share capital	8,774,000	51,146,000	0	0	59,920,000
Minority interest from acquisition of subsidiary stake	0	0	0	41,102	41,102
Dividend distribution	0	0	(164,000)	0	(164,000)
<b>Balance as at December 31st 2006</b>	26,322,000	71,375,333	3,087,873	49,618	100,834,824

	COMPANY		
	Share Capital	Other Reserves	Profit carried forward
<b>Balance as at December 31st 2004</b>	17,548,000	20,241,027	11,589,876
Net profit/(loss) for the period	0	0	(2,407,025)
Dividend distribution	0	0	(7,276,000)
<b>Balance as at December 31st 2005</b>	17,548,000	20,241,027	1,906,851
Net earnings for the period	0	(11,694)	(1,018,597)
Income / expenses recognized directly to equity	0	0	(183,857)
Provision of stock options to employees	8,774,000	51,146,000	172,162
Increase of share capital	26,322,000	71,375,333	876,560
<b>Balance as at December 31st 2006</b>	26,322,000	71,375,333	876,560

Amounts in €



#### 4.4. Cash flow statement

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Cash flows from operating activities</b>	<b>11,112,640</b>	<b>9,586,791</b>	<b>9,389,745</b>	<b>8,231,384</b>
Interest paid	(4,830,587)	(744,566)	(4,707,626)	(2,079,621)
Income tax paid	(178,940)	(2,085,085)	0	(358,411)
<b>Net cash flows from operating activities</b>	<b>6,103,114</b>	<b>6,757,140</b>	<b>4,682,119</b>	<b>5,793,352</b>
<b>Cash flows from investment activities</b>				
Purchases of tangible fixed assets	(1,923,485)	(2,403,806)	(1,900,379)	(2,238,293)
Sales of tangible fixed assets	297,683	109,390	297,683	64,590
Purchases of intangible assets	(147,025)	(363,567)	(147,025)	(358,467)
Dividends received	2,456,095	17,280	3,206,095	517,280
Acquisition of subsidiary (minus subsidiary's cash & cash equivalents)	(31,277,339)	0	(31,588,492)	0
Acquisition of stake in associate companies	(28,933,845)	0	(28,943,845)	0
Sales of stake in associate companies	0	0	0	0
Interest received	140,284	108,168	129,347	104,413
<b>Net cash flows from investment activities</b>	<b>(59,387,631)</b>	<b>(2,532,535)</b>	<b>(58,946,615)</b>	<b>(1,910,477)</b>
<b>Cash flows from financing activities</b>				
Issuance of common shares	59,736,143	0	59,736,143	0
Dividends paid to the parent's shareholders	(239,000)	(7,253,361)	0	(7,253,361)
Repayment of Share Capital to Shareholders	0	0	0	0
(Repaid)/Received loans	(2,171,118)	5,503,358	(2,154,199)	5,446,538
Payment of leasing capital	(627,665)	(1,148,719)	(606,545)	(1,123,263)
<b>Net Cash flows from financing activities</b>	<b>56,698,360</b>	<b>(2,898,722)</b>	<b>56,975,399</b>	<b>(2,930,086)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>3,413,843</b>	<b>1,325,883</b>	<b>2,710,902</b>	<b>952,789</b>
Cash and cash equivalents at the beginning of the period	1,880,658	554,775	1,395,839	443,050
<b>Cash and cash equivalents at the end of the period</b>	<b>5,294,501</b>	<b>1,880,658</b>	<b>4,106,741</b>	<b>1,395,839</b>



## 5. General information

HYGEIA S.A. is currently one of the most modern private health institutions operating in Greece. It was established in 1970 by doctors, most of which were professors at the University of Athens and since then operates in the provision of first and second degree health care. The Company's accommodations are located in a self-owned building on 4 Erythrou Stavrou & Kifisias Avenue in Marousi. Throughout the past, the building has been renovated accordingly. Its electronic address is [www.hygeia.gr](http://www.hygeia.gr) and its shares are listed on the Athens Exchange.

HYGEIA S.A. has expanded its presence in the private health sector by broadening the scope of offered diagnostic services through the creation of new diagnostic departments, laboratories and clinics. The Company offers its services to private individuals as well as to patients that seek diagnostic services through their social and private security funds.

Specifically, HYGEIA S.A. includes:

- 11 Pathology Clinics
- 22 Surgical Clinics
- 6 Diagnostic Laboratories
- 8 Imaging Laboratories, etc.
- 16 surgery rooms
- 10 Outpatient Departments
- Quality assurance department

Moreover, the Company also owns five fully equipped ambulances.

The Company's total hospital beds in operation amount to 254 beds, 21 of which belong to the Intensive Care Unit and are located in two areas, while two belong to the Fluid Organ Transplant Unit.

Apart from the permanent staff, the Company also employs a team of scientific partners, which consists mainly of doctors. These doctors are heads of the different diagnostic departments the Company has created during the past years.

On 31.12.2006 HYGEIA S.A. employed 1,038 individuals, while the Group employed 1,073.

## 6. Basis for preparation of financial statements

The consolidated financial statements of HYGEIA S.A. as at December 31st 2006 covering the entire 2006 fiscal year, have been compiled based on the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The compilation of financial statements according to IFRS requires the use of accounting estimations and judgments by management during the application of the Group's accounting principles.



Significant assumptions made by the management for the application of the company's accounting methods have been highlighted where deemed necessary.

In 2003 and 2004, the International Accounting Standards Board (IASB) issued a series of new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS), which are applied in connection with the non-revised International Accounting Standards (IAS), issued by the International Accounting standards Committee, predecessor of IASB. The aforementioned series of standards are referred to as the «IFRS Stable Platform 2005». The Group applies the IFRS Stable Platform 2005 from January 1st 2005. January 1st 2004 constitutes the transition date for the Group.

## 7. Basic accounting principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies systematically are consistent with those applied in the previous period except for the following cases:

### 7.1. New accounting principles and interpretations of IFRIC in effect from 2006, which relate to the Group's activities

#### *IAS 19 (amendment) - Employee benefits (mandatory application from 1/1/2006)*

The amendment introduces an alternative option for the recognition of actuarial profit and losses. Due to the fact that the Group does not intend to change the followed accounting policy as regards to the recognition of actuarial profit and losses and it does not participate in pension plans with participation of multiple employers, the adoption of this amendment will only affect the presentation and extent of disclosures presented in the financial statements.

#### *IAS 39 (Amendment), The fair value option*

This amendment limits the classification of financial instruments as financial instruments valued at fair value through the results. The Group is not expected to be affected by the adoption of the amendment as it does not hold financial instruments classified as valued at Fair Value through the results.

#### *IFRIC 4, Determining whether a receivable includes a lease*

This interpretation sets the criteria in order to assess whether a lease is included in an agreement that does not have the legal form of a lease. Each agreement that gives the right to use a specific asset in exchange for payments will be considered as a lease. The Management considers that Interpretation 4 is not expected to change the accounting of any of the Group's existing contracts.

#### *IFRIC 10, Interim financial statements and impairment*

This interpretation states that the specific requirements of IAS 36 (regarding goodwill) and IAS 39 (regarding financial assets available for sale) precede general requirements of IAS 34 and thus



impairment losses that are recognized for such items in the interim period cannot be reversed in subsequent periods. The Group was not affected by the adoption of the interpretation as it has not gone forward with reversing impairment losses.

#### ***IFRIC 8, Scope of IFRS 2***

This interpretation requires the implementation of IFRS 2 during the treatment of all transactions relating to issuing participating titles, where the recognizable price collected is less than the fair value of participating titles issued. The Group was not affected by the adoption of the interpretation.

#### ***IAS 39 and IFRS 4 (amendment), Financial guarantee contracts***

Financial guarantee contracts are presented by the issuer as financial instruments. Their initial recognition takes place at fair values the day the guarantee was provided and their subsequent calculation is made at the higher value between, (a) the initial value, minus calculated depreciations, in order to recognize the income from commissions that is accrued during the contract (IAS 18) with the straight line method in the income statement and (b) the best possible estimation of the required expense for the settlement of a possible financial liability during the Balance Sheet date (IAS 37). If the issuer considers that such contracts constitute insurance contracts, then he must choose whether to apply IAS 39 "Financial instruments: recognition and measurement" or IFRS 4 "Insurance contracts". The Management has examined this amendment of IAS 39 and has concluded that it is not relevant to the Group.

## **7.2. Standards, amendments and interpretations with mandatory application from 2006 that are not related to the Group's activities**

- Amendment of IAS 21 - changes in foreign exchange rates (mandatory application from 01/01/2006)
- IAS 39 (Amendment), Hedging of cash flows to expected intra-company transactions
- IFRS 1 (Amendment), First adoption of IFRS
- IFRS 6 Exploration and evaluation of mineral resources
- IFRS 6 (Amendment), Exploration and evaluation of mineral resources
- IFRIC 5 Rights from investment in decommissioning, restoration and environmental rehabilitation funds.
- IFRIC 6 Liabilities arising from activities in specific sectors - management of electrical and electronic waste.
- IFRIC 7 Implementation of restatement method in hyper inflationary economies.
- IFRIC 9 Re-evaluation of embedded derivatives

### **7.3. Standards, amendments and interpretations in existing standards with a subsequent implementation date (for which the group has not gone forward with optional implementation).**

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretations, which are not mandatory for the accounting periods beginning on January 1st 2006.

The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

#### ***IAS 1 (amendment) Capital disclosures***

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The group will apply the amendments of IAS 1 from 1/1/2007.

#### ***IFRS 7. Disclosures of Financial Instruments***

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards - i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company's performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. The Group will apply IFRS 7 from 1/1/2007.

#### ***IFRS 8. Operating Sectors***

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 1/1/2009 and is expected to be adopted by the Group then.

#### ***IFRIC 11 IFRS 2 - Transactions in participating titles of the same company or companies of the same group***

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. IFRIC 11 is effective from 1/1/2007 and is not expected to affect the Group's financial statements.

#### ***IFRIC 12 Service Concession Agreements***

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 1/1/2008 and is not expected to affect the Group's financial statements.



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## 7.4. Important accounting decisions, estimations and assumptions by management

The estimation and judgments made by the management are reviewed on a constant basis and are based on historic data and expectations on future events, which are considered reasonable according to the current circumstances.

The Group goes forward with estimations and assumptions as regards to the development of future events. Estimations and assumptions that involve significant risk to induce substantial adjustments on the book values of assets and liabilities in the next 12 months are as follows:

- a) An estimation is required by the Group for the calculation of the provision for income tax. There are many transactions and calculations for which the final definition of tax is uncertain. If the final tax differs from the initially recognized tax, the difference will affect the income tax and the provision for deferred taxation of the period.
- b) The Group recognizes a provision for judicial cases based on information from the Group's Legal Service.
- c) The Group recognizes a provision for doubtful receivables, based on the degree of recoverability that is estimated for each receivable case.

## 7.5. Segment reporting

A business segment is defined as a group of assets and activities that provide goods and services, that are subject to different risks and returns than other business segments. A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions. The Group is active in only one business segment and specifically in the provision of health services and specifically the provision of diagnostic and therapeutic health services, in only one geographic segment, Greece. Therefore, the presentation of relevant financial information is not deemed necessary.

## 7.6. Consolidation

### (a) Subsidiaries

Subsidiaries are companies in which control is exercised by the parent. The existence of potential voting rights that are exercisable by the parent at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The used accounting method for the consolidation is the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination

are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is directly booked to the results.

Inter-company transactions - Inter-company balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

In the financial statements of the parent, investments in subsidiaries are presented at acquisition cost less any possible impairment loss. At each balance sheet date, the Company considers whether there are objective indications that lead to the conclusion that the investments have suffered impairment. If impairment has been established, the loss that is the difference between acquisition cost and fair value, is transferred to the results.

### **(b) Associates**

Associates are companies on which the Group can exert significant influence (not control), with participation between 20% and 50% of a company's voting rights. Investments in associates are initially recognized at cost and are subsequently accounted for using the equity method.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than its participation in the associate, the Group does not recognize any further losses, unless it has covered further liabilities on behalf of the associate.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized losses are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

In the financial statements of the parent, investments in associates are presented at acquisition cost less any possible impairment loss. At each balance sheet date, the Company considers whether there are objective indications that lead to the conclusion that the investments have suffered impairment. If impairment has been established, the loss that is the difference between acquisition cost and fair value, is transferred to the results.

As regards to the acquisition goodwill, it decreases the participation value by burdening the period's results, when its value decreases.

The Group's share in the profits or losses of affiliate companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in affiliate companies. When



the Group's share in the losses of an associate is equal or larger than its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized losses are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

## 7.7. Group Structure

The Group companies included in the consolidated financial statements are as follows:

Company Name	Domicile	Activity	Participation Percentage	Consolidation Method	Participation Relationship	Tax un-audited fiscal years
HYGEIA	Greece	Health Services	Parent			2003-2006
ALAN MEDICAL S.A.	Greece	Trade of Medical Items	100%	Full	Direct	2003-2006
MAGNETIC HEALTH DIAGNOSTIC PRESENTATIONS S.A.	Greece		20%	Equity	Direct	2003-2006
ANIZ S.A.	Greece	Exploitation of cafeterias - restaurants	70%	Full	Direct	2003-2006
MITERA HOLDINGS S.A.	Greece	Participation in company MITERA S.A.	100%	Full	Indirect	2003-2006
MITERA S.A.	Greece	Health Services	25%	Equity	Indirect	2004-2006
LITO S.A.	Greece	Health Services	18%	Equity	Indirect	2006
LITO HOLDINGS S.A.	Greece	Participation in company LITO S.A.	18%	Equity	Indirect	2004-2005
ALPHA-LAB	Greece	Health Services	18%	Equity	Indirect	2004-2006
LITO-LAB	Greece	Health Services	18%	Equity	Indirect	2006

A) During the presented period and specifically on 26/4/2006, the acquisition of 12.21% of the share capital of "MITERA PRIVATE MATERNITY AND SURGICAL CLINIC SOCIETE ANONYME" (hereinafter MITERA S.A.), a non-listed company, was concluded as well as the acquisition of 100% of the non-listed company "SOCIETE ANONYME OF HEALTH AND INVESTMENT SERVICES HOLDINGS S.A." (hereinafter MITERA HOLDINGS S.A.), thus acquiring indirectly approximately 12.62% of MITERA S.A.'s shares owned by MITERA HOLDINGS. Consequently, through the above acquisitions, HYGEIA S.A. directly and indirectly owns a stake of approximately 24.83% in MITERA S.A.

B) At the end of March, the company acquired 70% of the shares of ANIZ S.A. - Cafeteria and restaurant exploitation enterprises.



## 7.8. Foreign currency conversion

### (a) Operating currency and reporting currency.

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company.

### (b) Transactions and balances

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions. Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results.

## 7.9. Tangible assets

Tangible fixed assets and investment property are reported in the financial statements at acquisition cost less accumulated depreciations and any impairment suffered by the assets, plus the capitalized interest created during the construction periods. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequent expenditure realized in relation to tangible fixed assets is capitalized only if it is probable that future economic benefits will flow to the Group from the exploitation of the fixed assets and their cost can be accurately measured.

The repair and maintenance cost is booked in the results as an expense when such is realized.

Land plots are not depreciated. Depreciation of other tangible fixed assets burdens the results and is calculated using the straight line method over their useful lives, as follows:

Buildings	30-40 years
Building facilities and equipment	15-20 years
Machinery and mechanical equipment	10-15 years
Vehicles	5-8 years
Furniture and Other equipment	3-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date.

When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.



## 7.10. Intangible assets

**Software:** Software concerns the acquisition cost as well as any expenses realized during the software's development, in order for such to be rendered operational. Expenses that reinforce or expand the software's performance beyond its initial specifications, are recognized as a capital expense and are added to the software's initial cost. Software is valued at acquisition cost minus depreciations. Depreciations are calculated with the straight line method during the useful economic life of the assets, which ranges from 3 to 5 years, except for the ERP system, which is depreciated through 10 years.

Expenses required for software maintenance are recognized as expenses when such are realized.

**Goodwill:** Such is the difference between the asset's acquisition cost and fair value and the equity & liability of the subsidiary / associate company as at the acquisition date. During the acquisition date, the company recognizes the goodwill that emerged from the acquisition, as an asset item and presents it in the cost. This cost is equal to the amount by which the consolidation cost exceeds the company's share in the assets' items, the liabilities and contingent liabilities of the acquired company.

After the initial recognition, the goodwill is valued at cost less the accumulated losses from the decrease in its cost. The goodwill is not depreciated, but is reviewed on an annual basis for possible decrease in its value, if there are events that indicate such a loss according to IAS 36.

In the case where the acquisition cost is less than the company's participation in the acquired company's equity, then the former recalculates the acquisition cost, values the assets, liabilities and contingent liabilities of the acquired company and directly recognizes in the results (as a profit), any difference that persists after the recalculation.

During the transition date, the exemption of IFRS 1 was used and as a result no goodwill emerging from the consolidation of companies, which were realized before the transition date to IFRS, was recognized.

In case the resulting goodwill is negative, then a re-evaluation of the subsidiary's equity takes place and if the goodwill continues to be negative, then such is booked as income in the results.

**Intangible assets (apart from goodwill):** Intangible assets are valued at their acquisition cost less depreciations. Depreciations are conducted with the straight-line method over their useful lives, which ranges from 1 to 5 years.

## 7.11. Impairment of Assets

Tangible fixed assets and depreciated intangible assets are subject to an impairment review when some events suggest that the book value may not be recoverable. The recoverable value is the greater of the net sales value and the value in use. For the estimation of impairment losses, assets are included in the smallest possible cash flow generating units. Impairment losses are recognized as an expense in the results when such are realized.



## 7.12. Financial instruments

The Group's investments are classified in the following categories according to the purpose for which they were purchased. The Management decides on the appropriate classification of the investment during the time such was realized and reviews the classification on each presentation date.

### (a) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets and which are not intended for sale. Such are included in current assets, except those with a maturity date that is farther than 12 months from the balance sheet date. The latter are included in the non-current assets.

### (b) Financial assets at fair value through the Income Statement

This category includes three sub-categories: financial assets held for trading, those defined initially in this category and derivatives. Assets of this category are classified in current assets if held for trading or if expected to be sold within 12 months from the balance sheet date. The Group did not hold assets of this category.

### (c) Investments held until maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends and has the ability to hold until their maturity. The Group did not hold investments of this category.

### (d) Financial assets available for sale

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories. Such are included in non-current assets given that the Management does not intend to liquidate such within 12 months from the Balance Sheet date.

The purchases and sales of investments are recognized during the transaction data, which is also the date the Group commits to purchase or sell the item. Investments are written off when the right to cash flows from such investments expires or is transferred and the Group has essentially transferred all the risks and awards that emerge from ownership.

Investments are initially recognized at fair value plus the directly attributable to the transaction expenses.

The financial assets at fair value through the Results and financial assets available for sale are subsequently presented at fair value.

Realized and unrealized profit or losses that emerge from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period such incur.



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Unrealized profit or losses that emerge from changes in the fair value of financial assets classified as available for sale are recognized in the investment re-evaluation reserves. In case of sale or impairment of financial assets available for sale, the accumulated fair value readjustments are transferred to the Results.

The fair values of financial assets that are traded in active markets are defined by the current bid prices. If the purchase for a financial asset is not active and for non traded items, the Group estimates the fair values by the use of valuation techniques. Valuation techniques include the use of recent transactions, comparable traded items and discounted cash flows, adjusted in order to reflect the issuer's specific conditions.

At each balance sheet date the Group assesses whether there are objective indications which conclude that the financial assets have suffered impairment. For shares of companies that have been classified as financial assets available for sale, such indication consists of the significant or extended decrease in fair value in comparison to acquisition cost. If impairment is concluded, the accumulated loss, which is the difference between acquisition cost and current fair value, minus any impairment loss previously recognized in the Results, is transferred to the investment re-adjustment reserve in the Results. Losses of participating titles booked in the Results are no reversed through the Results.

### **7.13. Inventories**

Inventories are valued at the lower of acquisition cost and net realizable value. The cost for sanitary materials and medicines is defined with the weighted average method. The borrowing cost is not included in the acquisition cost of inventories. The net realizable value is estimated based on the current sales price of inventories during the normal course of the company's business less any relevant sales expenses.

### **7.14. Trade receivables**

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. The impairment losses (losses from doubtful receivables) are recognized after taking into account the balance's time-length, the customer's financial ability to make payment and the effectiveness of the efforts to receive payment. The provision amount is the difference between the book value of receivables and the present value of expected future cash flows, discounted with the real interest rate method. The adequacy of the provision is frequently reviewed in conjunction with the historic percentages of receiving payment and other financial factors that affect the recoverability of receivables. The amount of the impairment loss is registered as an expense in the results..

### **7.15. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, site deposits and short-term highly liquid low risk investments with a maturity up to 3 months.



## 7.16. Non current assets classified as intended for sale

The assets intended for sale also include other assets (including goodwill) and tangible fixed assets that the Group intends to sell within one year from the date such are classified as "intended for sale".

The assets classified as "intended for sale" are valued at the lowest value between their book value immediately prior to their classification as intended for sale, and their fair value less the sale cost. Assets classified as "intended for sale" are not subject to depreciation. The profit or loss that results from the sale and reassessment of assets "intended for sale" is included in "other income" and "other expenses" respectively, in the income statement.

The Group has not classified non-current assets as intended for sale.

## 7.17. Share capital

Common shares are registered in equity. Direct expenses incurred for the issuance of shares reduce the proceeds from the issue. Direct expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

## 7.18. Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at net book value based on the real interest rate method. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the duration of the borrowing based on the real interest rate method.

Loans are registered in short-term liabilities except if the Group implicitly reserves the right to transfer the settlement of the liability at least 12 months following the closing date of the Financial statements.

## 7.19 Factoring

Factoring with recourse is initially booked at fair value as a liability towards the factoring company. Subsequently such liabilities are valued at net book value based on the real interest rate method. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the duration of the borrowing based on the real interest rate method.

The amounts that have been pre-collected by factoring companies, without recourse, decrease receivables from customers.

## 7.20. Income tax & deferred tax

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked



if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax is defined based on the tax rates and laws that are in effect during the balance sheet date and which are expected to be in effect during the period in which the asset or liability will be settled.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Income tax is calculated according to the tax legislation and the tax rates in effect in the country where the Group's activities take place and is booked as an expense during the period that income is realized.

## **7.21. Employee benefits**

### ***(a) Short-term benefits***

Short-term employee benefits, monetary and in kind are recognized as an expense when they accrue.

### ***(b) Post-employment benefits***

Post-employment benefits include both defined contribution and defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense in the period it concerns.

The liability that is reported in the balance sheet with respect to defined benefits schemes is the present value of the liability for the defined benefit less the fair value of the scheme's assets and the changes that arise from any non-recognized actuarial profit or loss. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

The actuarial profit and losses that emerge from adjustments based on historical data and are over or under the 10% margin of the accumulated liability, are booked in the results in the expected average insurance time of the scheme's participants. The cost for the service time with the company is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is registered in the results with the straight line method within the maturity period.

### ***(c) Benefits for employment termination***

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed program for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted at present value.

In the case of employment termination where there is an inability to assess the number of employees that will use such benefits, they are not accounted for but are disclosed as a contingent liability.



## 7.22. Provisions

Provisions are created when:

- There is a present legal or constructive obligation as a result of past events,
- An outflow of resources is probable for the settlement of the liability,
- The exact amount of the obligation can be reliably estimated.

Provisions are reviewed at the end of each financial period and are adjusted in order to reflect the best possible estimations.

Provisions are calculated at the fair value of expenses, which based on the management's best estimation, are required to cover the present liability as at the balance sheet date. The discount rate used to calculate the present value reflects the current market estimations for the time value of money and increases that concern the specific liability.

## 7.23. Recognition of income and expenses

### Income

Income includes the fair value of goods and services sold, net of value added tax, discounts and returns. Inter-company revenue within the Group is eliminated completely. The recognition of income takes place as follows:

#### (a) Provision of services

The Company provides its services to both private patients-customers and to patients-customers that are covered by their social security and insurance organizations. Specifically, the main insurance funds with which the Company cooperates with are IKA (Greek Social Insurance Institute), the Greek State and OGA (Greek Agricultural Insurance Organization). It is worth noting that the Company has signed agreements with the aforementioned funds, through which patients are fully covered as regards to their expenses (predefined fee) concerning open heart procedures, computerized (CT-scan) and magnetic tomography, arthroplasty, lithotripsy, as well as artificial kidney sessions. The Social Security Funds the Company cooperates with, concern domestic and also foreign insurance companies. Specifically, from 01.08.2003 the Company once again began its cooperation with the Hellenic Association of Insurance Companies (with a three year contract), which had been interrupted from 01.07.2002 until 31.07.2003, while at the same time it has entered into partnerships with insurance organizations in the United Kingdom (BUPA, PPP), the United States of America (BLUE CROSS BLUE SHIELD CHAMPUS) and with international insurance organizations such as "SOS Doctors". Hygeia provides specific discounts to the aforementioned organizations. Furthermore, special agreements have been made with specific companies-banks.

Income is accounted for based on the stage of completion of the service rendered at the net amount expected to be received per category.



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**(b) Sale of goods**

Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.

**(c) Income Interest**

Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

**(d) Dividends**

Dividends are accounted for as revenue when the right to receive payment is established, namely during the approval date of their distribution by the General Meeting of each company.

**Expenses**

Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

**7.24. Financial instruments**

The Group's basic financial instruments are cash, bank deposits and short-term receivables and liabilities. Given the primarily short-term nature of the aforementioned instruments, the Group's management considers that their fair value essentially coincides with the value presented in the Group's accounting books. Moreover, the management considers that interest paid in relation to received loans is equivalent to the current reasonable interest rates in the market and thus there are no conditions for any adjustment to the value presented for such liabilities. The Group does not use financial derivatives.

**7.25. Leases**

The Company as a lessee:

**(a) Operating leases**

Lease agreements where essentially all the risks and benefits of ownership are reserved by the lessor (owner) are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionately throughout the term of the lease.



### (b) Financial leases

Leases of fixed assets where essentially all the risks and benefits related with ownership of an asset are transferred to the Group are classified as financial leases. These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and the financial expenses so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are presented in Loans. Interest is recognized in the results during the period of the lease. Fixed assets acquired through financial leases are depreciated over the shorter of their useful lives and the lease term, in case where the fixed asset's ownership is not transferred.

The Company as a lessor:

### Operating leases

Assets that are leased to third parties through operating leasing contracts are included in non-current assets, in the category of tangible fixed assets and investment property. Such fixed assets are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease is recognized in income during the period such refer to according to the relevant lease contract.

## 7.26. Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

## 7.27. Comparative data and rounding

Several comparable accounts were re-classified for comparability reasons with the relevant accounts of the current period. Differences presented between amounts stated in the financial statements and the respective amounts in the notes, are due to rounding.



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## **8. Risk Management**

The Company is exposed to several financial risks, such as market risk, rates of interest, credit risk and liquidity risk. Through this risk management, the Company aims to control and restrict this danger by systematically monitoring any factors affecting it. The financial risk management policy is implemented by the Financial Department.

### **8.1. Risks related to the Company's Business Activities**

#### **i. Partial covering of the issue of Bond Loan**

The Extraordinary Shareholders General Assembly which took place on 07/02/2007 decided on issuing a Convertible Bond Loan for an amount of € 300,015,000 in favor of the old shareholders at an issue price of EUR 4.5. Details of the issue shall be communicated over the next period. The issue result shall reinforce considerably the Company in achieving its strategy for the growth of its activities in Greece and abroad.

In case this issue is partially covered, the Company shall seek, in case it is deemed necessary, alternative complementary means of financing its investment plans, such as share capital increase or raising its credit ceiling in banks.

#### **ii. Credit Risk**

The Company realizes sales with Insurance Funds, Insurance Organizations, Insurance Agencies and private customers. Sales to Insurance Funds and Insurance Companies have a minimum loss risk. Potential credit risk is mainly related to private customers without any insurance or to insured patients for the amount not covered by their insurance policy. However, this risk has been significantly reduced through methods and practices laid down by the Company. Apart from that, no customer exceeds 10% of sales and therefore, the aforementioned risk is reduced through its distribution to a large number of customers.

#### **iii. Liquidity risk**

The maximization of the interval between the time of payment of the Company's claims by its customers and the time of payment of the Company's obligations to its suppliers may initiate liquidity problems within the Company. However, aware of the aforementioned risk and the effects on the Company's functioning, HYGEIA S.A. seeks to regularly monitor its claims so as the time of payment of the claims by the customers does not exceed the time of payment of its obligations to suppliers. Already in 2006, the Company reduced significantly its long term claims. Finally, it is emphasized that the Company has sufficient credit limits with the designated Banks so as to be able to cope with eventual unforeseeable events.

#### **iv. Cash flow risk and adjusted fair value risk due to changes in interest rates**

The Company's operating income and cash flow are independent of changes in the interest rates values. Moreover, it does not include major interest earning assets. The risk of changes in interest rates results from loans incurred. Variable interest rate loans expose the Company to cash flow risk.

Nevertheless the majority of the Company's loans are of short-term duration, which makes them less susceptible to later changes in interest rates.

#### **v. Dependence on contracts with insurance companies**

The Company signed a contract with Mednet Hellas S.A. which manages hospital coverage insurance programs for some of the major insurance companies in Greece. The term of the agreement is 3 years. Signing this agreement reduces to a large extent the Company's exposure to the particular risk.

#### **vi. Unchecked tax years**

The Company as well as its subsidiaries ALAN MEDICAL S.A. and ANIZ S.A. have been audited by the tax authorities until the fiscal year 2002, the company MITERA S.A. until the fiscal year 2003, whereas the company MITERA HOLDINGS S.A. has not been tax audited since its formation, namely 08.08.2003. During this period, the Company is tax audited for the fiscal years 2003, 2004 and 2005, whereas in the first months of 2006, the regular tax audit for the years 2003 and 2004 for the company MAGNITIKI IGIA DIAGNOSTIKES APIKONISIS S.A. has been concluded. The Group acknowledges expected tax liabilities due to audit, on the basis on assessments from previous audits. If the audit's final outcome varies from that initially acknowledged, the difference shall burden the revenue tax of assessed period.

#### **vii. Presidential Decree 235/2000**

In accordance with the provisions of Article 18 of the Presidential Decree No 235/2000, the affiliation and operation of independent Private Primary Health Care Providers in Private Clinics is prohibited under the article 13 of Law 2071/1992 (Greek Government Gazette issue No 123/A/92) as it is in force after its replacement by the article 4 of Law 2256/94 (Greek Government Gazette issue No. 196/A/94). Regarding the Clinics, in which these Providers operate, this provision shall take effect two (2) years after its publication in the present Presidential Decree (Greek Government Gazette issue No. 199/14.09.2000). It is emphasized that according to Law 3204/2003/A-296, the enforcement of the provision of the second subparagraph of paragraph 1 of the article 18 of Presidential Decree 235/2000 begins on 01.01.2007.

Taking into consideration the above, the company that is exempt from the prohibition contained in article 18 of Presidential Decree 235/2000 and consequently, it cannot be included and operate within the HYGEIA S.A. premises after the expiry of the above set deadline is the company "MAGNITIKI IGIA DIAGNOSTIKES APIKONISIS S.A.", which provides exclusively diagnostic services.

Moreover, there is also the company "IGIA - DIATROFI S.A." which, except from providing diagnostic services, is also a therapeutic center, creating conflict regarding whether it should be made subject to the provisions of Presidential Decree 235/2000.

The main activity of Diagnostic and Therapeutic Centers which operate within the Company premises is the operation of particular diagnostic and therapeutic equipment. The permits to operate the above diagnostic or/and therapeutic equipment have been issued by the pertinent authorities in the name of HYGEIA S.A. As a consequence, regarding the prohibition of article 18 of Presidential Decree 235/2000 as regards the inclusion and operation of similar Diagnostic and Therapeutic Centers within private



clinics, the Company can provide separately the same diagnostic or/and therapeutic services, operating the aforementioned equipment in its name and on its own behalf, using the same and already issued permits, which is already being examined.

In addition, it is noted that the Company acknowledges fully the prohibitions set in article 18 of Presidential Decree 235/2000 and is committed by obtaining all legal permits, which have been issued in its name, to provide separately the same diagnostic or/and therapeutic services even after the exemption of the companies which are subject to the prohibition according to the relevant article, and as a result, cannot operate within its premises after the expiry of the set deadline.

It should be noted that coming into force, the aforementioned Presidential Decree may affect the Company's operation as regards the services provided by the above companies that operate within its premises, meaning that the company examines alternative solutions and may proceed to their incorporation, by either purchasing or leasing the equipment operating within the companies being discussed. In any case, the above event is not expected to affect significantly the Company's operation, other than a probable delay in completing the above actions, as well as investing in the purchase of equipment owned by the companies being discussed may be necessary.

#### **viii. Assets insurance cover**

HYGEIA S.A. has transacted insurance business on its tangible assets and its premises with the Insurance Organization "ALLIANZ Insurance Company S.A." with the following expiry dates: Fire Insurance 31/12/2007, Group Employees 31/12/2007, Public Liability 31/3/2007 and motor vehicles 30/6/2007. It should be noted that as of 31.12.2006, the undepreciated value of Company buildings, equipment and furniture amounted to € thousand. Consequently, the insurance cover percentage of the undepreciated value based on data of 31.12.2006 amounts to almost 82%, which can have a negative effect on the Company in case of total destruction of both facilities and equipment. However, the Company's management considers the likelihood of total destruction of all HYGEIA S.A. premises minimum while it is emphasized that it proceeds to insure all its new assets.

#### **ix. Investments in which HYGEIA S.A. intends to make**

HYGEIA S.A. within the framework of its investment strategy, has lately proceeded to conclude agreements concerning the use of large investments both within Greece and abroad. In particular, on 19.10.2006, HYGEIA S.A. announced an agreement with the Hellenic Red Cross (hereinafter H.R.C.) aiming mainly at modernizing and expanding the health services provided in the Voula area, while on 23.10.2006, it announced the signature of an agreement with Mr. S. Duraku and the company Eurodrini sh. A. aiming mainly to establish and operate the first private hospital in Albania. As regards the agreements in question, it is noted that the contracting parties should also agree on a series of topics (i.e. legal, land-use, project specifications etc) which may vary and differ in any case. Since the settlement of the issues in question within the agreed time limits, relies on exogenous factors which cannot be foreseen, any specificities or and delays may expose to risks as regards the implementation or not of the contracts in question and consequently, of the intended investments.

## **8.2. Risks related to the Sector in which the Company is operating**

### **i. The situation in the Health Sector**

HYGEIA S.A. operates in the sector of the Hellenic primary and secondary medical care providing complete health services. The sector of private health service providers in Greece presents certain specificities which arise from the dominant position in the provision of health services traditionally occupied by the public sector. However, the public sector's failure to cover the constantly increasing demand but also to provide quality health services lead to the significant advance of private clinics. With a sector's growth rate of 12% in 2005, it is clear that the private health care sector in Greece presents a particular dynamic and potential, with which the companies participating are called to cope. The outcome and the growth of HYGEIA S.A. are directly affected by the Company's operation, vis-à-vis the constant development of the health sector and the use of its potential for further growth. Failure of HYGEIA S.A. to meet the new situation could have negative effect on its economic circumstances and its operational results.

### **ii. Competition Risk**

Over the last few years, the private health sector has been expanding, with the 20 largest companies of the sector accumulating 66% of its total earnings, which brings to light the intense competition among the largest companies of the sector. This competition aims consequentially to improve the services provided and the response time to the patient, by expanding the existing facilities in order to house new departments. Furthermore, it is noteworthy that many private clinics include from obstetrics and gynecology clinics until diagnostic centers in order to cover a wider range of services. Another area of competition observed in the private health sector is the increased cooperation between private units and insurance companies and the conclusion of contracts with insurance funds to cover hospitalization expenses of a larger population. HYGEIA S.A. has today an important share in the Hellenic private health sector and with the continuous improvement of its services, its aims not only at maintaining this position but also, at pioneering in the sector by providing new services. Nevertheless, in case the Company suspends its development and investment policy and does not develop new partnerships, its competitive position may be significantly affected.

### **iii. Tendency for accumulation in the health sector**

Lately, a tendency for accumulation is observed in the Hellenic private health sector which is marked by acquisitions of smaller local clinics and large private centers founding clinics and diagnostic centers in provincial towns. This tendency, not surprisingly, provides for greater competition since private clinics that do not grow and expand may become their competition's target in their effort to monopolize the private health market. HYGEIA S.A. in the course of this tendency has acquired a percentage (directly and indirectly) of almost 24.83% of the renowned clinic MITERA S.A. so as to promote its further development but also to benefit from synergies that may arise by providing the customer - patient almost all health services available at the same time. Additionally, it is worth mentioning that MITERA S.A. owns directly and indirectly 71.34% of the share capital of "LETO Obstetrics, Gynecology and Surgical Center S.A."



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#### **iv. Risk related to Technological Developments**

The fastest developments in technology and the detection of the need for constant reorganization have a significant effect on health services. All private clinics proceed to costly investment programs aiming at renewing and purchasing state-of-the-art medical equipment in order to provide new and improved services. HYGEIA S.A. has already managed to regularly renew its technological equipment and is able to operate two exclusive devices for the situation in Greece, namely the Gamma Knife (a specialized device to treat brain disorders) and PET / CT (Positron Emission Tomography - Computerized Tomography system). HYGEIA S.A. aims at investing constantly in the latest medical and technological developments and in the constant training of its employees so as to be up to date with all international developments in the health sector. However, should HYGEIA S.A. ceases to follow the constant medical and technological developments, its competitive position may be affected.

### **8.3. Risks related to the Company's Stock**

#### **i. Risks that may affect the stock price**

Investors should know that the course of ATHEX and the transaction price of the Company's shares may be subject to high fluctuations which can be attributed to exogenous factors and circumstances that are not always directly related to the Company's activity and financial situation. Some of the factors that can influence the Company's share price are for example, the following:

- Fluctuations in the Company's financial figures,
- The course of international money and capital markets,
- Investing public's psychology,
- Political upheaval, terrorist threats or potential warfare in Greece or abroad,
- Political, financial or social changes that may affect Greece,
- The situation of the Greek Economy,
- The ATHEX course,
- Positive or negative articles regarding the Company and its health department.

In addition to the abovementioned, it should also be taken into consideration that ATHEX has lower liquidity as compared to other major international markets, which may cause difficulties in the effort to sell the shares, particularly in large blocks. The clean price of the Company's common shares may be negatively affected by the sale of a large number of the Company's common shares or by the belief that such a sale can take place. Future sales of a large number of the Company's shares through the stock market by a major shareholder or a group of shareholders, or even the belief that such a sale may take place, could affect the clean price of the Company's common shares.

## 9. Notes on the Financial Statements

### 9.1 Tangible fixed assets

Tangible fixed assets (land-plots, buildings, machinery, other equipment) are registered at historic cost minus accumulated depreciations and minus any possible impairment.

No collateral has been written on the Group's fixed assets.

The area which the Company's land-plot and real estate are located in has not been integrated in the real estate objective evaluation system.

GROUP							
	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	22,132,275	56,339,364	33,656,197	866,562	12,483,947	172,937	125,651,282
Accumulated depreciation and/or value impairment	-	(2,892,606)	(14,280,995)	(607,461)	(9,810,745)	-	(27,591,807)
<b>Book value as at January 1st 2005</b>	<b>22,132,275</b>	<b>53,446,758</b>	<b>19,375,202</b>	<b>259,101</b>	<b>2,673,202</b>	<b>172,937</b>	<b>98,059,475</b>
Gross Book value	22,132,275	57,030,877	34,447,039	865,601	13,146,147	178,953	127,800,892
Accumulated depreciation and/or value impairment	-	(5,473,459)	(16,845,799)	(529,310)	(10,989,543)	-	(33,838,111)
<b>Book value as at December 31st 2005</b>	<b>22,132,275</b>	<b>51,557,418</b>	<b>17,601,240</b>	<b>336,291</b>	<b>2,156,604</b>	<b>178,953</b>	<b>93,962,781</b>
Gross Book value	22,132,275	57,615,494	34,893,962	795,892	13,850,347	11,947	129,299,917
Accumulated depreciation and/or value impairment	-	(7,494,630)	(19,396,675)	(485,039)	(12,063,776)	-	(39,440,120)
<b>Book value as at December 31st 2006</b>	<b>22,132,275</b>	<b>50,120,864</b>	<b>15,497,287</b>	<b>310,853</b>	<b>1,786,571</b>	<b>11,947</b>	<b>89,859,798</b>

	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
<b>Book value as at January 1st 2005</b>	<b>22,132,275</b>	<b>53,446,758</b>	<b>19,375,202</b>	<b>259,101</b>	<b>2,673,202</b>	<b>172,937</b>	<b>98,059,475</b>
Additions from acquisition of subsidiaries	-	-	-	-	-	-	-
Additions	-	673,257	790,843	252,483	662,950	24,272	2,403,805
Transfers	-	18,256	-	-	-	(18,256)	-
Sales	-	-	-	(253,444)	(750)	-	(254,194)
Accumulated depreciations of sold items	-	-	-	206,798	750	-	207,548
Depreciations for the period	-	(2,580,853)	(2,564,805)	(128,647)	(1,179,548)	-	(6,453,853)
Net foreign exchange differences	-	-	-	-	-	-	-
<b>Book value as at December 31st 2005</b>	<b>22,132,275</b>	<b>51,557,418</b>	<b>17,601,240</b>	<b>336,291</b>	<b>2,156,604</b>	<b>178,953</b>	<b>93,962,781</b>
Additions from acquisition of subsidiaries	-	-	-	80,433	11,992	-	92,425
Additions	-	111,518	446,923	119,446	594,213	651,385	1,923,485
Transfers	-	612,036	-	-	28,646	(818,391)	(177,709)
Sales	-	(138,937)	-	(278,524)	-	-	(417,461)
Accumulated depreciations of sold items	-	138,937	-	149,593	-	-	288,530
Depreciations for the period	-	(2,160,108)	(2,550,876)	(96,385)	(1,004,885)	-	(5,812,252)
Net foreign exchange differences	-	-	-	-	-	-	-
<b>Book value as at December 31st 2006</b>	<b>22,132,275</b>	<b>50,120,864</b>	<b>15,497,287</b>	<b>310,853</b>	<b>1,786,571</b>	<b>11,947</b>	<b>89,859,798</b>



	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	22,132,275	56,336,850	33,577,573	702,422	12,433,485	172,937	125,355,542
Accumulated depreciation and/or value Impairment	-	(2,891,113)	(14,206,014)	(489,176)	(9,768,105)	-	(27,354,408)
<b>Book value as at January 1st 2005</b>	<b>22,132,275</b>	<b>53,445,737</b>	<b>19,371,559</b>	<b>213,246</b>	<b>2,665,380</b>	<b>172,937</b>	<b>98,001,134</b>
Gross Book value	22,132,275	57,024,140	34,354,415	725,472	13,037,710	178,953	127,452,965
Accumulated depreciation and/or value Impairment	-	(5,470,099)	(16,769,307)	(462,901)	(10,934,126)	-	(33,636,433)
<b>Book value as at December 31st 2005</b>	<b>22,132,275</b>	<b>51,554,041</b>	<b>17,585,108</b>	<b>262,571</b>	<b>2,103,584</b>	<b>178,953</b>	<b>93,816,532</b>
Gross Book value	22,132,275	57,608,757	34,801,338	580,393	13,637,464	11,947	128,772,174
Accumulated depreciation and/or value Impairment	-	(7,490,364)	(19,316,747)	(388,561)	(11,919,843)	-	(39,115,515)
<b>Book value as at December 31st 2006</b>	<b>22,132,275</b>	<b>50,118,393</b>	<b>15,484,591</b>	<b>191,832</b>	<b>1,717,621</b>	<b>11,947</b>	<b>89,656,659</b>

	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
<b>Book value as at January 1st 2005</b>	<b>22,132,275</b>	<b>53,445,737</b>	<b>19,371,559</b>	<b>213,246</b>	<b>2,665,380</b>	<b>172,937</b>	<b>98,001,134</b>
Additions from acquisition of subsidiaries	-	-	-	-	-	-	-
Additions	-	669,034	776,843	163,169	604,975	24,272	2,238,293
Transfers	-	18,256	-	-	-	(18,256)	-
Sales	-	-	-	(140,119)	(750)	-	(140,869)
Accumulated depreciations of sold items	-	-	-	136,487	750	-	137,237
Depreciations for the period	-	(2,578,986)	(2,563,294)	(110,212)	(1,166,771)	-	(6,419,263)
Net foreign exchange differences	-	-	-	-	-	-	-
<b>Book value as at December 31st 2005</b>	<b>22,132,275</b>	<b>51,554,041</b>	<b>17,585,108</b>	<b>262,571</b>	<b>2,103,584</b>	<b>178,953</b>	<b>93,816,532</b>
Additions from acquisition of subsidiaries	-	-	-	-	-	-	-
Additions	-	111,518	446,923	119,446	571,108	651,385	1,900,379
Transfers	-	612,036	-	-	28,646	(818,391)	(177,709)
Sales	-	(138,937)	-	(264,524)	-	-	(403,461)
Accumulated depreciations of sold items	-	138,937	-	135,593	-	-	274,530
Depreciations for the period	-	(2,159,202)	(2,547,440)	(61,253)	(985,717)	-	(5,753,611)
Net foreign exchange differences	-	-	-	-	-	-	-
<b>Book value as at December 31st 2006</b>	<b>22,132,275</b>	<b>50,118,393</b>	<b>15,484,591</b>	<b>191,832</b>	<b>1,717,621</b>	<b>11,947</b>	<b>89,656,659</b>

Tangible fixed assets include the following amounts, which the Group/Company own as a lessee according to financial lease contracts:

**Fixed assets through financial leasing**

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Capitalization cost of financial leases	14,550,864	2,144,727	14,494,044	2,073,907
Accumulated depreciations	(1,147,591)	(541,967)	(1,131,492)	(524,449)
<b>Net book value</b>	<b>13,403,273</b>	<b>1,602,760</b>	<b>13,362,552</b>	<b>1,549,458</b>



## 9.2. Investment property

Group/Company

	Land Plots	Buildings	Total
Gross Book value	1,898,019	102,767	2,000,786
Accumulated depreciation and/or value impairment	-	(2,569)	(2,569)
<b>Book value as at January 1st 2005</b>	<b>1,898,019</b>	<b>100,198</b>	<b>1,998,217</b>
Gross Book value	1,898,019	102,767	2,000,786
Accumulated depreciation and/or value impairment	-	(5,138)	(5,138)
<b>Book value as at December 31st 2005</b>	<b>1,898,019</b>	<b>97,629</b>	<b>1,995,648</b>
Gross Book value	1,898,019	102,767	2,000,786
Accumulated depreciation and/or value impairment	-	(7,708)	(7,708)
<b>Book value as at December 31st 2006</b>	<b>1,898,019</b>	<b>95,059</b>	<b>1,993,078</b>

Investment property includes a 79.2 sq.m. store at the Municipality of Halandri and a land-plot with a total area of 1,300 sq.m., which are held for long-term leases and are not self-utilized by the Group. Investment property is valued according to the cost method.

## 9.3. Company goodwill

Goodwill is presented at book value minus any possible impairment and is analyzed as follows:

Group Goodwill	
<b>Book value as at December 31st 2005</b>	<b>0</b>
Gross Book value	7,221,830
Accumulated loss from impairment	0
<b>Book value as at December 31st 2006</b>	<b>7,221,830</b>

The recognized goodwill as at 31.12.2006, concerns the company MITERA HOLDINGS S.A. (detailed presentation in included in par. 5.6.2). The Group reviews goodwill for possible impairment on an annual basis.



## 9.4. Intangible fixed assets

Software programs mainly concern the installation of ERP SAP R/3 in the Company with the software operational from 01.01.2004.

The intangible fixed assets as at 31/12/2006 are analyzed as follows:

	<b>SOFTWARE</b>	
	<b>GROUP</b>	<b>COMPANY</b>
Gross Book value	6,156,717	6,124,774
Accumulated depreciation and/or value impairment	(929,110)	(915,055)
<b>Book value as at January 1st 2005</b>	<b>5,227,607</b>	<b>5,209,719</b>
Gross Book value	6,520,284	6,483,241
Accumulated depreciation and/or value impairment	(1,571,530)	(1,548,809)
<b>Book value as at December 31st 2005</b>	<b>4,948,754</b>	<b>4,934,432</b>
Gross Book value	6,669,320	6,630,265
Accumulated depreciation and/or value impairment	(2,262,338)	(2,229,016)
<b>Book value as at December 31st 2006</b>	<b>4,406,982</b>	<b>4,401,250</b>

<b>CHANGES</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>Book value as at January 1st 2005</b>	<b>5,227,607</b>	<b>5,209,719</b>
Additions from acquisition of subsidiaries	-	-
Additions	363,567	358,467
Transfers	-	-
Sales	-	-
Accumulated depreciations of sold items	-	-
Depreciations for the period	(642,420)	(633,754)
Net foreign exchange differences	-	-
<b>Book value as at December 31st 2005</b>	<b>4,948,754</b>	<b>4,934,432</b>
Additions from acquisition of subsidiaries	2,012	-
Additions	147,025	147,025
Transfers	-	-
Sales	-	-
Accumulated depreciations of sold items	(2,012)	-
Depreciations for the period	(688,796)	(680,206)
Net foreign exchange differences	-	-
<b>Book value as at December 31st 2006</b>	<b>4,406,982</b>	<b>4,401,250</b>

## 9.5. Financial assets available for sale

	Group /Company
Balance as at 31/12/2005	11,739
Balance as at 31/12/2006	11,739

The Group's financial assets available for sale include an investment in 10% of the company HYGEIA NUTRITION S.A., whose business objective is the research, prevention, diagnosis and therapy of metabolic and endocrinologic diseases related to nutrition.

## 9.6. Investments in affiliate companies

### 9.6.1 Investments in associate companies

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Balance at beginning of period</b>	<b>104,860</b>	<b>158,677</b>	<b>58,694</b>	<b>112,694</b>
Acquisition of Associate	59,132,393	-	28,943,845	-
Sales/write-offs	-	(49,596)	-	(49,596)
Dividends received that concern the period prior to the participation's acquisition	(1,281,920)	-	(1,281,920)	-
Reversal of received dividends	(10,000)	(10,680)	-	-
Impairment	-	(4,404)	-	(4,404)
Share of profit/loss (after tax and minority interest)	2,411,206	10,863	-	-
<b>Balance at end of period</b>	<b>60,356,540</b>	<b>104,860</b>	<b>27,720,619</b>	<b>58,694</b>

	Name	Domicile	Assets	Liabilities	Income	Profit/Loss	Participation percentage
<b>31/12/2005</b>							
Magnetic Health S.A.		Greece	1,035,739	511,437	2,020,515	54,316	20%
			<b>1,035,739</b>	<b>511,437</b>	<b>2,020,515</b>	<b>54,316</b>	
<b>31/12/2006</b>							
MITERA S.A.		Greece	94,261,814	46,151,062	68,793,797	12,716,064	24.84%
Magnetic Health S.A.		Greece	1,407,425	843,325	2,272,598	394,158	20%
			<b>95,669,239</b>	<b>46,994,387</b>	<b>71,066,395</b>	<b>13,110,222</b>	

During the period and specifically on 26/4/2006, the acquisition of 12.21% of the shares of MITERA PRIVATE MATERNITY AND SURGICAL CLINIC SOCIETE ANONYME (MITERA S.A.) was completed.

The total price for the acquisition of 12.21% of MITERA S.A.'s paid-up Share Capital, namely 4,135,225 common registered shares, amounted to € 28,943,845.

It is noted that on 2/5/2006, a dividend amounting to € 1,281,920 was received by MITERA S.A., which concerned net profit prior to the acquisition of the participation and thus according to IAS 18, the acquisition cost for the participation was reduced accordingly.

The share of profit from associate companies for 2006, concerns the period for which the Group owned a share in such. The profit amounting to 2,411,206 concerns by € 2,355,236 the share from the Participation in the company MITERA S.A. (for the period from 26/4 to 31/12/2006) and by € 55,970.38



the share from the participation in the company MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A. (for the period from 1/1 - 31/12/2006).

### 9.6.2. Investments in subsidiary companies

	<b>COMPANY 31/12/2006</b>
<b>Balance at beginning of period</b>	<b>886,364</b>
<b>Changes for the period</b>	
Acquisition of Associate	31,588,492
Dividends received that concern the period prior to the participation's acquisition	(1,156,575)
<b>Balance at end of period</b>	<b><u>31,318,281</u></b>

a) During the period and specifically on 26/4/2006, the acquisition of 100% of the shares of SOCIETE ANONYME HEALTH SERVICES AND INVESTMENTS HOLDINGS COMPANY (MITERA HOLDINGS S.A.) was completed.

The total price for the acquisition of 100% of MITERA HOLDINGS S.A.'s paid-up Share Capital, namely 3,304,500 common registered shares, amounted to € 31,524,930.

It is noted that on 29/12/2006, a dividend amounting to € 1,156,575 was received by MITERA HOLDINGS S.A., which concerned net profit prior to the acquisition of the participation and thus according to IAS 18, the acquisition cost for the participation was reduced accordingly.

The acquisition of MITERA HOLDINGS S.A., was registered in the financial statements by applying the purchase method.

The allocation of acquisition cost to the net assets of MITERA HOLDINGS S.A., as well as the goodwill that emerged during the acquisition date is as follows:

Acquisition date	26/04/2006
Acquired stake	100%
Purchase of Shares:	3,304,500
Acquisition Price (€ per share)	9.54
Cash Paid	<b>31,524,930</b>
Minus Dividends received	<b>(1,325,158)</b>
Minus fair value of Assets & Liabilities	<b>(22,977,942)</b>
Initial Recognized Goodwill	<b>7,221,830</b>



	<b>Book Value</b>	<b>Fair Value</b>
Tangible Fixed Assets	3,150.00	3,150.00
Participations in associate companies	1,000,465.00	30,191,240.00
Cash & cash equivalents	9,878.00	9,878.00
Deferred tax liabilities		-7,221,830.00
Suppliers and other liabilities	-1,805.00	-1,805.00
<b>Total Company equity</b>	<b>1,011,688.00</b>	<b>22,980,633.00</b>
Participation Percentage		100%
<b>Fair Value</b>		<b>22,977,942.00</b>

It is noted that the allocation of acquisition cost was finalized during the fourth quarter, after taking into account final estimations and subsequent events that altered the acquisition cost (dividend distribution from reserves that were created prior to the acquisition).

b) At the end of March, the Company acquired 70% of the company shares of ANIZ S.A. - Cafeteria and restaurant exploitation enterprises, for a price of € 63,561.70. The transaction was registered in the financial statements by applying the purchase method.

The net assets of ANIZ S.A., during the acquisition were as follows:

	<b>Book Value</b>	<b>Fair Value</b>
Tangible Fixed Assets	7,925	85,309
Deferred Income Tax	-	9,544
Inventories	5,931	5,931
Customers & other Receivables	70,079	19,333
Cash & Cash Equivalents	301,275	301,275
Loans	-	(70,561)
Provisions for employee benefits	-	(45,000)
Provisions for liabilities & Expenses	-	(42,300)
Suppliers & other Liabilities	(61,194)	(71,425)
Current Income Tax	(117,662)	(55,101)
Net Assets	206,354	137,005
Minority Interest (30%)		(41,101)
Net Assets acquired		95,904
Negative Goodwill		(32,342)
Total Price paid in cash		63,562
Net cash result from acquisition		(63,562)
Paid Price (including Expenses)		301,275
Cash & Cash Equivalents of Subsidiary		237,713

## 9.7. Other long-term receivables

The Group's and Company's other long-term receivables mainly concern given guarantees (rentals of spaces towards utility companies).



## 9.8. Inventories

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

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Raw and auxiliary materials - consumables	2,478,087	2,160,943	2,745,087	2,427,943
Merchandise	381,232	581,876	-	-
<b>Total</b>	<b>2,859,319</b>	<b>2,742,819</b>	<b>2,745,087</b>	<b>2,427,943</b>

## 9.9. Customers and other trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers	30,445,164	29,183,847	30,007,377	29,094,189
Checks Receivable	1,497,289	652,385	1,497,289	652,385
Notes receivable	3,616,677	1,826,892	3,616,677	1,826,892
Notes overdue	1,427,553	1,331,226	1,427,553	1,331,226
Impairment provisions	(12,544,282)	(9,024,669)	(12,500,000)	(9,000,000)
Receivables from affiliated parties	0	0	186,842	250,000
Prepayments / Withheld income tax	1,019,973	563,012	1,019,973	563,012
Accrued income	1,110,235	717,533	1,110,235	717,533
Deferred expenses	277,532	161,710	277,532	161,710
Other receivables	531,232	151,930	526,662	151,929
<b>Total</b>	<b>27,381,373</b>	<b>25,563,865</b>	<b>27,170,139</b>	<b>25,748,875</b>

## 9.10. Cash & cash equivalents

The real weighted average interest rates for bank deposits was 4.65% (4.05% in 2005). The cash & cash equivalents, for the purposes of the cash flow statement, include the following:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash in hand	133,250	119,189	94,424	63,004
Short-term deposits	5,161,251	1,761,470	4,012,317	1,332,835
<b>Total</b>	<b>5,294,501</b>	<b>1,880,659</b>	<b>4,106,741</b>	<b>1,395,839</b>

## 9.11. Equity

### i) Share capital

On December 31st 2006 the total issued common shares amounted to 64,200,000 common registered shares, with a nominal value of 0.41 Euro each. All issued shares are fully paid and are listed on the Athens Exchange.

		No. of shares (common shares)	Share Capital	Above par	Total
<b>Balances</b>	<b>01/01/2005</b>	<b>42,800,000</b>	<b>17,548,000</b>	<b>17,093,551</b>	<b>34,641,551</b>
<b>Balances</b>	<b>31/12/2005</b>	<b>42,800,000</b>	<b>17,548,000</b>	<b>17,093,551</b>	<b>34,641,551</b>
Issuance of new shares		21,400,000	8,774,000	51,146,000	59,920,000
Issuance expenses				(183,857)	
<b>Balances</b>	<b>31/12/2006</b>	<b>64,200,000</b>	<b>26,322,000</b>	<b>68,055,694</b>	<b>94,377,694</b>

On 18.07.2006 the Company's Ordinary General Shareholders' Meeting decided on the increase of the Company's share capital through cash and with a right of preference in favor of existing shareholders, by 8,774,000 euro with the issuance of 21,400,000 new registered shares with a nominal value of 0.41 euro each, which were issued at a price of 2.80 euro per share. Furthermore, the Ordinary General Meeting authorized the BoD, in case the new shares were not covered by existing shareholders, to distribute any possible indisposed shares at their discretion according to article 13 par. 5 verse c' of C.L. 2190/1920 at the same price.

From the indisposed shares, 253,180 shares were granted to BoD members, company executives and doctors as benefits. The value of the benefit was valued based on the price of the right during its last trading date, namely 0.68 €.

The burden for the results of 2006 amounted to € 172,162.40.

### ii) Other Reserves

The Group's other reserves are analyzed as follows:

		GROUP					COMPANY				
		Ordinary reserve	Difference from value readjustment	Tax-exempt reserves	Reserv of granted shares	Total	Ordinary reserve	Difference from value readjustment	Tax-exempt reserves	Reserv of granted shares	Total
<b>Balances</b>	<b>01/01/2005</b>	2,526,465	27,045	593,966	-	3,147,476	2,526,465	27,045	593,966	-	3,147,476
<b>Balances</b>	<b>31/12/2005</b>	2,526,465	27,045	593,966	-	3,147,476	2,526,465	27,045	593,966	-	3,147,476
Transfer from earnings		-	-	-	-	-	-	-	-	-	-
Other changes for the period		-	-	-	172,163	172,163	-	-	-	172,163	172,163
<b>Balances</b>	<b>31/12/2006</b>	<b>2,526,465</b>	<b>27,045</b>	<b>593,966</b>	<b>172,163</b>	<b>3,319,639</b>	<b>2,526,465</b>	<b>27,045</b>	<b>593,966</b>	<b>172,163</b>	<b>3,319,639</b>

It is noted that the account "Other Reserves" in the individual and consolidated Balance Sheet also include the amount of "Above par", which has been analyzed in the "Share Capital" table.



## 9.12. Loan liabilities

The Group's loans and the relevant maturity dates are analyzed as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Long-term loans</b>				
Bank loans	20,000,000	20,000,000	20,000,000	20,000,000
Leasing liabilities	120,199	268,039	75,517	241,027
<b>Total</b>	<b>20,120,199</b>	<b>20,268,039</b>	<b>20,075,517</b>	<b>20,241,027</b>
<b>Short-term loans</b>				
Bank loans	23,476,280	25,684,293	23,458,619	25,684,293
Leasing liabilities	226,379	598,748	213,959	583,585
<b>Total</b>	<b>23,702,659</b>	<b>26,283,041</b>	<b>23,672,578</b>	<b>26,267,878</b>
<b>Total loans</b>	<b>43,822,858</b>	<b>46,551,080</b>	<b>43,748,095</b>	<b>46,508,905</b>

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>The maturity of loans is as follows:</b>				
Up to 1 year	23,702,232	26,283,041	23,672,578	26,267,878
From 1 to 5 years	20,120,626	20,268,039	20,075,517	20,240,961
Over 5 years	-	-	-	-
	<b>43,822,858</b>	<b>46,551,080</b>	<b>43,748,095</b>	<b>46,508,839</b>

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Leasing liabilities</b>				
<b>Minimum lease payments:</b>				
Up to 1 year	20,243,612	26,283,041	20,213,959	26,267,878
From 1 to 5 years	23,579,245	20,268,039	23,534,136	20,240,961
Over 5 years	-	-	-	-
	<b>43,822,858</b>	<b>46,551,080</b>	<b>43,748,095</b>	<b>46,508,839</b>

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Present value of leasing liabilities</b>				
Up to 1 year	226,379	598,748	213,959	583,585
From 1 to 5 years	120,199	268,039	75,517	240,961
Over 5 years	-	-	-	-
	<b>346,578</b>	<b>866,787</b>	<b>289,476</b>	<b>824,546</b>

The real average weighted interest rates for the Group's loans as at the balance sheet date, are as follows:

	GROUP	COMPANY
	EUR	EUR
Bank debt (short-term)	5.03%	5.03%
Bank debt (long-term)	4.66%	4.66%

### 9.13. Deferred tax

The deferred tax receivables / liabilities, as such emerge from the relevant temporary tax differences, are as follows:

	GROUP				COMPANY			
	31/12/2006		31/12/2005		31/12/2006		31/12/2005	
	Receivable	Liability	Receivable	Liability	Receivable	Liability	Receivable	Liability
Intangible Assets	307,497	-	61,629	-	307,497	-	61,629	-
Tangible Assets	-	(6,383,251)	-	(5,355,150)	-	(6,383,251)	-	(5,355,150)
Tangible fixed assets through financial leasing	-	(1,638,018)	-	(1,266,729)	-	(1,633,034)	-	(1,263,975)
Participations	609,624	(7,221,830)	-	-	609,624	-	-	-
Employee Benefits	2,821,389	-	2,417,388	-	2,799,213	-	2,404,901	-
Provisions	-	-	978,000	-	-	-	978,000	-
<b>Offsetting</b>	<b>(3,738,510)</b>	<b>3,738,510</b>	<b>(3,457,017)</b>	<b>3,457,017</b>	<b>(3,716,334)</b>	<b>3,716,334</b>	<b>(3,444,530)</b>	<b>3,444,530</b>
<b>Balance</b>	<b>0</b>	<b>(11,504,590)</b>	<b>-</b>	<b>(3,164,862)</b>	<b>(0)</b>	<b>(4,299,952)</b>	<b>-</b>	<b>(3,174,595)</b>

The effective income tax rate to which the Group will be subject to for 2007 is equal to 25%.

The offset of deferred tax receivables and liabilities takes place when there is, from the company's perspective, an applicable legal right for such and when the deferred income taxes refer to the same tax authority.

### 9.14. Liabilities for employee benefits

Liabilities for:	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Retirement benefits of L.2112/20	4,261,673	4,176,440	4,173,971	4,126,492
Retirement benefits of group pension plan 1697	6,209,802	5,682,756	6,209,802	5,682,756
<b>Total</b>	<b>10,471,475</b>	<b>9,859,196</b>	<b>10,383,773</b>	<b>9,809,248</b>

Charges in the results for:	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Retirement benefits of L.2112/20	62,736	505,481	47,478	500,569
Retirement benefits of group pension plan 1697	527,046	808,436	527,046	808,436
<b>Total</b>	<b>589,782</b>	<b>1,313,917</b>	<b>574,524</b>	<b>1,309,005</b>



## Retirement benefits of L.2112/20

The amounts registered in the Balance Sheet have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Present value of accumulated liability	4,790,635	5,074,717	4,697,733	5,020,139
Non-recognized actuarial losses	(528,962)	(898,277)	(523,762)	(893,647)
<b>Total</b>	<b>4,261,673</b>	<b>4,176,440</b>	<b>4,173,971</b>	<b>4,126,492</b>

The amounts registered in the Results have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cost of current employment	327,264	281,919	314,502	279,175
Financial cost	189,355	189,417	186,859	187,249
Cost of settlements/termination of service	330,276	27,174	330,276	27,174
Depreciation of non-recognized actuarial losses	32,474	6,971	32,474	6,971
<b>Normal expense in income statement</b>	<b>879,369</b>	<b>505,481</b>	<b>864,111</b>	<b>500,569</b>

The movements of the liability that appears in the balance sheet are as follows:

	GROUP	COMPANY
<b>Balance as at 1/1/2005</b>	<b>3,997,832</b>	<b>3,952,796</b>
Total debit / (credit) to the results	505,481	500,569
Paid indemnities	(326,873)	(326,873)
<b>Balance as at 31/12/2005</b>	<b>4,176,440</b>	<b>4,126,492</b>
Total debit / (credit) to the results	15,258	864,111
Paid indemnities	(816,632)	(816,632)
<b>Balance as at 31/12/2006</b>	<b>3,375,066</b>	<b>4,173,971</b>

The main actuarial assumptions used are as follows:

	31/12/2006	31/12/2005
Discount rate	4.20%	4.00%
Future wage increases	4.00%	4.00%
Expected remaining working life	11.26	12.06

## Retirement benefits of group pension plan 1697

The amounts registered in the Balance Sheet have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Present value of accumulated liability	8,884,748	9,237,372	8,884,748	9,237,372
Fair value of plan's assets	(1,765,981)	(1,892,885)	(1,765,981)	(1,892,885)
Non-recognized actuarial losses	(908,965)	(1,661,731)	(908,965)	(1,661,731)
<b>Total</b>	<b>6,209,802</b>	<b>5,682,756</b>	<b>6,209,802</b>	<b>5,682,756</b>

The amounts registered in the Results have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cost of current employment	557,946	523,216	557,946	523,216
Financial cost	344,100	348,149	344,100	348,149
Expected return of plan's assets	(50,321)	(70,355)	(50,321)	(70,355)
Depreciation of non-recognized actuarial losses	64,623	7,426	64,623	7,426
<b>Total, Included in employee benefits</b>	<b>916,348</b>	<b>808,436</b>	<b>916,348</b>	<b>808,436</b>

The movements of the liability that appears in the balance sheet are as follows:

	GROUP	COMPANY
<b>Balance as at 1/1/2005</b>	5,255,881	5,255,881
Total debit / (credit) to the results	808,436	808,436
Paid contributions	(381,561)	(381,561)
<b>Balance as at 31/12/2005</b>	<b>5,682,756</b>	<b>5,682,756</b>
Total debit / (credit) to the results	-	916,348
Paid contributions	-	(389,302)
<b>Balance as at 31/12/2006</b>	<b>5,682,756</b>	<b>6,209,802</b>

The main actuarial assumptions used are as follows:

	31/12/2006	31/12/2005
Discount rate	4.20%	4.00%
Expected return of plan's assets	4.20%	4.00%
Future wage increases	4.00%	4.00%
Expected remaining working life	11.95	11.42



## 9.15. Provisions for liabilities and expenses

The provisions that concern the Group and Company are recognized when there are present legal or constructive liabilities as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the liability can be reliably estimated. Contingent receivables are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

Long-term provisions	GROUP			COMPANY		
	Pending judicial cases	Other provisions	Total	Pending judicial cases	Other provisions	Total
Book value as at January 1st 2005	-	35,000	35,000	-	-	0
Additional provisions	1,500,000	20,000	1,520,000	0	0	0
<b>Book value as at December 31st 2005</b>	<b>1,500,000</b>	<b>55,000</b>	<b>1,555,000</b>	<b>1,500,000</b>	<b>0</b>	<b>1,500,000</b>
Additions from acquisition of subsidiaries	-	40,000	40,000	-	-	0
Additional provisions	500,000	430,000	930,000	500,000	410,000	910,000
Reclassification of account	0	490,000	490,000	-	490,000	490,000
<b>Book value as at December 31st 2006</b>	<b>2,000,000</b>	<b>1,015,000</b>	<b>3,015,000</b>	<b>2,000,000</b>	<b>900,000</b>	<b>2,900,000</b>
Short-term provisions	GROUP			COMPANY		
	Pending judicial cases	Other provisions	Total	Pending judicial cases	Other provisions	Total
Book value as at January 1st 2005	-	-	0	-	-	0
Additional provisions	-	133,000	133,000	-	133,000.00	133,000
<b>Book value as at December 31st 2005</b>	<b>0</b>	<b>133,000</b>	<b>133,000</b>	<b>0</b>	<b>133,000</b>	<b>133,000</b>
Additions from acquisition of subsidiaries	-	-	0	-	-	0
Additional provisions	-	156,000	156,000	-	156,000	156,000
Transfers to the results	-	(133,000)	(133,000)	-	(133,000)	(133,000)
<b>Book value as at December 31st 2006</b>	<b>0</b>	<b>156,000</b>	<b>156,000</b>	<b>0</b>	<b>156,000</b>	<b>156,000</b>
<b>Total provisions</b>	<b>2,000,000</b>	<b>1,171,000</b>	<b>3,171,000</b>	<b>2,000,000</b>	<b>1,056,000</b>	<b>3,056,000</b>

## 9.16. Suppliers and other liabilities

The analysis of balances for the Group's and Company's suppliers and other related liabilities is as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Suppliers	23,516,432	26,190,625	23,258,570	26,822,394
Checks payable	1,163,179	39,536	1,163,179	39,536
Social Security Funds and other taxes payable	2,893,038	2,494,224	2,846,909	2,477,075
Accrued expenses	1,950,475	1,197,448	1,826,423	1,197,448
<b>Total</b>	<b>29,523,123</b>	<b>29,921,833</b>	<b>29,095,080</b>	<b>30,536,453</b>

## 9.17. Cost of sales

The cost of sales is analyzed as follows:

Cost of sales	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Employee remuneration and expense	25,562,880	24,592,879	25,331,506	24,387,903
Third party remuneration and expenses	9,742,176	10,408,853	9,736,766	10,397,595
Third party benefits	6,809,316	6,350,512	6,796,194	6,335,257
Materials used	29,586,751	25,833,437	30,529,325	27,916,056
Taxes - dues	380	1,507	380	1,507
Sundry expenses	1,318,701	2,416,392	1,243,247	2,256,246
Interest and related expenses	-	-	-	-
Depreciations	5,986,840	6,574,365	5,947,853	6,537,165
Operating provisions	361,502	504,196	361,502	504,196
<b>Total</b>	<b>79,368,544</b>	<b>76,682,141</b>	<b>79,946,773</b>	<b>78,335,925</b>

## 9.18. Administrative / distribution expenses

Administrative expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Employee remuneration and expenses	5,861,255	4,248,530	5,821,510	4,227,079
Third party remuneration and expenses	542,263	345,867	520,788	344,689
Third party benefits	1,340,191	1,105,104	1,336,411	1,103,508
Materials used	284,111	287,796	-	-
Taxes - dues	311,822	51,859	309,677	51,859
Sundry expenses	408,024	506,253	372,717	489,493
Interest and related expenses	-	-	-	-
Depreciations	456,829	508,038	437,066	504,145
Operating provisions	29,333	5,122	15,063	5,122
<b>Total</b>	<b>9,233,827</b>	<b>7,058,570</b>	<b>8,813,230</b>	<b>6,725,895</b>

Distribution expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Employee remuneration and expenses	508,570	269,486	250,243	257,569
Third party remuneration and expenses	9,835	37,795	9,520	37,140
Third party benefits	86,310	184,028	50,224	183,141
Materials used	157,839	159,887	-	-
Taxes - dues	-	-	-	-
Sundry expenses	312,822	345,894	272,737	336,583
Interest and related expenses	-	-	0	-
Depreciations	53,699	16,440	49,183	14,277
Operating provisions	19,612	-	-	-
<b>Total</b>	<b>1,148,687</b>	<b>1,013,528</b>	<b>631,907</b>	<b>828,709</b>



## 9.19. Other operating income / expenses

The other operating income and expenses for 2006 and 2005 are as follows:

Other operating income	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income from concessions	3,266,581	2,061,246	3,305,391	2,061,246
Income from special grants	341,060	257,583	341,060	257,583
Income from provision of services	716,256	579,813	716,256	579,813
Other income	179,525	243,755	156,057	234,045
<b>Total</b>	<b>4,503,422</b>	<b>3,142,397</b>	<b>4,518,764</b>	<b>3,132,687</b>

Other operating expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Provisions for Doubtful Receivables and other cases	4,019,612	2,157,669	4,000,000	2,133,000
Other expenses	213,458	80,522	213,208	80,522
<b>Total</b>	<b>4,233,070</b>	<b>2,238,191</b>	<b>4,213,208</b>	<b>2,213,522</b>

## 9.20. Financial income / expenses

Financial expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Interest expenses of bank loans	4,446,460	1,762,322	4,446,460	1,762,298
Financial expenses from leasing contracts	29,663	41,560	22,285	39,775
Factoring interest and expenses	220,682	237,306	220,682	237,306
Other financial expenses	22,011	33,250	19,420	29,595
Minus: Loan interest of construction period	-	(1,376)	-	(1,376)
<b>Total</b>	<b>4,718,816</b>	<b>2,073,062</b>	<b>4,708,847</b>	<b>2,067,598</b>

Financial income	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Interest income	139,781	108,168	129,346.95	104,413
<b>Total</b>	<b>139,781</b>	<b>108,168</b>	<b>129,347</b>	<b>104,413</b>

## 9.21. Other financial results

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income from dividends	8,102	6,600	767,600	767,280
<b>Total</b>	<b>8,102</b>	<b>6,600</b>	<b>767,600</b>	<b>767,280</b>

## 9.22. Income tax

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Current tax	(175,604)	(412,575)	-	-
Deferred tax	(1,772,819)	305,213	(1,771,011)	307,108
<b>Total</b>	<b>(1,948,423)</b>	<b>(107,362)</b>	<b>(1,771,011)</b>	<b>307,108</b>

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profit/(loss) before taxes	585,053	(2,239,257)	-	(2,714,133)
Taxes calculated with current tax rate and end of respective period in earnings	(169,665)	716,562	-	868,523
Income not subject to tax	-	5,589	-	(742,986)
Expenses non-recognized for tax purposes	(8,846)	(746,014)	-	245,530
Effect from the use of different Income tax rates	-	16,527	-	16,067
Offsetting of fixed assets goodwill according to GAAP	-	-	-	-
Other	2,907	(100,026)	-	(80,026)
<b>Total</b>	<b>(175,604)</b>	<b>(107,362)</b>	<b>0</b>	<b>307,108</b>

## 9.23. Earnings per share

The basic earnings per share emerge from the division of the earnings corresponding to the parent's shareholders (after taxes), with the Company's weighted average number of common shares during the period. The diluted earnings per share coincide with the basic.

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Basic earnings per share</b>				
Earnings corresponding to the parent's shareholders	1,036,863	(2,346,618)	(1,030,291)	(2,407,025)
Weighted average number of shares	43,562,192	50,329,633	43,562,192	50,329,633
<b>Basic earnings per share (Euro per share)</b>	<b>0.024</b>	<b>(0.05)</b>	<b>(0.024)</b>	<b>(0.05)</b>



## 9.24. Cash flows from operating activities

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
<b>Earnings for the period</b>	<b>1,036,863</b>	<b>(2,346,618)</b>	<b>(1,030,291)</b>	<b>(2,407,025)</b>
<i>Adjustments for:</i>				
Tax	1,948,424	107,362	1,771,011	(307,108)
Depreciations of tangible fixed assets	5,810,856	6,456,422	5,756,181	6,421,832
Depreciations of investment property	0	642,420	0	0
Depreciations of intangible assets	688,796	0	680,206	633,754
Provisions for staff indemnities	589,783	605,483	574,525	600,571
Provisions for doubtful receivables	3,519,613	524,669	3,500,000	500,000
Other provisions	500,000	1,633,000	500,000	1,633,000
(Profit)/loss from sale of tangible fixed assets	8,958	(62,744)	8,958	(60,958)
(Profit)/loss from purchase of company stake	(32,342)	0	0	0
(Profit)/loss from associate companies	0	0	0	4,404
Dividend income	(17,600)	(6,600)	(767,600)	(767,280)
Share of result in affiliate companies	(2,411,206)	(6,459)	0	0
Interest income	(140,284)	(108,168)	(129,347)	(104,413)
Interest expenses	4,717,824	2,073,062	4,707,626	2,067,598
Foreign exchange profit/(loss)	0	0	0	0
Other	110,877	0	110,877	0
	<b>16,330,561</b>	<b>9,511,829</b>	<b>15,682,147</b>	<b>8,214,375</b>
<b>Changes in Working Capital</b>				
(Increase)/decrease of long-term receivables	49,696	(6,875)	48,748	
(Increase)/decrease of inventories	(110,569)	(343,089)	(317,143)	(174,207)
(Increase)/decrease of receivables	(5,317,787)	(4,231,656)	(4,921,264)	(4,066,202)
Increase/(decrease) of liabilities	(901,983)	4,656,582	(2,190,267)	4,261,468
Increase/(decrease) of provisions	510,700	0	513,000	0
Increase/(decrease) of liability for staff retirement indemnities	552,021	0	574,525	(4,050)
	<b>(5,217,921)</b>	<b>74,962</b>	<b>(6,292,402)</b>	<b>17,009</b>
<b>Net cash flows from operating activities</b>	<b>11,112,640</b>	<b>9,586,791</b>	<b>9,389,745</b>	<b>8,231,384</b>

## 9.25. Obligations

Operating lease obligations – of the Company and Group as lessee.

The Group leases offices and storage spaces with operating leases that include several terms, readjustment provisions and renewal rights. The future minimum payable total leases according to the operating lease contracts, are as follows:

GROUP	31/12/2006
Up to 1 year	243,194
From 1 - 5 years	3,433,225
Over 5 years	3,455,510
<b>Total</b>	<b>7,131,929</b>

COMPANY	31/12/2006
Up to 1 year	195,624
From 1 - 5 years	3,314,078
Over 5 years	3,399,092
<b>Total</b>	<b>6,908,794</b>



## 9.26. Contingent receivables – liabilities

### Information regarding contingent liabilities

The Group has contingent liabilities from issues that arise in the context of its normal activity. No substantial charges are expected to emerge from the contingent liabilities, apart from the provisions already created. In detail:

#### a) Letters of guarantee

On December 31st 2006 and 2005, ALPHA BANK S.A. had issued letters of guarantee in favor of the Company amounting to 1,591,115 Euro and 1,592,912 Euro respectively. This amount also includes the letter of guarantee towards the Health Servants Pension and Self-insurance Fund (T.S.A.Y.)

#### b) Significant pending judicial cases

##### I. Claims against HYGEIA S.A.

Cases that have been concluded and at the 2nd jurisdiction degree (finalized)

##### 1) Imposition of Special Environmental and Traffic Application Duty by the Municipality of Amarousio

The Municipality of Amarousio imputed to Hygeia a Special Environmental and Traffic Application Duty amounting to **EURO 159,354.00**. It is noted that 40% of the aforementioned amount, namely **63,742 €** has been settled and is paid in installments (L. 1080/80 concerning tax differences between Municipalities and Tax Payers) and such are paid regularly and promptly.

##### 2) Imposition of Special Hospital and Medical Units Duty by the Municipality of Amarousio

The Municipality of Amarousio confirmed through the Financial Department, against our Company, a Special Hospital and Medical Units Duty, amounting to **EURO 318,709.00**.

##### 3) G. Tolis Case

The cardio-surgeon G. Tolis filed a suit, before the Athens Unilateral Court of First Instance, against the company, according to which he claimed the amount of **EURO 555,541.00**, interest bearing, for differences between the paid by the company remuneration towards him and the real remuneration owed as defined by the Greek State and the Social Security Funds.

##### II. Pending Judicial Cases of "HYGEIA S.A."

##### 1) Cases not covered by Mal-Practice

The total amount of judicial claims not covered by Mal-practice, amounts to 460,351. The outcome of most judicial cases is considered positive for the Company and is estimated not to have a significant effect on its financial status.



## **2) Imposition of Fine by T.S.A.Y.**

T.S.A.Y. had asserted for the period from October 1989 until March 1993, based on a decision by its Board of Directors, a claim against the Company concerning employer contributions on doctors fees amounting to 810 thousand Euro approximately, plus surcharges. Following, the Company took recourse action through the Administrative Athens Court of First Instance where with the Decision No. 2244/1997 was cleared. T.S.A.Y. filed an appeal against this decision to the Administrative Athens Court of Appeals, which was rejected with the Decision No. 4888/2000. With a new decision by its Board of Directors, T.S.A.Y. asserted for roughly the same period the amount of € 1,507,909 Euro. An equal letter of guarantee was given to T.S.A.Y., which regularly issues pension slips.

## **III. Claims of patients or successors of patients against HYGEIA S.A. (MAL PRACTICE cases)**

Patients or successors of patients, judicially claim amounts from Doctors and the Company as indemnity of their loss and/or monetary compensation for moral injury or mental anguish, from claimed medical errors of doctors working with the Clinic. The amount of claims is approximately 40 million Euro. The outcome of most judicial cases is foreseen positive for the Company and is considered not to have a significant effect on its financial status as the specific judicial claims refer to claims of patients against doctors for monetary compensation for moral injury and are secondarily against the Company, considering the doctors are Company employees. It is noted that such doctors are independent partners and thus there is no guidance from the Company towards them, neither as regards to the time, nor as regards to the manner of their work. Finally, it is noted that even if the Court wished to adjudge an amount against the Company, this amount would be paid by the doctor's insurance company, given that the doctors working with the Company, of all specializations, are obliged to such insurance.

## **c) Presidential Decree 235/2000**

According to the provisions of article 18 of P.D. 235/2000, the submission and operation in Private Clinics is prohibited for independent entities (that belong to other Physical or Legal Entities) of Private Entities of article 13 of L. 2071/1992 (Gov. Gazette 123/A/92), as is in effect following its replacement by article 4 of L. 2256/94 (G.G. 196/A/94). For Clinics, where such Entities operate, the effect of this provision commences two (2) months following the publication of the present presidential decree (G.G. 199/14.09.2000). It is noted that according to L. 3204/2003/A-296<sup>1</sup> the effect of the provision of verse 2, par. 1 of article 18 of P.D. 235/2000 commences from 01.01.2007.

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<sup>1</sup> L. 3204/2003/A-296: «Amendments and completion of Legislation for National Health System – and regulations of other issues applying to the Ministry of Health and Welfare».



#### d) Un-audited tax fiscal years

The parent company as well as the companies ALAN MEDICAL S.A. and ANIZ S.A. have been audited by the tax authorities until the fiscal year 2002 included. From February 2007 the parent company is undergoing the ordinary tax audit procedure for fiscal years 2003, 2004 & 2005, while an application has been submitted to the tax authorities to also include fiscal year 2006 in the audit, with the approval pending. Moreover, the subsidiary company ALAN MEDICAL S.A. is undergoing the ordinary tax audit procedure for fiscal years 2003, 2004 & 2005. The associate company MITERA S.A. has been audited by the tax authorities until the fiscal year 2003 included, while the company MITERA HOLDINGS S.A. has not been tax audited since its establishment. During the first months of 2005, the ordinary tax audit for fiscal years 2003 and 2004 was concluded for the company MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A.

For the un-audited tax fiscal years stated above, there is a possibility that additional taxes and surcharges may be imposed during the time such are audited and finalized. The Group annually reviews the contingent liabilities that are expected to emerge from the audit of previous years, taking into account the respective provisions when deemed necessary. The management considers that apart from the created provisions, any possible taxes likely to arise will not have a significant effect on the Group's net position, the results and the cash flows.

## 9.27. Transactions with affiliated parties

### Intra-company transactions

The following transactions and balances constitutes the transactions of the Group's subsidiaries. Such transactions, between companies included in the Group's consolidated Financial statements, are written-off during the full consolidation procedure.

#### INTRA-COMPANY RECEIVABLES - LIABILITIES 31/12/2006

	LIABILITY				TOTAL
	HYGEIA S.A.	ALAN MEDICAL S.A.	ANIZ S.A.	MITERA HOLDINGS S.A.	
<b>RECEIVABLE</b>					
<b>HYGEIA S.A.</b>		175,000.00	11,842.00		<b>186,842</b>
<b>ALAN MEDICAL S.A.</b>	893,536.00				<b>893,536</b>
<b>ANIZ S.A.</b>	15,502.00				<b>15,502</b>
<b>MITERA HOLDINGS S.A.</b>					<b>0</b>
<b>TOTAL</b>	<b>909,038</b>	<b>175,000</b>	<b>11,842</b>	<b>0</b>	<b>1,095,880</b>

#### INTRA-COMPANY SALES PURCHASES 1/1 - 31/12/2006

	BUYER				TOTAL
	HYGEIA S.A.	ALAN MEDICAL S.A.	ANIZ S.A.	MITERA HOLDINGS S.A.	
<b>SELLER</b>					
<b>HYGEIA S.A.</b>		10,981	39,479	0	<b>50,460</b>
<b>ALAN MEDICAL S.A.</b>	3,839,926				<b>3,839,926</b>
<b>ANIZ S.A.</b>	25,685				<b>25,685</b>
<b>MITERA HOLDINGS S.A.</b>	0				<b>0</b>
<b>TOTAL</b>	<b>3,865,611</b>	<b>10,981</b>	<b>39,479</b>	<b>0</b>	<b>3,916,071</b>



Transactions with affiliated parties

	<b>GROUP</b> <b>31.12.2006</b>	<b>COMPANY</b> <b>31.12.2006</b>
<b>Sale of merch./services</b>		
Subsidiaries		10,359
Associates	17,604	17,604
Other affiliated parties	3,010	3,010
<b>Total</b>	<b>20,614</b>	<b>30,973</b>

	<b>GROUP</b> <b>31.12.2006</b>	<b>COMPANY</b> <b>31.12.2006</b>
<b>Other income</b>		
Subsidiaries		785,213
Associates	1,533,683	2,700,258
Other affiliated parties	54,276	59,164
<b>Total</b>	<b>1,587,959</b>	<b>3,544,635</b>

	<b>GROUP</b> <b>31.12.2006</b>	<b>COMPANY</b> <b>31.12.2006</b>
<b>Purchases of merchandise</b>		
Subsidiaries		4,486,557
Associates	36,000	36,000
Other affiliated parties		
<b>Total</b>	<b>36,000</b>	<b>4,522,557</b>

	<b>GROUP</b> <b>31.12.2006</b>	<b>COMPANY</b> <b>31.12.2006</b>
<b>Other expenses</b>		
Subsidiaries		29,807
Associates	926,927	926,927
Other affiliated parties	455,040	455,040
<b>Total</b>	<b>1,381,967</b>	<b>1,411,774</b>

	<b>GROUP</b> <b>31.12.2006</b>	<b>COMPANY</b> <b>31.12.2006</b>
<b>Receivables</b>		
Subsidiaries		186,842
Associates		
Other affiliated parties	2,846,074	2,316,663
<b>Total</b>	<b>2,846,074</b>	<b>2,503,505</b>

	<b>GROUP</b> <b>31.12.2006</b>	<b>COMPANY</b> <b>31.12.2006</b>
<b>Liabilities</b>		
Subsidiaries		909,038
Associates	582,070	582,070
Other affiliated parties	11,587,120	11,587,120
<b>Total</b>	<b>12,169,190</b>	<b>13,078,228</b>

## 9.28. Benefits towards basic management executives

CATEGORY	DESCRIPTION	GROUP		COMPANY	
		2006	2005	2006	2005
<b>BoD</b>	WAGES	605,659	360,325	605,659	360,325
	SOCIAL SECURITY COST	24,908	16,817	24,908	16,817
	BONUS	0	0		
	OTHER REMUNERATION	259,088	10,352	259,088	10,352
	STOCK OPTIONS	81,500	0	81,500	
<b>SENIOR EXECUTIVES</b>	WAGES	829,526	655,302	750,534	582,500
	SOCIAL SECURITY COST	73,215	126,252	73,215	53,450
	BONUS	25,395	84,642	25,395	11,840
	OTHER REMUNERATION	165,609	85,678	165,609	12,876
	STOCK OPTIONS	39,197	72,802	39,197	
<b>TOTAL</b>		<b>2,104,097</b>	<b>1,412,171</b>	<b>2,025,105</b>	<b>1,048,161</b>

No loans have been provided to the Group's BoD members or senior executives (and their families).

## 9.29. Revision of accounts

Reclassifications of accounts took place in the Company's and Group's results accounts for 2005, in order to render such comparable with the respective accounts of the current period and to present the performance analysis in a more proper manner. The reclassifications did not impose any change in the Company's and Group's results.

The differences in the secondary accounts are presented below:

	GROUP		COMPANY	
	AS HAD BEEN PUBLISHED	AS HAD BEEN PUBLISHED	AS EMERGED AFTER RESTATEMENT	AS EMERGED AFTER RESTATEMENT
Sales	83,558,207	83,453,136	83,558,207	83,453,136
Cost of sales	(80,674,208)	(82,310,465)	(76,682,141)	(78,335,925)
<b>Gross profit</b>	<b>2,883,999</b>	<b>1,142,671</b>	<b>6,876,066</b>	<b>5,117,211</b>
Other operating Income	3,023,120	3,770,335	3,142,397	3,132,687
Administrative expenses	(5,738,547)	(5,555,137)	(7,058,570)	(6,725,895)
Distribution expenses	(341,225)	0	(1,013,528)	(828,709)
Other operating expenses	0	0	(2,238,191)	(2,213,522)
Financial income	0	0	108,168	104,413
Financial expenses	(2,073,062)	(2,067,598)	(2,073,062)	(2,067,598)
Other financial results	0	0	6,600	767,280
Profit from acquisition of companies	0	0	0	0
Profit/(loss) from associates	6,459	(4,404)	10,863	0
<b>Net profit/(loss) for the period before taxes</b>	<b>(2,239,256)</b>	<b>(2,714,133)</b>	<b>(2,239,256)</b>	<b>(2,714,133)</b>
Income tax	(107,362)	307,108	(107,362)	307,108
<b>Net profit/(loss) for the period after taxes</b>	<b>(2,346,618)</b>	<b>(2,407,025)</b>	<b>(2,346,618)</b>	<b>(2,407,025)</b>



### 9.30. Change in accounting policy

During 2006, the Company changes the accounting policy for handling income/consumables from medicines and special materials. In the current financial statements the relevant accounts are included in the income statements (sales and cost of sales respectively).

The change in the aforementioned policy has no effect on earnings before taxes, equity of previous periods and earnings per share, given that the specific items are charged to patients without a profit margin.

The aforementioned differentiation imposed an equal change in turnover and in cost of sales for 2005, for the company by € 20,589,691 and for the group by € 20,226,193.

### 9.31. Events after the balance sheet date

On 07/02/2007, the Extraordinary General Shareholders Meeting decided on amending the Company's Articles of Association in order to render the Company able to acquire or establish subsidiaries abroad. This amendment was necessary given that foreign investments constitute one of its basic strategy priorities. In the same line, the same G.M. decided to renew its instruction towards the Board of Directors in order for the Company to issue a Convertible Bond Loan amounting to € 300,015,000, to finance the aforementioned investments.

With the above decisions, the procedures to establish the company that will manage the Private Medical Institution in Albania in cooperation with the company Eurodrini ShA, commenced. The Hospital, which is expected to be completed in 2008, has a capacity of 150 beds and will be located at a central point in Tirana.

The Company is expecting the completion of negotiations between the Hellenic Red Cross and the Greek State in order to go forward with the completion of its agreement with the Red Cross for the construction and operation of a Maternity clinic in the area of the hospital Asklipio Voula.

During the first quarter of 2007, the company also went forward with renting a storage area of 3,500 sq.m. in Lykovrysi Attica. Initially the central warehouses will be transferred to the aforementioned area and following the laundry and ironing, in order for such to operate serving all the partner hospitals with the lowest cost. The areas thus released in the Hygeia central building will be accordingly utilized, in order to further develop the company's medical services.

THE BoD  
VICE-CHAIRMAN

THE CHIEF  
EXECUTIVE OFFICER

THE HEAD  
ACCOUNTANT

THEM. HARAMIS  
ID No. K912654

PASCH. BOUCHORIS  
ID No. AA019554

MICHAEL S. MANOUSAKIS  
ID No. AB669445



## 10. BOARD OF DIRECTORS MANAGEMENT REPORT

### General Review

2006 constituted a year of strategic changes for Diagnostic & Therapeutic Athens Center HYGEIA S.A., as there were significant changes in its shareholding structure, its management team, business objectives as well as in the strategy to be followed in order to achieve those objectives.

An inaugural event for those to follow throughout the year was the entrance on 24/1/2006 of Marfin Capital S.A., a private equity subsidiary company of Marfin Group, in the company's share capital by 49%. The Company's acquisition of a 24.84% stake in the share capital of "Mitera Private Maternity & Surgical Clinic S.A." then followed in April, for a price of € 60.5 million. This acquisition is expected to yield particularly positive returns quite soon as there are un-exploited synergies amongst the two companies and abilities for significant economies of scale.

To finance the acquisition, the Company's Share Capital increase was successfully completed in December 2006, amounting to € 59.92 mil. It is worth noting at this point that the basic shareholder in this increase, Marfin Capital, partly waived its rights, thus providing the opportunity for cooperating doctors from all associate hospitals and their executives to participate.

The development strategy was confirmed in November 2006, by the partnership agreement with the Hellenic Red Cross, aiming at the construction and operation of a maternity clinic by HYGEIA S.A. in the area of the Asklipio Voula Hospital. This agreement is expected to be completed when the agreement between the Hellenic Red Cross and the Greek State is finalized.

At the same time, an agreement is signed in November with the businessman Mr. S. Duraku, aiming primarily at the joint establishment and operation of the first Private Hospital in Albania and with prospective development of a health service providers network in the neighboring countries Montenegro and Former Yugoslav Republic of Macedonia. The investment is initially estimated at € 30 million and its implementation is expected to commence in early 2007.

### Results at the Parent Company Level

At the company level Turnover amounted to € 93.6 mil. compared to € 83.4 mil. in the previous period, thus posting an increase of 12.2%. The increase in Turnover was not hindered by costs and consequently the Gross Profit margin more than doubled (from 6.1% to 14.6%). The results before Interest, Taxes, Depreciation and Amortization reached € 10.9 mil., presenting an increase of 98% compared to the previous year. This fact reflects the company's successful operation both as regards to increased income and as to containment of expenses. This success, in conjunction with the decrease of receivables (collection of open balances) resulted in the improvement of Cash Flows, which as positive give the company the opportunity to contain its needs for bank debt and consequently to significantly decrease its financial cost.

It is noted that the current period was burdened significantly by non-repeated expenses, such as: provision for doubtful receivables, indemnities, borrowing interest etc., which overall decreased the results by approximately € 10 mil.



## Results at the Group Level

At the Group level Turnover amounted to € 94.6 mil. compared to € 83.6 mil. in the previous period, thus posting an increase of 13.2%. The Gross Profit margin doubled (from 8.2% to 16.1%). The results before Interest, Taxes, Depreciation and Amortization reached € 11.6 mil., presenting an increase of 70% compared to the previous year. Earnings before Taxes amounted to € 2.9 mil. compared to Losses of € 2.2 mil. during the previous period.

It is noted that the current period was burdened significantly by non-repeated expenses, such as: provision for doubtful receivables, indemnities, borrowing interest etc., which as mentioned above overall decreased the results by approximately € 10 mil.

## Trends and prospects for 2007

The management of HYGEIA S.A., appreciating the common trends and challenges in both the domestic and the international sector of private health, and in conjunction with the continuously increased customer-patient needs for new and integrated services, adopts the policy of continuous dynamic development for the Group's activities. Emphasis is put into improving the Group's operating performance, expanding its client base and providing new health services.

The trend exhibited by the 2006 results, the increase in turnover, assets and the profit margin, as well as the containment of costs, are expected to continue also for 2007.

The Company's strategic development through the establishment or acquisition of similar companies in Greece and abroad is expected to significantly be enhanced by the increase of liquid assets throughout 2007, which will emerge from the successful issuance of a Convertible Bond Loan amounting to € 300,015,000. Furthermore, on 18.07.2006 the General Meeting has provided its approval for the contracting of a Bond Loan amounting to 200,000,000, which will be able to further reinforce the Company's development if such is deemed necessary.

The 2006 results reveal the Group's development course and the most substantial improvement of all financial indicators. 2006 constitutes an inaugural year for the implementation of the new development plan and as such, presents only part of the Group's dynamic and prospects, which are already evident from the 1st quarter 2007, with an increase in turnover exceeding 20%.

## Performance Indicators

The Company monitors its performance through an analysis of basic financial performance ratios, in order to detect and promptly face any possible deviations. Performance is measured with the use of financial ratios used internationally:

ROCE - Return On Capital Employed: The Ratio divides Earnings before Taxes and Financial results with the total Capital Employed, which is the sum of the Company's Equity and its total Loans (short-term and long-term).

ROE - Return On Equity: The Ratio divides Earnings after Taxes with the Company's Equity



The aforementioned ratios for 2006, are analyzed as follows:

Ratio	Parent	Group
ROCE	3.2%	3.5%
ROE	0.7%	1.0%

The aforementioned ratios are expected to be reinforced significantly in the next period.

## Corporate Governance

### The Board of Directors

According to the Internal Operational Regulation of HYGEIA S.A. and L. 3016/2002 concerning Corporate Governance, the Board of Directors represents the Company, exercises its management and mainly sets its strategy and development policy, while it monitors and audits the management of its assets.

The Board of Directors members are obliged to restrain from pursuing personal interests that conflict the Company's interests. Moreover, the Board of Directors members are obliged to reveal to the remaining BoD members, any important self-interests that may be directly affected by company transactions or decisions as well as any other conflict of interests with those of the Company or affiliated companies as defined by article 43e par.5 of C.L.2190/1920, that emerge from the exercise of their responsibilities. The Board of Directors members must disclose their intentions concerning the execution of significant transactions and economic activities related with the Company as well as with basic customers or suppliers of the Company.

### Internal Audit

The Internal Audit division, a necessary condition of Corporate Governance, is monitored by the Audit Committee, which consists of non-executive members of the Company's Board of Directors, is assigned by the Company's Board or Directors and reports directly to such.

According to the Company's Internal Regulation, the Internal Audit Division:

Monitors, as an independent unit, the implementation and continuous adherence to the Company's Internal Regulation, Articles of Association and in general the laws and decisions of regulative authorities, which concern the Company's operation. The Division reports to the BoD any possible conflicts of interest between the Company and the BoD members or senior executives, it provides reports, data and proposals towards the BoD regarding all aspects of the operation and cooperation with any regulative authority.



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### **Investor Relations**

HYGEIA S.A. also operates an Investor Relations division, which includes the Shareholders Service and Corporate Affairs departments. The division's basic responsibility is to provide accurate, equal and continuous information flows towards the investment community.

### **Scientific Committee**

HYGEIA S.A. also includes a Scientific Committee which comprises of highly credited and trusted experienced doctors. According to article 42 of the Company's Articles of Association, the Scientific Committee consists of seven (7) members with a two-year term beginning from their appointment by the Company's BoD. The Scientific Committee has an advisory-recommendatory role.

The Scientific Committee provides its opinions and makes the appropriate proposals towards the Board of Directors, the Chief Executive Officer or the General Manager or the Chief Scientific Advisor and it monitors the general exercise terms of the medical work in the Company, including rules of ethics.

### **Ethics and Deontology Committee**

According to article 43 of the Company's Articles of Association, a five-member Ethics and Deontology Committee convenes by doctors that meet the same terms and conditions as regards to the election of Scientific Committee members. The term is two-years and begins from the appointment by means of a decision by the Company's Board of Directors.

The Ethics and Deontology Committee sees to the practical implementation of the exercise rules of the medical profession, according to those stated by the Medical Ethics Code in the context of the legislation in effect.

### **Dividend Policy**

From the financial year 2006, a dividend could not be distributed as there were accumulated losses of previous years that were not fully offset by 2006 earnings.

**The Board of Directors**

**Marousi 23.3.2007**



## 11. INDEPENDENT CERTIFIED AUDITORS REPORT

Towards the Shareholders of **DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA" S.A.**

### Report on the Financial Statements.

We have audited the attached financial statements of the company **DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA" S.A.**, (the "Company"), as well as the consolidated financial statements of the Company and its subsidiaries (the "Group"), which consist of the individual and consolidated balance sheet as at December 31st 2006, the income statements, statement of changes in equity and cash flow statements for the period ending on the aforementioned date as well as the summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements.

The Management of the Company is responsible for the compilation and fair presentation of the Financial Statements according to the International Financial Reporting Standards, as such have been adopted by the European Union. This responsibility includes the planning, implementation and maintenance of an internal audit system as regards to the compilation and fair presentation of the financial statements, free from substantial inaccuracies due to fraud or errors. This responsibility also includes the selection and implementation of appropriate accounting principles and the conduct of accounting estimations that are reasonable for the circumstances.

### Auditor's Responsibility

*Our responsibility is limited to the formation and expression of opinion on the Financial Statements, based on the conducted audit. Our audit was conducted based on the Greek Generally Accepted Auditing Procedures, which are in line with the International Auditing Standards. These Procedures demand our compliance with the ethics rules and the planning and implementation of the audit in a way that reassures with reasonable certainty that the financial statements do not include substantial inaccuracies or omissions.*

*The audit includes the conduct of procedures for the collection of audit data, supporting the amounts and information included in the financial statements. The procedures are selected according to the auditor's judgment and include the estimation of risk from substantial inaccuracies of the financial statements due to fraud or error.*

For the estimation of this risk, the auditor takes into account the internal audit system as regards to the compilation and fair presentation of financial statements, and aims at planning auditing procedures that correspond to the circumstances and not for the expression of an opinion on the effectiveness of the company's internal audit system. The audit also includes the evaluation of the followed accounting principles, the Management's estimations and generally, the overall presentation of the financial statements.

We believe that the audit data collected are adequate and appropriate for the formation of our opinion.



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## Opinion

In our opinion, the attached individual and consolidated Financial Statements, accurately present in every aspect, the Company's and Group's financial status as at December 31st 2006, as well as their financial performance and Cash Flows for the period ending on the aforementioned date, according to the International Financial Reporting Standards, as such have been adopted by the European Union.

## Report on other legal and regulative issues

The contents of the Board of Directors' Management Report are in accordance with the attached financial statements.

Athens, March 29th 2007

The Certified Auditor – Accountant

Sotiris Konstantinou

SOEL Reg. No. 13671

**Grant Thornton** 

SOEL Reg. No. 127

Certified Auditors – Accountants

44 Vasileos Konstantinou Str

116 35 Athens, Greece



## 12. APPROPRIATION OF CAPITAL RAISED FROM THE SHARE CAPITAL INCREASE THROUGH PAYMENT OF CASH IN FAVOR OF EXISTING SHAREHOLDERS

It is notified according to the Decision by the Athens Exchange No. 33/21-11-2005, that from the share capital increase by payment of cash in favor of existing shareholders that took place according to the company's ordinary general shareholders meeting dated 18.7.2006 (following its initial postponement) and according to the Prospectus approved by the Hellenic Capital Market Commission on 8/12/2006, a total capital of € 59,920,000 minus expenses of € 42,260, namely the net amount of € 59,877,740 was raised and appropriated as follows:

Appropriation of Raised Capital	Prospectus Plan	Distribution Expenses	Distributed until 31/12/2006	Un-distributed
Reduction of Loan distributed exclusively for the acquisition of 24.84% of the company MITERA S.A.	€ 59,920,000	€ 42,260	€ 59,877,740	0

The payment was certified on 18/12/2006.

The aforementioned distribution is also final.

THE BoD VICE-CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE HEAD ACCOUNTANT
THEM. HARAMIS ID No. K912654	PASCH. BOUCHORIS ID No. AA019554	MICHAEL S. MANOUSAKIS ID No. AB669445



## 13. Information of Article 10 L.3401/2005

During 2006, HYGEIA S.A. disposed the following information to the investment community:

SUBJECT	POSTED THROUGH	DATE
Financial Statements according to I.A.S.	<a href="http://www.ase.gr">www.ase.gr</a>	16/03/2006
Acquisition of 70% of the company ANIZ S.A.	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	24/03/2006
Financial Statements according to I.A.S.	<a href="http://www.ase.gr">www.ase.gr</a>	29/05/2006
Decisions by the General Meeting (Mitera S.A.)	<a href="http://www.ase.gr">www.ase.gr</a>	29/06/2006
Decisions by the General Meeting	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	24/07/2006
Financial Statements according to I.A.S.	<a href="http://www.ase.gr">www.ase.gr</a>	31/08/2006
Decisions by the General Meeting	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	27/09/2006
Agreement for the company in Albania	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	24/10/2006
Share Capital Increase with preference right in favor of existing shareholders, through cash	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	22/11/2006
Financial Statements according to I.A.S.	<a href="http://www.ase.gr">www.ase.gr</a>	27/11/2006
Full coverage of Share Capital Increase through cash	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	18/12/2006
Listing of new shares from Share Capital Increase	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	28/12/2006
Decisions by the General Meeting	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	09/02/2007
Announcement of Intended Corporate Actions	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	29/03/2007
Financial Statements according to I.A.S.	<a href="http://www.ase.gr">www.ase.gr</a>	30/03/2007
Participation in Stem Cells company	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	02/04/2007
Operations in Health products	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	05/04/2007
Establishment of the most powerful Private Health Service Provider Group	<a href="http://www.ase.gr">www.ase.gr</a> / <a href="http://www.hygeia.gr">www.hygeia.gr</a>	11/04/2007

## 14. Availability of Financial Statements

The Annual Financial Statements, the Board of Directors' Management Reports as well as the Audit Reports by the Certified Auditors – Accountants of HYGEIA S.A., are posted on the Company's website: [www.hygeia.gr](http://www.hygeia.gr)

*Note:*

*The Audit certificate by the Certified Auditors – Accountants of the subsidiary company, is presented in the relevant Financial Statements of the Company.*



## **15. Appendix**

- 15.1. Brief data and information for the period from 01.01. to 31.03.2006 – Company and Group
- 15.2. Brief data and information for the period from 01.01. to 30.06.2006 – Company and Group
- 15.3. Brief data and information for the period from 01.01. to 30.09.2006 – Company and Group
- 15.4. Brief Annual Data and Information for the fiscal period from 01.01. to 31.12.2006 – Company and Group



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working capital accounts or those related to operating activities:					
Decrease / (increase) in inventories	(235.233)	(176.117)	(249.587)	(113.286)	
Decrease / (increase) in receivables	(3.393.013)	(2.807.314)	(3.183.585)	(2.822.312)	
(Decrease) / Increase in liabilities (apart from bank)	448.304	1.504.804	835.137	1.401.818	
Provision outflow	(133.000)	-	(133.000)	-	
Decrease / (increase) in other long-term receivables	1.800	(4.050)	-	(4.050)	
Minus:					
Interest expenses and related expenses paid	(526.060)	(420.591)	(524.952)	(418.356)	
Total inflows / (outflows) from operating activities (a)	(146.226)	1.896.875	76.779	1.486.297	
Investment activities					
Acquisition of subsidiaries, associates, joint ventures and other investments	237.713	-	(63.582)	-	
Purchase of tangible and intangible fixed assets	(426.506)	(230.183)	(421.851)	(212.886)	
Proceeds from sale of tangible and intangible fixed assets	75.760	35.000	75.760	-	
Interest Received	656	446	656	446	
Total inflows / (outflows) from investment activities (b)	(112.377)	(194.737)	(408.997)	(212.440)	
Financing activities					
Net inflows / (outflows) of loans	(646.388)	(230.292)	(646.388)	(231.708)	
Payments of liabilities from financial leases (installments)	(185.000)	(440.795)	(180.836)	(437.308)	
Dividends Paid	(1.873)	(1.236)	(1.673)	(1.236)	
Total inflows / (outflows) from financing activities (c)	(833.061)	(672.323)	(828.897)	(670.850)	
Net Increase / (decrease) in cash & cash equivalents	(1.081.664)	1.029.815	(1.161.115)	613.007	
for the period (a) + (b) + (c)					
Cash & cash equivalents at beginning of period	1.880.659	554.775	1.395.839	443.056	
Cash & cash equivalents at end of period	788.995	1.584.590	234.724	1.056.057	

Municipality of Marousi of the Prefecture of Attiki, in which the parent company has a holding of 70% and which is consolidated with the full consolidation method for the first time in the consolidated balance sheet of 31 March 2006, and MAGNETIC HEALTH DIAGNOSTIC PRESENTATIONS S.A., a company seated in the Municipality of Marousi of the Prefecture of Attiki, in which the parent company has a holding of 70% and which is consolidated with the equity consolidation method.

The companies included in the consolidation have been audited by the competent tax authorities until and including fiscal year 2002, with the exception of MAGNETIC HEALTH DIAGNOSTIC PRESENTATIONS S.A., which has been audited until and including fiscal year 2004.

No corporeal items have been obtained on the Company's real estate as of 31 March 2006.

The Company has raised a provision in the amount of 1,650 thousand Euros for specific court cases. No substantial burdens are expected to arise from any of the Company's differences that are currently under dispute or arbitration or from any resolution of any judicial body, with the exception of the provision that has already been raised.

As of 31 March 2006, the Group employed 1,054 persons (31 March 2005: 1,019), while the Company employed 1,029 persons (31 March 2006: 1,010).

The Company's purchases and sales to and from affiliated parties accumulatively, from the beginning of the fiscal year, amount to 1,191,364 Euros and 71,069 Euros respectively. The Company's liabilities / receivables in relation to affiliated parties at the end of the current period amount to 5,581,988 Euros and 0 Euros respectively. The Group's purchases and sales to and from affiliated parties accumulatively, from the beginning of the fiscal year, amount to 237,529 Euros and 71,069 Euros respectively. The Group's liabilities / receivables in relation to affiliated parties at the end of the current period amount to 3,585,398 Euros and 0 Euros respectively.

The acquisition of 8,406,829 registered shares of MITERA PRIVATE MATERNITY AND SURGICAL CLINIC S.A. (hereinafter MITERA S.A.), in other words 24.84% of the company's share capital, against the total consideration of approximately 60,500 thousand Euros, was completed in April 2006. These shares were acquired, on the one hand, directly with the purchase of 4,135,225 shares of MITERA S.A., in other words approximately 12.21% of the company's share capital, and, on the other hand, indirectly with the 100% buy-out of the company with the corporate name HEALTH SERVICES AND INVESTMENTS HOLDINGS S.A. and distinct title MITERA HOLDINGS S.A., which owns 4,274,704 registered shares of MITERA S.A., in other words approximately 12.62% of the company's share capital.

The aforementioned consideration was financed via a bank loan. Specifically, the Company concluded a loan agreement of an amount of 62,000 thousand Euros with ALPHA BANK, which was secured with a pledge against common registered shares issued by MITERA S.A. and MITERA HOLDINGS S.A. and with a 'series statutory notice of mortgage, which will be filed with the competent land registries only in the case in which the entire amount of the loan, of an amount of 68,200 thousand Euros, is not settled in due time, in due manner and in full as of the date of expiration.

Marousi, 25 May 2006

THE VICE CHAIRMAN  
OF THE BOARD OF DIRECTORS

(THE CHIEF EXECUTIVE

THE FINANCE DIRECTOR

THE HEAD ACCOUNTANT

CHRIST. MAROUDIS  
ID No. Π 581490

PASCH. BOUGHOURIS  
ID No. ΑΑ019584

EFTS. DERVENTZIS  
ID No. Π-06424089

MICHAEL S. MANOUSAKIS  
ID No. Ε-35070887

## 15.2. Brief data and information for the period from 01.01. to 30.06.2006 – Company and Group

		BALANCE SHEET		INCOME STATEMENT	
		Amounts in Euro		Amounts in Euro	
		Group		Group	
		30/06/2006	31/12/2005	01/01-30/06/2006	01/01-30/06/2005
<b>ASSETS</b>					
Fixed assets		88.660.151	100.907.183	47.595.981	44.807.395
Inventories		3.372.530	2.742.819	4.101.389	3.400.065
Receivables from customers		27.654.482	25.593.865	2.504.324	1.498.764
Other assets		64.822.293	2.105.795		978.085
<b>TOTAL ASSETS</b>		<b>194.509.476</b>	<b>131.319.662</b>		<b>110.465</b>
<b>EQUITY &amp; LIABILITIES</b>					
Long-term liabilities		35.954.492	34.847.097	5.774.400	5.228.892
Short-term bank liabilities		84.845.854	28.283.041	1.489.596	684.349
Other short-term liabilities		32.720.802	30.176.970	(654.904)	(188.116)
Total liabilities (a)		153.521.148	93.307.108	634.662	236.433
Net Position of Company Shareholders		40.824.678	40.012.554	812.124	213.895
Minority interest		83.640	-	22.538	-
Total Net Position (b)		40.888.318	40.012.554		
<b>TOTAL EQUITY &amp; LIABILITIES (a) + (b)</b>		<b>194.509.476</b>	<b>131.319.662</b>	<b>0.02</b>	<b>0.01</b>
<b>STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD</b>					
		Company		Company	
		30/06/2006	30/06/2005	01/01-30/06/2006	01/01-30/06/2005
Net position at beginning of period (01.01.2006 and 01.01.2005 respectively)		40.012.554	49.635.172	44.746.314	23.873.346
Dividends distributed		-	(7.276.000)	2.355.470	1.310.498
Minority interest from buy-out		41.102	-		
Earnings for the period after taxes		834.882	229.478	727.556	790.518
Net position at end of period (30.06.2006 and 30.06.2005 respectively)		<b>40.888.318</b>	<b>42.588.650</b>	<b>4.441.292</b>	<b>2.387.493</b>
<b>CASH FLOW STATEMENT</b>					
		Company		Company	
		01/01-30/06/2006	01/01-30/06/2005	01/01-30/06/2006	01/01-30/06/2005
Operating activities		1.486.566	684.349	463.978	33.407
Earnings before taxes				463.978	33.407
Plus/minus adjustments for:				0.01	0.01
				0.00	0.00

The following data and information on the financial status and results of the Diagnostic and Therapeutic Center of Athens "Hygeia" S.A. Therefore, before realizing any investment choice, or other transaction with the Company, readers are requested to refer to the company's website ([www.hygeia.gr](http://www.hygeia.gr)) where the interim financial statements stipulated by the International Accounting Standards as well as the review report by the certified auditor when necessary, are posted.

Certified auditor accountant: Sofia Konstantinou  
 Auditing company: GRANT THORNTON S.A.  
 Type of review report: With a consenting opinion

**DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA" S.A.**  
 S.A. Reg. No. 13165/06B/88/14  
 KIFISIAS AVE. & 4 ERYTHROU STAVROU STR., 151 23 MAROUSI, ATHENS  
 Data and information for the period from January 1st 2006 to June 30th 2006



Additional Data and Information	3.713.736	3.241.672	3.732.128	3.270.076	3.732.128	3.241.672	3.713.736
Depreciations	1.397.384	1.383.350	1.236.790	1.397.384	1.236.790	1.383.350	1.397.384
Results (Income, expenses, earnings and losses) from investment activities	(940.028)	(839.098)	(132.038)	(940.028)	(839.098)	(839.098)	(940.028)
Interest expenses and related expenses	1.364.796	1.951.958	944.453	1.364.796	1.951.958	944.453	1.364.796
Plus / minus adjustments for changes in working capital accounts or those related to operating activities:							
Decrease / (increase) in inventories	(623.681)	(672.408)	216.343	(623.681)	(672.408)	216.343	(623.681)
Decrease / (increase) in receivables	(2.788.782)	(2.520.813)	(4.789.444)	(2.788.782)	(2.520.813)	(4.789.444)	(2.788.782)
(Decrease) / Increase in liabilities (apart from banks)	2.424.854	2.208.314	2.145.875	2.424.854	2.208.314	2.145.875	2.424.854
Provision outflow	(133.000)	(133.000)	-	(133.000)	(133.000)	-	(133.000)
Decrease / (increase) in other long-term receivables	(43.494)	(45.294)	(3.508)	(43.494)	(45.294)	(3.508)	(43.494)
Minus:							
Interest expenses and related expenses paid	(1.906.377)	(1.803.558)	(971.098)	(1.906.377)	(1.803.558)	(971.098)	(1.906.377)
Taxes paid	(111.634)	-	(255.106)	(111.634)	-	(255.106)	(111.634)
Total inflows / (outflows) from operating activities (e)	3.979.450	3.700.536	2.816.550	3.979.450	3.700.536	2.816.550	3.979.450
Investment activities							
Acquisition of subsidiaries, associates, joint ventures and other investments	(56.939.264)	(59.250.417)	-	(56.939.264)	(59.250.417)	-	(56.939.264)
Purchases of tangible and intangible fixed assets	(883.091)	(868.436)	(1.028.836)	(883.091)	(868.436)	(1.028.836)	(883.091)
Proceeds from sale of tangible and intangible fixed assets	78.279	78.279	98.090	78.279	78.279	98.090	78.279
Interest Received	13.061	9.245	5.403	13.061	9.245	5.403	13.061
Dividends received	1.332.758	7.800	6.600	1.332.758	7.800	6.600	1.332.758
Total inflows / (outflows) from investment activities (b)	(55.508.257)	(60.143.729)	(818.843)	(55.508.257)	(60.143.729)	(818.843)	(55.508.257)
Financing activities							
Net inflows / (outflows) of loans	58.896.735	59.896.735	(663.542)	58.896.735	59.896.735	(663.542)	58.896.735
Payments of liabilities from financial leases (installments)	(355.395)	(342.497)	(716.188)	(355.395)	(342.497)	(716.188)	(355.395)
Dividends Paid	(4.844)	(4.844)	(1.373)	(4.844)	(4.844)	(1.373)	(4.844)
Total inflows / (outflows) from financing activities (c)	58.536.506	58.549.394	(1.371.103)	58.536.506	58.549.394	(1.371.103)	58.536.506
Net increase / (decrease) in cash & cash equivalents	4.007.599	2.106.201	526.504	4.007.599	2.106.201	526.504	4.007.599
for the period (e) + (b) + (c)	1.880.659	1.396.839	554.775	1.880.659	1.396.839	554.775	1.880.659
Cash & cash equivalents at beginning of period	5.896.358	3.502.040	1.081.379	5.896.358	3.502.040	1.081.379	5.896.358
Cash & cash equivalents at end of period	7.777.017	4.898.879	1.636.154	7.777.017	4.898.879	1.636.154	7.777.017

Marousi, 22 August 2006

THE VICE CHAIRMAN  
OF THE BOARD OF DIRECTORS

CHRIST. MAROUDIS  
ID No. Π 681490

THE CHIEF EXECUTIVE

PASCH. BOUCHOURIS  
ID No. ΑΑ019584

THE HEAD ACCOUNTANT

MICHAEL S. MANOUSAKIS  
ID No. Ξ-39070687

**ADDITIONAL DATA AND INFORMATION**

The companies that are included in this consolidation, apart from the Group's parent company (Diagnostic & Therapeutic Center of Athens "Upsilon" S.A.), are included in the table below:

Corporate name	Domestic	Activity	Participation Percentage	Consolidation Method
ALIAN MEDICAL S.A.	Greece	Trade of medical items	100.00%	FULL
MAGNETIC HEALTH DIAGNOSTIC PRESERVATIONS S.A.	Greece	Health services	20.00%	Equity
ANEX S.A. (*)	Greece	Exploitation of oilfields - refineries	70.00%	FULL
MITERA HOLDINGS S.A.	Greece	Participation in company	100.00%	FULL
MITERA S.A. (**)	Greece	Health services	24.94%	Equity

(\*) The U.S.A. was acquired in March 2005 and the financial statements in the consolidated financial statements of August 2006 are prepared in accordance with the U.S. GAAP. The parent company has a direct holding of 12.21% and an indirect holding of 31.65%, via MITERA HOLDINGS S.A. of 100% membership, in the current consolidated financial statements.

(\*\*) The parent company has a direct holding of 12.21% and an indirect holding of 31.65%, via MITERA HOLDINGS S.A. of 100% membership, in the current consolidated financial statements.

ANEX S.A. has been audited by the competent tax authority and its audited financial statements for the fiscal year 2005 and 2004 of MAGNETIC HEALTH DIAGNOSTIC were incorporated in August 2005. The ordinary tax audit of fiscal years 2003 and 2004 of MAGNETIC HEALTH DIAGNOSTIC since its incorporation (8 August 2003) was completed in early 2006.

MITERA HOLDINGS S.A. was acquired in early 2006. The ordinary tax audit of fiscal years 2005 and 2004 of MITERA S.A. in other words 24.94% of the company's share capital, against the total consideration of approximately 60,500 thousand Euros, was completed in April 2006. These shares were acquired, on the one hand, directly with the purchase of 4,135,225 shares of MITERA S.A., in other words 24.94% of the company's share capital, and on the other hand, through the purchase of 1,000,000 shares of MITERA S.A. from the company's name HEALTH SERVICES AND INVESTMENTS HOLDINGS S.A. and direct 888 MITERA HOLDINGS S.A., which owns 4,274,761 registered shares of MITERA S.A., in other words 12.63% of the company's share capital.

The aforementioned shares were financed via a bank loan. Specifically, the Company concluded a loan agreement of an amount of 1,000,000 Euros with the bank "Alpha Bank" on 15/04/2006. The loan is secured by the shares of MITERA S.A. and MITERA HOLDINGS S.A. and with a 1st series statutory notice of mortgage equal to almost all of the Company's net assets, which will be filed with the competent land registries only in the case in which the entire amount of the loan, of an amount of 66,200 thousand Euros, has not been repaid in full at the end of the term of the loan, which is 30/06/2008.

The U.S.A. and the 429 companies listed have been obtained as of 30 June 2006 on the Company's net assets, with the exception of those noted above.

The Company has raised a provision in the amount of 2,700 thousand Euros for specific court cases. No substantial burdens are expected to be incurred by the Company in the future due to the above mentioned litigation or from any realisation of any subsidiary body, with the exception of the provision that has already been raised.

As of 30 June 2006, the Group employed 1,852 persons (30 June 2005: 1,049), while the Company employed 1,036 persons (30 June 2005: 1,032).

The Group's purchases and sales (excluding income from dividends) to and from affiliated entities accumulated, from the beginning of the fiscal year, amount to 2,997,218 Euros and 517,462 Euros respectively. The Company's liabilities / receivables in relation to affiliated parties at the end of the current period amount to 10,462,258 Euros and 841,932 Euros respectively. The Group's purchases and sales to and from affiliated parties, in other words 12.63% of the company's share capital, amount to 2,997,218 Euros and 517,462 Euros respectively. The Group's liabilities / receivables in relation to affiliated parties at the end of the current period amount to 10,462,258 Euros and 841,932 Euros respectively.

The Group's purchases and sales to and from affiliated parties, in other words 12.63% of the company's share capital, amount to 2,997,218 Euros and 517,462 Euros respectively.

On 16 July 2006, the proposed Ordinary General Meeting of the Shareholders of the Company convened, which, among other things, included the following items:

- Increase of the Company's share capital with a cash payment and a preemptive right in favour of old shareholders by an amount of 8,274,000 Euros with the issue of 21,400,000 new registered shares of a nominal value of 0.41 Euros each, which shall be offered at a price of 2.00 Euros each and receive an amount of article 5 of the Company's Articles of Association. The amount of the cash dividend to be distributed to the shareholders of the Company shall be 10,000,000 Euros. Shareholders, as of the date of the dividend, will be entitled to receive 1 new share for every 2 old shares.
- Issue of a Convertible Bond Loan in the amount of 300,015,000 Euros with the issue of 66,570,000 debentures of a nominal value of 4.50 Euros each, with a nominal ratio of 2 debentures to 1 share of a nominal value of 0.41 Euros. Provision of a preemptive right in favour of old shareholders.
- Adoption of a scheme in relation to the distribution of preemptive rights for the purchase of the shares that will be issued and that will not exceed 3/10 of the number of the Company's existing shares. In other words 4,289,000 shares, to the members of the Board of Directors of the Company, for a period of five years. The scheme will have a term of five years. Authorization of the Board of Directors to regulate all relative matters within the framework of the Resolution of the General Meeting.
- Issue of a term loan in the amount of 200,000,000 Euros with the issue of 490,243 debentures of a nominal value of 4.08 Euros each, with a nominal ratio of 1 debenture to 1 share of a nominal value of 0.41 Euros, to finance the Company, and in general, to carry out any action necessary for the issuer's completion.

The financial statements of the A' Semester of 2006 of both the parent company and Group were approved by the board of directors on 22 August 2006.

### 15.3. Brief data and information for the period from 01.01. to 30.09.2006 – Company and Group

		BALANCE SHEET		Company		Group	
		Amounts in Euro		30/09/2006		31/12/2005	
<b>ASSETS</b>		30/09/2006	31/12/2005	30/09/2006	31/12/2005	01/01-30/09/2006	01/07-30/09/2005
Fixed assets		97.503.562	100.907.183	97.294.859	100.746.812	66.832.428	62.570.013
Inventories		3.808.428	2.742.819	3.414.373	2.427.943	6.398.394	3.045.873
Receivables from customers		30.119.040	25.563.985	30.683.242	25.748.875	4.106.737	442.040
Other assets		64.239.854	2.105.795	81.850.610	2.434.583		
<b>TOTAL ASSETS</b>		<b>195.488.884</b>	<b>131.319.682</b>	<b>193.253.084</b>	<b>131.358.013</b>		
<b>EQUITY &amp; LIABILITIES</b>							
Long-term liabilities		35.742.378	34.847.087	35.688.442	34.724.804	8.975.992	5.887.073
Short-term bank liabilities		83.312.241	26.283.041	83.281.851	26.287.878	2.594.682	(892.470)
Other short-term liabilities		34.013.258	30.176.970	33.589.281	30.689.453	(467.311)	(143.364)
Total liabilities (a)		153.067.877	91.307.108	152.559.554	91.682.135	2.127.351	(1.135.834)
Net Position of Company Shareholders		42.101.354	40.012.554	40.683.530	39.695.878	2.088.800	(1.135.834)
Minority interest		79.653	-	-	-	38.551	16.013
Total Net Position (b)		42.181.007	40.012.554	40.683.530	39.695.878	0,05	(0,03)
<b>TOTAL EQUITY &amp; LIABILITIES (a) + (b)</b>		<b>195.248.884</b>	<b>131.319.682</b>	<b>193.253.084</b>	<b>131.358.013</b>	<b>0,05</b>	<b>0,03</b>
<b>STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD</b>							
Amounts in Euro							
		Group		Company		Company	
		30/09/2006	30/09/2005	30/09/2006	30/09/2005	01/01-30/09/2006	01/07-30/09/2005
Net position at beginning of period (01.01.2006 and 01.01.2005 respectively)		40.012.554	49.835.172	39.695.878	49.378.903	68.178.983	20.922.928
Dividends distributed		-	(7.276.000)	-	(7.276.000)	5.365.881	1.863.348
Minority interest from buy-out		41.102	-	-	-	2.394.959	282.584
Earnings for the period after taxes		2.127.351	(1.135.834)	987.652	(950.849)	7.238.953	1.884.306
Net position at end of period (30.09.2006 and 30.09.2005 respectively)		42.181.007	41.223.338	40.683.530	41.152.254	1.301.526	282.020
						(313.874)	212.902
<b>CASH FLOW STATEMENT</b>							
Amounts in Euro							
		Group		Company		Company	
		01/01-30/09/2006	01/01-30/09/2005	01/01-30/09/2006	01/01-30/09/2005	01/07-30/09/2006	01/07-30/09/2005
Operating activities		987.652	(950.849)	987.652	(950.849)	494.922	(1.414.627)
						494.922	(1.414.627)

#### DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA" S.A.

S.A. Reg. No. 13165/06/B/88/14

KIFISIAS AVE. & 4 ERYTHROU STAVROU STR., 151 23 MAROUSI, ATHENS

Data and information for the period from January 1st 2006 to November 30th 2006  
According to Decision No. 2/396/31.08.2006 by the BoD of the Hellenic Capital Market Commission

The following data and information aim at providing general information on the financial status and results of the Diagnostic and Therapeutic Center of Athens "Hygeia" S.A. Therefore, before realizing any investment choice, or other transaction with the Company, readers are requested to refer to the company's website where the interim financial statements stipulated by the International Accounting Standards as well as the review report by the certified auditor when necessary, are posted.

Website: www.hygeia.gr

Approval date of the nine-month periodic financial statements by the Board of Directors:





## 15.4. Brief Annual Data and Information for the fiscal period from 01.01. to 31.12.2006 – Company and Group

### DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA" S.A.

BRIEF FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM January 1st 2006 to December 31st 2006  
(Published based on L. 2190 article 735 for companies that compile annual financial statements, consolidated and individual, according to IAS)

The following data and information aim at providing general information on the financial status and results of the Diagnostic and Therapeutic Center of Athens "Hygeia" S.A. and of the GROUP. Readers who are interested in a complete picture of its financial status and results, should gain access to the annual financial statements stipulated by the International Accounting Standards and the certified auditor's audit report. Indicatively, readers can access such information at the company's website, where the aforementioned information is posted.

COMPANY INFORMATION		CONSOLIDATED DATA		COMPANY DATA	
		31.12.2005	31.12.2006	31.12.2005	31.12.2006
Company Domicile:	Kifissia Ave. & 4 Elythrou Stavrou Str., 151 23 Marousi, Athens				
Societe Anonyme Reg. No.:	13165/06B/86/14				
Responsible Prefecture (or Cour of First Instance):	Ministry of Development & Commerce				
Chairman:	Vasileios Andrias				
Vice-Chairman:	Charania Themistolia				
BoD Members:	Eleonora Paschalis - Chief Executive Officer, George Anthony, Corina Alakiri, Kyprianidis Anastasios				
Non-executive members:	Maroudis Christos, Karatzas Folios, Sotiriadis Vasileios, Damigos Nikolaoz, Loz Konstantinos				
Approval Date of Annual Financial Statements (from which the brief information is derived):	23.05.2007				
Certified Auditor:	Sotire Konstantinou				
Auditing Firm:	GRANT THORNTON				
Type of auditors' audit report:	In accordance				
Company Website:	WWW.HYGEIA.GR				
<b>BALANCE SHEET</b> (Amounts expressed in €)		<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
		31.12.2005	31.12.2006	31.12.2005	31.12.2006
<b>ASSETS</b>					
Fixed assets	163,908,810	101,132,319	155,134,825	101,785,356	155,134,825
Inventories	2,859,319	2,742,819	2,745,087	2,427,843	2,745,087
Receivables from customers	27,381,373	25,563,865	27,170,139	25,748,875	27,170,139
Other assets	5,294,501	1,880,659	4,106,741	1,395,839	4,106,741
<b>TOTAL ASSETS</b>	<b>199,444,002</b>	<b>131,319,662</b>	<b>189,186,792</b>	<b>131,385,013</b>	<b>189,186,792</b>
<b>EQUITY &amp; LIABILITIES</b>					
Long-term liabilities	45,111,264	34,847,097	37,659,242	34,724,804	37,659,242
Short-term bank liabilities	23,702,659	26,283,041	23,672,578	26,267,878	23,672,578
Other short-term liabilities	28,785,255	30,176,970	29,251,078	30,669,453	29,251,078
<b>Total liabilities (a)</b>	<b>97,609,178</b>	<b>91,307,108</b>	<b>90,582,898</b>	<b>91,662,135</b>	<b>90,582,898</b>
Share capital	26,322,000	17,548,000	26,322,000	17,548,000	26,322,000
Other equity items of Company shareholders	74,463,206	22,464,554	72,251,893	22,147,878	72,251,893
<b>Total net position of Company shareholders (b)</b>	<b>100,785,206</b>	<b>40,012,554</b>	<b>98,573,893</b>	<b>39,695,878</b>	<b>98,573,893</b>
Minority interest (c)	49,618	0	0	0	0
<b>Total Net Position (d) = (b) + (c)</b>	<b>100,834,824</b>	<b>40,012,554</b>	<b>98,573,893</b>	<b>39,695,878</b>	<b>98,573,893</b>
<b>TOTAL EQUITY &amp; LIABILITIES (e) = (a) + (d)</b>	<b>199,444,002</b>	<b>131,319,662</b>	<b>189,186,792</b>	<b>131,385,013</b>	<b>189,186,792</b>
<b>STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD</b> (Amounts expressed in €)		<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
		31.12.2005	31.12.2006	31.12.2005	31.12.2006
Net position at beginning of period (1.1.2006 and 1.1.2005 respectively)		40,012,554	49,635,172	39,695,878	49,378,903
Profit / (losses) for the period after taxes		1,038,863	(2,346,618)	(1,030,291)	(2,407,025)
Share capital increase		(764,000)	(7,276,000)	59,920,000	(7,276,000)
Other changes in equity		28,406		(11,684)	
Net position at end of period (31.12.2006 and 31.12.2005 respectively)		<b>100,834,824</b>	<b>40,012,554</b>	<b>98,573,893</b>	<b>39,695,878</b>

INCOME STATEMENT		CONSOLIDATED DATA		COMPANY DATA	
		01.01.-31.12.2005	01.01.-31.12.2006	01.01.-31.12.2005	01.01.-31.12.2006
<b>Total turnover</b>		94,593,377	93,638,975	93,638,975	93,453,136
<b>Gross Profit / (losses)</b>		15,224,833	6,876,066	13,892,202	5,117,211
<b>Earnings / (losses) before taxes, financing, investment results and depreciations</b>		11,612,323	6,807,917	10,989,008	5,537,358
<b>Earnings / (losses) before taxes, financing and investment results</b>		5,112,070	(291,849)	4,958,621	(1,518,228)
<b>Earnings / (losses) before taxes</b>		2,985,287	(2,289,296)	746,721	(2,714,133)
<b>Minus taxes</b>		(1,948,424)	(707,362)	(1,771,011)	(307,708)
<b>Earnings / (losses) after taxes</b>		<b>1,036,863</b>	<b>(2,346,618)</b>	<b>(1,030,291)</b>	<b>(2,407,025)</b>
Allocated to:					
Company Shareholders		1,028,347	(2,346,618)	(1,030,291)	(2,407,025)
Minority Shareholders		8,516	0	0	0
Earnings / (losses) after taxes per share - basic (in €)		0.024	(0.05)	(0.024)	(0.05)
Proposed dividend per share - (in €)		0	0	0	0
<b>CASH FLOW STATEMENT</b> (Amounts in €)		<b>CONSOLIDATED DATA</b>		<b>COMPANY DATA</b>	
		01.01.-31.12.2005	01.01.-31.12.2006	01.01.-31.12.2005	01.01.-31.12.2006
<b>Operating activities</b>					
Earnings / (losses) before taxes		2,985,287	(2,239,296)	740,721	(2,714,133)
Plus/minus adjustments for:					
Depreciations		6,499,652	7,098,942	6,436,387	7,055,886
Provisions		(2,481,589)	(183,971)	(777,113)	(928,247)
Results (income, expenses, earnings and losses) from investment activities		4,777,824	2,073,062	4,707,626	2,067,598
Interest expenses and related expenses		(10,569)	(343,089)	(317,143)	(174,207)
Plus / minus adjustments for changes in working capital accounts or those related to operating activities		(5,268,091)	(4,238,531)	(4,872,516)	(4,066,202)
Decrease / (increase) in inventories		160,738	4,656,982	(1,102,742)	4,257,418
(Decrease) / Increase in liabilities (apart from banks)		(4,830,587)	(744,566)	(4,707,626)	(2,079,621)
Minus:		(178,940)	(2,086,085)	0	(388,411)
Interest expenses and related expenses paid		6,103,114	6,757,140	4,682,119	5,793,352
Paid taxes		(60,211,194)	0	(60,532,337)	0
<b>Total inflows / (outflows) from operating activities (a)</b>		<b>(2,070,509)</b>	<b>(2,767,373)</b>	<b>(2,047,404)</b>	<b>(2,596,760)</b>
<b>Investment activities</b>					
Acquisition of subsidiaries, associates, joint ventures and other investments		297,683	109,390	297,683	64,590
Purchase of tangible and intangible fixed assets		140,284	108,168	129,347	104,413
Interest Received		2,458,095	17,280	3,206,095	517,280
Dividends Received		(59,387,631)	(2,532,535)	(58,846,615)	(1,910,477)
<b>Total inflows / (outflows) from investment activities (b)</b>		<b>(59,387,631)</b>	<b>(2,532,535)</b>	<b>(58,846,615)</b>	<b>(1,910,477)</b>
<b>Financing activities</b>					
Proceeds from share capital increase		59,736,143	0	59,736,143	0
Proceeds / payments of loans		(2,171,118)	5,503,358	(2,154,199)	5,446,538
Payments of liabilities from financial leases (installments)		(627,665)	(1,148,719)	(606,545)	(1,123,263)
Dividends Paid		(238,000)	(7,253,361)	0	(7,253,361)
<b>Total inflows / (outflows) from financing activities (c)</b>		<b>56,698,360</b>	<b>(2,898,722)</b>	<b>56,975,389</b>	<b>(2,930,086)</b>



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