ALAPIS

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2010
(Pursuant to Law 3556/2007, article 4)

Athens, March 29, 2011

INDEX OF THE ANNUAL FINANCIAL REPORT

(All amounts are presented in Euro, except otherwise stated)

BOARD OF DIRECTORS' STATEMENT
(Pursuant to Law 3556/2007, article 4)

The Members of the Board of Directors

1. Aristotelis Charalampakis, President of the Board of Directors
2. Stilianos Kimparidis, Managing Director
3. Nikolaos Karantanis, Member of the Board of Directors

Certify that:

a) the annual financial statements of the Group and of the company ALAPIS SA for the financial year that ended December 31, 2010, which were prepared according to International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole, according to par. 2 of article 4 of L. 3556/2007 and

b) the Annual Report of the Board of Directors for the financial year that ended December 31, 2010, presents truly and fairly the development, the performance and the position of ALAPIS SA, as well as of the consolidated companies as a whole, including the description of the main risks and uncertainties they face, according to par. 2 of article 4 of L. 3556/2007.

Athens, March 29, 2011

President of the Board of Directors	Managing Director	Member of the Board of Directors
Aristotelis Charalampakis	Stilianos Kimparidis	Nikolaos Karantanis

BOARD OF DIRECTORS' ANNUAL REPORT
(Pursuant to Law 3556/2007, article 4)

The current Board of Director's annual report concerns the period of January 1st till December 31st, 2010. The report was written and is coincided with the clauses of article 4 of L.3556/2007 and on that law's issued executive decisions of the Capital Market Committee.

A. GENERAL BUSINESS OVERVIEW FOR THE YEAR 2010 (1/1/-31/12/2010)

A1. GROUP

- Turnover from continuing operations decreased by 9.2% to €859.6 mil. € due to regulatory changes in the Greek pharmaceutical market
- EBITDA from continuing operations and excluding impairments decreased by 34.9% to 169 mil. €
- Total impairments of €848 mil following an impairment test, reflecting the adverse conditions in the Greek economy which had a negative impact on relevant financial parameters in accordance with IAS 36
- Losses of 931.4 mil. € due to impairments (or losses of 83.5 mil.€ excluding impairments)
- Solid capital structure with equity of €1 bil. in spite of impairments
- Focus on the pharma sector and leveraging significant opportunities for further expansion in generics

AT A GLANCE

MACROECONOMIC ENVIRONMENT
The recession and the austerity measures negatively affected the pharmaceutical market

The unprecedented adverse conditions that prevailed throughout 2010 which are still ongoing as a result of the escalating global recession, the stringent austerity measures in Greece and the State's containment in healthcare expenditure, significantly affected the domestic pharmaceutical sector as well. This is due to a series of events, which beyond the aforementioned included the strikes of pharmacies and State hospitals during the 4th quarter of 2010, the reduction on pharma prices pursuant to the State's healthcare expenditure initiatives as well as the overall delay of payments by the State to the pharmaceutical companies, set the ground for a decrease in turnover and a reduction in profit margins in FY 2010.

IMPAIRMENT OF ASSETS
Reflecting the adverse conditions of the Greek economy

In application of the IFRS and specifically IAS 36, Alapis proceeded to the audit of impairment of the Group's goodwill stemming from the acquisition of controlling interest at subsidiaries, the Group proceeded with an impairment of the goodwill related to intangible and tangible assets from continuing operations amounting to a total amount of € 840,5 mil. which impacted the results for 2010. The magnitude of the impairment was affected to a great extent by the adverse changes of financial parameters and components such as the discount rate, the market risk factor, the systematic risk factor, all of which were affected by the global financial crisis and the impact on the Greek economy. It should be noted however that the majority of the impairment is attributed to the significant impairment of goodwill that was created in 2007 when Alapis was formed through the 4-way merger as well as the subsequent company acquisitions.

TURNOVER
The reduction on pharma prices and the sale of activities exercised downward pressure on sales

Group consolidated turnover from continuing operations of the Group decreased by 9.2%, and reached €859,6 mil. in 2010 compared to €946,3 mil. last year. As mentioned above, the decrease is mainly attributed to the reduction on pharma prices imposed by the State during the 4th quarter of 2010. In addition, the decrease is also attributed to the wholesalers' and pharmacies' decision to destock in view of the new pricing environment resulting to product returns to the Company and their subsequent repurchases at lower prices.

Total consolidated turnover for 2010 reached € 946,6 mil. compared to €1,232.5 mil. in FY 2009 marking a 23.2% decrease. In addition to the aforementioned, the further decrease in turnover is mainly attributed to the disposal of the activities of the medical device and diagnostics sectors as well as the activities of the veterinary and liquid detergents and cosmetics in June of 2010.

RESULTS BEFORE TAXES, FINANCIAL RESULTS AND TOTAL DEPRECIATION AND
RESULTS BEFORE TAXES, FINANCIAL RESULTS, INVESTMENT RESULTS AND TOTAL DEPRECIATION (EBITDA)
Reduction due to the impairments and the pricing policy

Consolidated results before tax, financial results and total depreciation from continuing operations stood at losses of €671,7 mil. compared to earnings of € 255,7 mil. in 2009. This is mainly due to the reduction of profit margins as well as to the aforementioned impairment of goodwill related to intangible and tangible assets. The consolidated results before taxes, financial results, investment results and total depreciation (EBITDA) from continuing operations stood at earnings of €169 mil. (Margin: 19.6%) compared to earnings of € 259,6 mil. in 2009 (Margin: 27.4%). The decrease of EBITDA is mainly due to the new pricing policy in the pharmaceuticals sector which reduced the Group's profit margins.

The total results before taxes, financial results and total depreciation in 2010 amounted to losses of € 670,2 mil. compared to profits of € 308,1 mil. in 2009. The total results before taxes, financial results, investment results and total depreciation (EBITDA) in 2010 amounted to profits of € 178,2 mil. compared to profits of € 342,5 mil. in 2009. This significant change is due to the sale in June of 2010 of the activities of the medical device and diagnostics sectors as well as the activities of the veterinary and liquid detergents and cosmetics in June 2010, as well as the significant decrease on pharma prices during 2010.

NET RESULTS
Additional burden due to increased depreciation as well as extraordinary tax contribution, besides impairments

Finally, the results after tax and minorities from continuing operations stood in 2010 at losses of €906,4 mil. compared to earnings of €50,6 mil. in 2009. Excluding the aforementioned impairments, results after tax and minorities from continuing operations stood in 2010 at losses of €65,9 mil. compared to earnings of €53,8 mil. in 2009. This decrease, in addition to the above, is attributed to the increase of the Group's depreciation, which amounted to €177 mil. compared to €131 mil. in 2009. Moreover, the results were burdened by the additional provision for the extraordinary tax contribution according to article 5 of L. 3845/2010 imposed by the State amounting to €8,5 mil.

(All amounts are presented in Euro, except otherwise stated)

GROUP FINANCIAL RESULTS OF FISCAL YEAR 2010 – PUBLISHED

(mil. €)	1.1-31.12.2009	1.1-31.12.2010	% change
Total turnover	1.232,5	946,6	*(23.2)%*
Total results before taxes, financial results, investment results and total depreciation	342,5	178,2	*(48.0)%*
Total results after taxes & minorities	52,9	(931,4)	-

GROUP FINANCIAL RESULTS OF FISCAL YEAR 2010 – CONTINUING OPERATIONS AND ADJUSTED FIGURES DUE TO IMPAIRMENT

(mil. €)	1.1-31.12.2009	1.1-31.12.2010	% change
Turnover	946,3	859,6	*(9.2)%*
Results before taxes, financial results, investment results and total depreciation	259,6	168,9	*(34.9)%*
Results after taxes & minorities	53,8	(65,9)	-

Alapis' management will propose a non-dividend distribution to the AGM of its shareholders due to the losses incurred for the fiscal year 2010 pursuant to the provisions of article 45 of law 2190/1920.

REVIEW OF FINANCIAL RESULTS PER DIVISION

Pharmaceutical division
Decrease of sales due to a new regulatory environment

The turnover of the Pharmaceutical division in the fiscal year 2010 decreased by 8.2% and stood at €813,9 mil. compared to €886,2 mil. in 2009. The results before taxes, financial results and total depreciation in 2010 stood at losses of €519,2 mil. compared to earnings of €250,1 mil. last year, while results before taxes, financial results, investment results and total depreciation (EBITDA) of the said division, in 2010 stood at earnings of €164,1 mil. compared to earnings of €254 mil. in 2009.

The impairment of this sector amounted to €683,1 mil. and consists of the full impairment of the overall sector (€305,6 mil.) as well as the impairments of certain intangible and tangible assets (€377,5 mil.). The impairment of this sector is attributed to the use of adverse financial parameters such as the discount rate (from 9.8% in 2009 to 12.2% in 2010), the market risk factor (from 6.1% in 2009 to 8.6% in 2010) and the systematic risk factor (from 0.713 in 2009 to 1.280 in 2010) during the impairment test pursuant to IAS 36.

Other activities division
Powder detergents

The turnover of the Powder detergents division in the fiscal year 2010 stood at €45,6 mil. compared to €60,1 mil. in 2009 decreased by 24.1%. The results before taxes, financial results and total depreciation in 2010 stood at losses of €152,6 mil. compared to earnings of €5,6 mil. in 2009, while results before taxes, financial results, investment results and total depreciation (EBITDA) of the said division, in 2010 stood at earnings of €4,9 mil. compared to earnings of €5,6 mil. in 2009. The impairment of this sector consists of the full goodwill impairment charge of the overall sector which amounted to €157,4 mil. . The above impairment is attributed to the application of adverse financial parameters and factors such as the discount rate (from 8.7% in 2009 to 10.5% in 2010), the market risk factor (from 6.1% in 2009 to 8.6% in 2010) and the systematic risk factor (from 0.1263 in 2009 to 1.280 in 2010). during the impairment test pursuant to IAS 36.

Discontinued operations
Disposing activities of medical device and diagnostics sectors, veterinary and liquid detergents and cosmetics sectors

In June 2010, the Company's management decided to dispose of the Group's non-pharma activities and specifically the medical device and diagnostics sectors, veterinary and liquid detergents and cosmetics sectors. Turnover in the fiscal year 2010 from discontinued operations stood at 87,0 mil. € compared to 286,2 mil. € in 2009. It is also noted that the discontinued operations cover the period from 1/1/2010 to 10/6/2010, while the figures of 2009 refer to the full year, therefore rendering the figures non comparable.

Results before taxes, financial results and total depreciation from discontinued operations reached 1.6 mil. € compared to 52.4 mil. € in 2009 while results before taxes, financial results, investment results and total depreciation (EBITDA) of the said division, in 2010 stands at 9.2 mil. € versus €82.8 mil. in 2009.

A2. COMPANY

At a Company level, 2010 turnover from continued operations increased by 10.6% to €288.1 mil. compared to €260.4mil. in FY 2009, whereas total turnover decreased by 34.6%, and reached €313.5 mil. compared to €479.7 mil. last year.

The results before, tax, financial results and total depreciation from continuing operations for FY 2010 stood at losses of € 652.8 mil. € compared to earnings of 207.3 mil. last year due to the aforementioned impairment of goodwill, tangible and intangible assets of €796.9 mil. The total results before, tax, financial results and total depreciation amounted to losses of € 665.6 mil. compared to earnings of €226.0 in 2009.

The results before tax, financial results, investment results and total depreciation (EBITDA) from continuing operations stood at earnings of 138.9 mil. € compared to earnings of 207.4 mil. € in 2009. The total results before tax, financial results, investment results and total depreciation (EBITDA) in 2010 amounted to profits of 133.6 mil. € compared to profits of €257.0 mil. in 2009.

The Group and the Company are measuring their performance by using the following indicators/ratios.

EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization)

Group defines the EBITDA measure as profits/(losses) before taxes for a period if we add the financial and investing results along with total depreciation of tangible and intangible assets that correspond for the specific period. The account "Net expenses/income from financing activity" comprises revenues, expenses, profits and losses pertaining to the time value of money (interests from deposits, loans etc) and capital investments. With the term capital investments we refer to company placements in securities (stocks, debentures etc), tangible and intangible assets (for investment or own used). The account indicatively comprises revenues from deposit interests, expenses from interests on debt capital, non operating exchange differences, revenues from dividends, profits/losses from the sale, write-down, impairment, impairment reverse and securities valuation, of tangible and intangible fixed assets. The account of "total depreciation" that is added in profits/losses before taxes, is the one arising after setting-off the depreciation of fixed assets (expense) with the corresponding depreciation of relative grants (revenue) that have granted for these assets.

EBITDA in 2010 stood at 178,168 € compared to 342,472 € in 2009.

ROE (Return On Equity)

ROE ratio measures the performance that common shareholders achieving per average monetary unit they invest and is defined as the percentage of Profits After Taxes divided by Group Equity.

ROE stands at -92.6% in 2010 and 2.7% in 2009. Excluding the impairment ROE stands at (4.5%) in 2010 and 4.2% in 2009.

EPS (Earnings Per Share)

EPS is calculated by dividing company profits after taxes and minority rights with the weighted average number of shares outstanding within the period.

EPS for 2010 stands at -3,9 € compared to 0.36€ in 2009.

B. KEY EVENTS 2010

A) In February 2010, Alapis acquired GEROLYMATOS INC a company headquartered in New York mainly involved in the distribution of OTC products and cosmetics in the American market for the amount of €0.05 mil.

B) According to article 5 of Law 3845/2010 (Government Gazette A' 65/6.5.2010), a social responsibility windfall tax was imposed on the net after tax income of legal entities for the tax year 2010 assuming the aforementioned income exceeds euro one hundred thousand.
The social responsibility windfall tax amounted to €8.5 mil. and € 6.9 mil. for the company and the group respectively.

C) On June 10, 2010 Alapis S.A. implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharma sector, sold its non-Human Health activities, namely: i) Animal Health, ii) Cosmetics & Liquid Detergents and iii) Medical Devices.

More specifically the company sold its 100% stake in each of Gerolymatos Prestige SPA S.A, Gerolymatos Cosmetics S.A., Beautyworks S.A., Provet S.A., Gerolymatos Animal Health S.A., Alapis Medical & Diagnostics S.A., Medimec S.A., and Ktiniatriki-Promitheutiki S.A., for a total consideration of €144.7 million

At the date of sale the Group's personnel reduced from 2,865 to 1,732 employees. The profit from the sale of the aforementioned companies was € 5 mil. for the Group and €1mil. for the Company.

The aforementioned sale of companies did not had a substantial impact on Group net equity position and activity since as at the first 6 month of 2010, the discontinued operations accounted for 18.5% of the consolidated turnover, 9.5% of the consolidated EBITDA and 2.5% of the consolidated EBIT.

Finally, the continued operations (human health - powder detergent) for the Group in the first half of 2010 accounted for 81.5% of the consolidated turnover, 90.5% of the consolidated EBITDA and 97.5% of the consolidated EBIT.

The aforementioned corporate actions enable the Company to focus purely on its core activities of namely human pharmaceutical products. Amidst the current financial environment the Company strengthens its Balance Sheet, so as to take advantage of the opportunities presented in the Pharma sector.

The Board of Directors, taking into account the considerable competitive advantages presented by focusing on its core business proceeded to the aforementioned corporate actions taking into account the enhancement and acceleration for the implementation of its business plan. Deutsche Bank was appointed to provide the Board of Directors with a Fairness Opinion in connection with the Transaction, such opinion - based on the terms contained therein - being delivered to the Board of Directors.

D) On 28.05.2010 the Shareholders Ordinary General Meeting among other issues decided the following:

- The increase of the company's nominal value per share from euro 0.30 to euro 2.40 and the simultaneous reduction of the company's outstanding number of shares pro rata 8:1, namely via the reduction of the company's number of shares from 1,961,200,440 to 245,150,055 shares. Following the above, company's share capital stood at the amount of euro 588,360,132, divided into 245,150,055 shares of nominal value of euro 2.40.
- The change of Company's corporate name as "ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL AND CHEMICAL PRODUCTS". The distinctive title remain as "ALAPIS S.A."

E) On 15/06/2010 the decision No. K2-5113/14.06.2010 by the Ministry of Finance, Competition and Shipping, which approved the amendment of the respective articles of the Company's Articles of Association, was registered with the Prefecture of Athens Registry of Public Companies. It was also been informed for the change of company's corporate name. Following company's decision since 07/07/2010, company's corporate name in Athens Exchange has changed as "ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL AND CHEMICAL PRODUCTS" and the distinctive title "ALAPIS S.A."

F) The Athens Exchange Board of Directors, at its session dated 24/06/2010 approved the floating at the Exchange of the above 245,150,055 new shares of a nominal value of 2.40 euro each in replacement of the existing 1,961,200,440 common registered shares. According to the company's decision, 29/06/2010 was set as the last trading day of the 1,961,200,440 existing company's common registered shares. As of the following trading day 30/06/2010, the trading of the company's shares will cease temporarily in order for the completion of the replacement process, pursuant to the aforementioned.

The beneficiaries of the above corporate action are the shareholders who will be registered in the DSS archives as regards the aforementioned listed company as at 02/07/2010.

On 07/07/2010, was set as the first floating date of the 245,150,055 new shares with the new nominal value 2.40 per share at the Athens Exchange. As of that date the new total outstanding company's number of shares listed on the ATHEX will amount 245,150,055 common registered shares, the initial share price at the ATHEX will be determined according to the Athens Exchange Rulebook, as well as the Athens Exchange BoD decision No 26 as in effect and the new shares will be credited to the Shareholders' Share account and Securities Account registered with the Dematerialized Securities System (D.S.S.).

G) Within this period, the company HSP UNIPESSOAL LDA was established, with headquarters in Portugal and business objective the distribution of pharmaceutical products. Company's share capital amounts at €0.05 mil. and its sole shareholder is EURO MEDICINES LTD, 100% subsidiary of ALAPIS S.A.

H) On 03/09/2010, ALAPIS SA, announces the signing of a memorandum of strategic partnership with Synthetic Genomics Inc. Pursuant to the above memorandum, ALAPIS will have the ability for further search of the use of Synthetic Genomics Inc innovative technologies such as vaccines and medicines which use cutting edge technology and could not be produced until today. Moreover, ALAPIS will also have the ability to cooperate with J.C. Craig Venter Institute where more than 200 top scientists work on molecular and synthetic biology.

I) On 20/12/2010, the company informs that In accordance with article 14 of Law 3556/2007:
i) Mr. Lavrentis Lavrentiadis announces that, on 16.12.2010, the percentage of the voting rights that he held in the Company changed from 21.325% (directly and indirectly) to 6.119% (directly), after the sale of all shares/interests he held in ZIRBUKA ENTERPRISES LTD (which directly holds 5.206% of the Company's voting rights), LAMDA PARTNERS GP LIMITED (which indirectly holds 10% of the Company's voting rights) and LAMDA PARTNERS (INVESTORS) LTD.
ii) Mr. Mario Al-Jebouri announces that, on 16.12.2010, he indirectly acquired 15.206% of the total voting rights in the Company, corresponding to 37,276,585 of its common registered shares.

Specifically, Mr. Mario Al-Jebouri declared that he directly holds 100% of the shares in JINAKELA TRADING LIMITED, which in turn holds 100% of the shares in ILERFON INVESTMENTS LIMITED. On 16.12.2010, ILERFON INVESTMENTS LIMITED acquired all shares/interests in ZIRBUKA ENTERPRISES LTD (which directly holds 5.206% of the Company's voting rights), LAMDA PARTNERS GP LIMITED (which indirectly holds 10% of the Company's voting rights) and LAMDA PARTNERS (INVESTORS) LTD.
Prior to such acquisition, Mr. Mario Al-Jebouri did not hold, directly or indirectly, shares or voting rights in the Company

J) On 31/12/2010, the company announces, that within the frame of restructuring the existing structure of the Group, fully serving the purposes of its activities and creating economies of scale, it will merge its 100% subsidiaries PHARMAGORA S.A. and ALAPIS PHARMAKAPOTHIKI S.A., by the absorption of the second from the first, in accordance with the stipulations of the articles of Cod. Law 2190/1920 and Law 2166/1993.

According to the decisions as of 31/12/10 of their Boards of Directors, the foresaid companies announce their intention for merger and the 31/12/2010 is set as the merger balance sheet date of the absorbed companies.

K) On December 31, 2010, specific financial terms (covenants) that are referring in the maintenance of specific financial figures and indicators during the whole period of the loan, were not within terms that was set by the stand by revolving credit facility contract of amount € 640 mil., which are granted by a consortium of lending banks with BNP Paribas as administrator. In addition, specific financial terms (covenants) were not within terms that were set by the common bond loan contract between the company and TT Hellenic Postbank of Greece referring to amount of € 95 mil.

The Company is in advanced discussions with lending banks for the improvement of the structure of the financing, which are taking place in a positive climate. The Management estimates that at the end of the negotiations the Company will reach compliance with its liabilities which are under these borrowing contracts, securing the appropriate funds for the proper activity continuation of the Company in the future. This should lead to an increase of the current financial cost of the Company.

C. FINANCIAL RISK MANAGEMENT

The state of the Greek economy and the pharmaceutical sector

The recession in which the Greek economy entered since 2009 continued to stifle the market in 2010 (Estimated 2010 GDP growth: -4.5%, Source IMF) as the factors which facilitated its development during the last decade proved to be unsustainable. In addition, the ongoing fiscal imbalances resulted to the continuous downgrading of the country's creditworthiness and the subsequent increase of its borrowing rates. Due to the failure of financing the public debt through the markets, the Greek government filed for financial support by the Eurozone, the ECB and the IMF, which was agreed on May 2, 2010 and was also approved by the Hellenic Parliament on May 6, 2010. Pursuant to the above agreement, Greece is to receive financial support, via a set of payments over the period 2010 - 2013, amounting to a total of € 110 billion under the precondition of meeting the terms and conditions of the Memorandum of Economic and Financial Policies, On May 18, 2010 the first payment of € 20 billion was provided whereas for the full 2010 a total amount of €29 billion were disbursed.

The recessive environment of the Greek economy in conjunction with the Government's effort to confront the budget deficit (Estimated General government deficit as a percentage of GDP:9.6%, source: IMF) and the public debt (Estimated public debt as a percentage of GDP:143% source: IMF) resulted in compressing inter alia the pharmaceutical expenditure through sustained interventions on pharmaceutical prices, which led to the destabilization of the market and had a negative impact on the performance of the Group and the Company. More specifically, in May 2010 a horizontal price reduction was applied on approximately 12,000 drugs that led to a percentage reduction of 3% to 27% depending on the wholesale price of those pharmaceuticals before the price adjustment.

In September 2010, the General Secretariat of Commerce published the 4/2010 Price Bulletin proceeding to the re-pricing of 6.400 medicines pursuant to art. 14 of Law 3840/31.03.2010, implementing at the same time a percentage floor and a percentage ceiling on price reduction or increment based on the wholesale prices as were in force until the issuance of Price Bulletin 01/2010. Further, in February 2011, the supplemental Price Bulletin 2/2011 was announced, through which an additional number of 3.400 medicines were re-priced taking also in consideration the application of the aforementioned ceiling percentage. These adjustments resulted in the weighted reduction of the annual pharmaceutical expenditure of 14.46% (source: Ministry of Regional Development and Competitiveness, press release 21.02.2011) and have a significant negative impact on the Greek industry, which primarily as a generic medicinal producer has proportionately absorbed a greater reduction of revenue in the pharmaceutical industry. In addition, as a result of the above the ordering and stocking policies of pharma wholesalers and pharmacies were disrupted, whereas strikes of pharmacy owners and of public hospitals personnel resulted to the further destabilization of the market.

Additionally, the lack of liquidity, which is the most significant problem of the Greek market is facing in the current adverse economic environment, continues to pose an increased risk for the industry as it leads to interest rates and doubtful debt increments.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department ('Group treasury') under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, using mainly non derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates in an international environment and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy that requires from all Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. In order to manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group may use forward contracts, transacted with Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Company and its Greek subsidiaries do not have significant assets and liabilities in a currency other than the Euro and thus are not exposed to substantial exchange risk.

Regarding future commercial transactions conducted in currencies other than the operational currency, the Group has adopted the policy of transactions with instalments set in advance, aiming to minimise currency translating differences.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At December 31, 2010, if the UK pound currency had weakened/strengthened by 3% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 42 th. and € 44 th. respectively higher / lower, mainly as a result of foreign exchange gains/losses on translation of income statement of EUROMEDICINES LTD.

At December 31, 2010, if the Romania RON currency had weakened/strengthened by 1% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 29 th. and € 30 th. respectively lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of ALAPIS ROMANIA SRL.

At December 31, 2010, if the Croatian KUNA currency had weakened/strengthened by 1% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 7 th. lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of ALAPIS DOO.

At December 31, 2010, if the Serbian DINAR currency had weakened/strengthened by 11% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 322 th. and € 398 th. respectively lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of SUMADIJALEK AD and ALAPIS SER DOO.

At December 31, 2010, if the US dollar currency had weakened/strengthened by 13% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 133 th. and € 172 th. respectively lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of GEROLYMATOS INC.

(ii) Price risk

Pharmaceutical pricing is set by the State in Greece. According to L.3840/31.03.2010 the price of a medicine produced, packaged or imported in the country must not exceed the average of the three lowest prices of that particular medicine as sold within the European Union (EU) member states. In Management's view, the above system of price determination is leading in extreme reductions in most of the medicines as it does not focus in countries with similar profiles and does not take into account a series of macroeconomic parameters and indicators such as the level of GDP, the health profile of the country, currency exchange rates, etc. Indicatively, it includes countries with GDP and labour costs at 40% of the respective Greek figures, such as Bulgaria, Romania, Poland and Hungary.

In addition, the Law provides that the prices of original pharmaceutical products, after the certification of the expiry of the first national or European patent shall be reduced by a minimum percentage of twenty percent (20%), while the prices of medicinal products with the same active ingredient (generic) shall be set at a maximum rate of ninety percent (90%) of the corresponding ex original product as it is determined after the expiry of the first National patent or European patent. The price of each medicine will be determined three times a year, which according to Management hinders the smooth functioning of the market and the planning process of the industry.

New reductions in the prices of medicinal products, as a result of a state re-pricing, or the expiration of the price reduction floor introduced in the 4/2010 Price Bulletin mentioned above, or within the context of adapting to the requirements of the updated Memorandum of Economic and Financial Policy (The Economic Adjustment Programme for Greece Third Review-Winter 2011/February 2011) may have a material adverse effect on the Group's profitability and results of operations. Although the Group has pursued a strategy of developing branded generics to partially offset the impact of price reductions, a failure to offset such losses through its branded generics may have a material adverse effect on the Group's business, financial condition and result of operations.

The Group is not exposed to securities price risk due to its limited investment in entities and their classification in the consolidated statement of financial position as financial assets at a fair value through the results. The Group is not exposed to commodity price risk.

(iii) Cash flows and fair value interest rate risk

The Group's interest risk increases by its non-current liabilities. The liabilities could possibly result in variable interest rates and expose the Group to cash flow interest rate risk, which is partially offset by cash held at variable rates.

The Group analyses exposure to interest rate on a dynamic basis. Various scenarios are simulated, as refinancing and renewals of existing positions are taken into consideration. Based on these scenarios, the Group calculates the impact on the profit and loss of a certain interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios only apply to liabilities that represent the major interest positions.

At 31 December 2010, if Euribor had been 1% higher/lower with all other variables held constant, net profit for the year would have been € 8,9 mil. and € 8,8 mil. lower/higher for the Group and the Company respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures customers, including outstanding receivables and committed transactions.

The Group's principal credit risk relates to the possibility that clients fail to fulfil their financial obligations. Group's clients are state hospitals that generally take longer than the customers of the private sector to settle their accounts with their suppliers. In addition, the National Healthcare System (part of the broader social security system) is also delaying payment towards pharmacies and hospitals. Furthermore, as an adverse effect of the recession and the lack of liquidity there is an increasing risk involved of losses stemming from clients failing to fulfill their payments towards the Group. However, Management considers that the Group has no significant concentration of credit risk. Credit insurance contracts have been signed for a substantial part of the receivables arising from the public and private sectors; covering up to 90% of the claims should a failure or a delay in the collection occur.

The Company enters into factoring contracts with Greek and international financial institutions. Under these contracts, the Company receives approximately the 90% of the nominal value of the assigned receivables. As part of the signed contracts of receivables' assignment without recourse, the credit risk, in the event of inability of payment by the company's customers, is transferred to counterpart factors, under the condition that these receivables are insured by third parties and after the assignment of the insurance credit policy to the counterpart factors.

Due to the current Greek economic conditions and the reduction of the approved credit limits within 2010 the Company is under negotiations in order to assign uninsured receivables under the abovementioned contracts as well, a matter that may lead in conversion of part of the existing factoring contracts to factoring contracts with recourse within 2011.

(c) Liquidity risk

As mentioned above, the Group funds a significant part of its working capital by entering into factoring contracts with Greek and international financial institutions. The terms of the factoring contracts require that the Group purchases credit insurance that is assigned to counterpart factors obtaining a three year credit insurance for its state owed receivables and a six months to a year for its private sector receivables. Moreover the terms of the factoring agreements provide that, upon the default of an underlying customer, the factor counterparties will turn to the credit insurance providers for payment. The repayment obligation, however, would revert to the Group if both the underlying customer and the credit insurer fail to pay, in which case the Group could be subject to significant liabilities in respect of previously factored receivables. In addition the maximum indemnity paid by the providers of credit insurance for any given period is limited to a multiple of the Group's insurance premium for that period and, thus if a significant proportion of the Group's receivables were to default simultaneously, it is possible that such default would exceed the indemnity to be paid by the insurers, in which case the Group would be liable for any deficiency in the coverage.

Although the Group has headroom for additional financing, under its factoring facilities in the event that it fails to obtain additional credit insurance, or is not paid for the outstanding trade and other receivables in the near future in order to increase the headroom under existing factoring facilities, it may encounter difficulties in the financing of its working capital which could have a material adverse effect on the Group's business, financial condition and results of operations..

Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

On December 31, 2010, specific financial terms (covenants) that are referring in the maintenance of specific financial figures and indicators during the whole period of the loan, were not within terms that was set by the stand by revolving credit facility contract of amount € 640 mil., which are granted by a consortium of lending banks with BNP Paribas as administrator. In addition, specific financial terms (covenants) were not within terms that were set by the common bond loan contract between the company and TT Hellenic Postbank of Greece referring to amount of € 95mil. (note 35).

The Company is in advanced discussions with lending banks for the improvement of the structure of the financing, which are taking place in a positive climate. The Management estimates that at the end of the negotiations the Company will reach compliance with its liabilities which are under these borrowing contracts, securing the appropriate funds for the proper activity continuation of the Company in the future. This should lead to an increase of the current financial cost of the Company.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group

31.12.2010	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Amounts in thousands €			
Borrowings	819.544	0	0
Finance lease liabilities	2.899	14.759	28.724
Derivatives	0	8.332	0
Trade and other receivables	216.821	7	0

The Group

31.12.2009	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Amounts in thousands €			
Borrowings	146.187	685.000	50.000
Finance lease liabilities	4.046	13.461	21.848
Derivatives	0	3.243	0
Trade and other receivables	357.241	184	0

The Company

31.12.2010	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Amounts in thousands €			
Borrowings	812.222	0	0
Finance lease liabilities	2.593	14.154	28.724
Derivatives	0	8.332	0
Trade and other receivables	155.562	0	0

The Company

31.12.2009	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Amounts in thousands €			
Borrowings	141.001	685.000	50.000
Finance lease liabilities	1.701	10.628	21.848
Derivatives	0	3.243	0
Trade and other receivables	306.352	0	0

Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current finance lease liabilities' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity shown in the consolidated statement of financial position plus net debt.

Amounts in thousands €

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Total borrowings	865.926	920.542	857.693	910.178
Less: Cash and cash equivalents	(83.333)	(216.398)	(66.088)	(158.426)
Net debt	**782.593**	**704.145**	**791.605**	**751.752**
Total equity	1.005.565	1.948.169	1.055.799	1.989.898
Total capital	**1.788.158**	**2.652.314**	**1.847.404**	**2.741.650**
Gearing ratio	**43,77%**	**26,55%**	**42,85%**	**27,42%**

The increased gearing factor at the Group level is due to a decrease in net worth by € 942,6mil. due to the € 847,9 mil. loss resulting from the impairment of assets in conjunction with the increase in net debt by € 78,4 mil. due to a decrease in the cash amount held by the Group at 31.12.2010 against 31.12.2009, despite a total borrowings reduction by € 54,6 mil. during the respective period.

The increased gearing factor at the Company level is due to a decrease in net worth by € 934,1 mil. due to the € 847,9 mil. loss resulting from the impairment of assets in conjunction with the increase in net debt by € 39,8 mil. due to a decrease in the cash amount held by the Company at 31.12.2010 against 31.12.2009, despite a total borrowings reduction by € 52,4 mil. during the respective period.

Fair value estimation

Effective 1 January 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price (level 1).
(b) The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for non-current debt (level 2).
(c) Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments (level 3).

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at December 31, 2010 and 2009.

Amounts in thousands €

<u>The Group</u>
<u>31.12.2010</u>

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	4.085	0	0	**4.085**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

Amounts in thousands €

<u>The Group</u>
<u>31.12.2009</u>

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	6	0	0	**6**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	3.243	0	**3.243**

Amounts in thousands €

The Company

31.12.2010

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short term investments	3.278	0	0	**3.278**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

Amounts in thousands €

The Company

31.12.2009

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short term investments	0	0	0	**0**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	3.243	0	**3.243**

Other business risks

Loss of the Group's long-term contracts with key multinational suppliers and customers could materially adversely affect the Group's business, financial condition and results of operations

The Group has entered as a client or a vendor long-term distribution, production and in licensing and out-licensing contracts with international and domestic pharmaceutical companies. However, there can be no assurance that once such existing contracts expire, the Group will be able to renegotiate or enter into new distribution and/or production contracts that will be on terms that are satisfactory to the Group. In addition, in the event any of the Group's key multinational suppliers or customers merges with another multinational that is not currently a customer of the Group, the Group may not be able to renew its existing contract or enter into a new contract with the resulting new entity. In addition, due to the adverse economic conditions, lack of liquidity in the market and the volatile conditions in the pharmaceutical industry the Group may seek to renegotiate certain terms of its existing contracts. Any failure to successfully alter these conditions and the loss of contracts with companies that are key customers or suppliers could have a material adverse effect on the Group's business, financial condition and results of operations.

Key suppliers may not continue to supply products, including APIs, to the Group on commercially acceptable terms, or at all

The Group relies on a broad base of suppliers for the supply and cost of its various raw materials, including active pharmaceutical ingredients ("APIs"). For certain raw materials the Group may encounter shortages as a result of unexpected demand, production difficulties or financial distress of a key supplier and any of these shortages may take time to rectify, particularly if a supplier's replacement is required. Although the Group policy for the supply of important raw materials is to secure the collaboration of more than one supplier, any failure in securing a sufficient supply of raw materials under commercially acceptable terms could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, due to the adverse economic conditions, lack of liquidity in the market and the volatile conditions in the pharmaceutical industry the Group may seek to renegotiate certain terms of its existing contracts. Any failure to successfully alter these conditions and the loss of contracts with companies that are key customers or suppliers could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's future revenue growth and profitability are dependent upon its ability to successfully develop, license, or otherwise acquire and introduce new products on a timely basis in relation to product introductions of its competitors

The Group aims to continually introduce a significant number of new and upgraded pharmaceutical products in order to remain competitive in the sector. The Group's future revenues and profitability will therefore depend, to a significant extent, upon its ability to successfully develop and/or license, or otherwise acquire and introduce, new generic and patented or statutorily protected pharmaceutical products in a timely manner. Product development, licensing, and commercialization require substantial time, effort and financial resources while a set of unpredicted factors may affect the achievement of milestones. In this context, it should be noted that the State did not meet its obligation, under the current legislation, for the issuance of at least 4 Price Bulletins per year introducing prices of new medicines, thus hindering the planning and development strategy of the Group as the introduction of new drugs in the market has been delayed. Indicatively within 2010 only one price Bulletin was published introducing new medicines. Therefore, a potential weakness in commercializing, acquiring or licensing any of such products on a timely basis, if at all, which could have a material adverse effect on the Group's business, financial condition and result of operations.

Economic and regulatory uncertainties in some of the countries in which the Group operates may have a material adverse effect on the Group's business, financial condition and results of operations

Over the past few years, many of the countries in which the Group operates or expects to operate have experienced economic growth and improved economic stability. For example, countries such as Bulgaria and Romania initiated free-market reforms in connection with their accession to the EU. Recently, this trend has been reversed by the on-going global economic contraction, which has led to lower and, in some cases, negative growth rates in the countries in which the Group's businesses operates. The legal and regulatory systems in certain of these countries remain underdeveloped and subject to political interference. Moreover, legal, regulatory and free-market reform policies may not continue to be implemented and, if implemented, may not be successful. Any economic deterioration in the countries in which the Group's businesses operate as well as continued uncertainty with respect to legal, regulatory and free-market reforms could have a material adverse effect on the Group's business, financial condition and results of operations.

D. SHARE CAPITAL

The Company's shares are listed for trading on the Athens Stock Exchange (Large Cap Category). The share capital of the Company amounts to five hundred eighty eight million three hundred sixty thousand and one hundred thirty two Euros (€588.360.132), divided into two hundred forty five million one hundred fifty thousand fifty five common registered shares with voting (245.150.055 shares), with nominal value of 2 euro point forty cents (€ 2,40) each.

It is noted that within 2010 it was realized an increase of the par value of each share from €0,30 to €2,40 and a subsequent decrease of a total outstanding number of shares from 1.961.200.440 to 245.150.055 (reverse split), pro rata one new share for every 8 existing ones.

E. PURCHASE OF THE COMPANY'S TREASURY SHARES

On Monday, February 4, 2008 the Extraordinary Shareholders Meeting of ALAPIS S.A. approved the purchase of the company's own shares up to 1/10 of the paid up share capital, i.e. 98.060.022 shares, according to article 16 of c.l. 2190/1920 in order to decrease the share capital of the company, with the lowest acquisition price set at 1 euro per share while the upper price limit set at 5 euro per share and the time frame for the acquisition of the shares will not exceed two (2) years. The Board of Directors has been authorized to amend the article 5 of company's statutes when the own shares will be acquired and to materialize all the aforementioned decisions of the present General Meeting, following at the same time the own shares acquisition procedure as set by C.L. 2190/1920, combined with the respective provisions of the legal framework, the stock exchange rulebook and the company's statutes in general. In July 2008 the company began the acquisition of own shares and until the end of the proposed period the Company has purchased 71.576.978 own shares of € 95,4 mil. (€95,6 mil total value (euro 95,6 mil. including transaction cost), through PIRAEUS Securities with average acquisition price 10,64 euro per share, that represents 3,65% of the company's current total share capital and voting rights.

At the company's share capital increase that took place during the year, the company did not exercise its rights of its treasury shares and sold these shares instead. The total proceeds from the sale of the rights amounted to €4 mil., resulting to a reduction of the acquisition cost of the treasury shares by the aforementioned amount, hence the total acquisition cost decreased to € 91,6 mil., at an average acquisition cost per share amounting to €10,24. It is noted that on December 31, 2010 the current market price (closing price per share on ASE) was €0,52.

On 28/05/2010 the Ordinary General Shareholders Meeting decided amongst other issues the increase of the par value of each share from €0,30 to €2,40 and the subsequent decrease of a total outstanding number of shares from 1.961.200.440 to 245.150.055 (reverse split), pro rata one new share for every 8 existing ones.

On December 31, 2010 after the increase of the nominal value of each share the reduction of the total number of existing shares (reverse split), the Company held 8.947.342 treasury shares. The company, during the current year and until March 29, 2011 approval date of the financial statements, did not operate any transaction regarding treasury shares.

F. DIVIDEND POLICY

The company's management will propose to the Annual Ordinary General Meeting of shareholders the non-dividend distribution for the fiscal year 2010 because of the losses of the company's financial results and pursuant to the article 45 of L. 2190/1920.

(All amounts are presented in Euro, except otherwise stated)

Z. SIGNIFICANT TRANSACTIONS WITH AFFILIATED PARTIES DURING 2010

The tables below depict revenues and expenses from transactions with subsidiaries:

Revenues	**Amounts in € th.**
PROVET SA (transactions until 10.06.2010)	2,354
KTINIATRIKI PROMITHEFTIKI S.A.(transactions until 10.06.2010)	1,029
ALAPIS ROMANIA SRL	186
ALAPIS BULGARIA EOOD	73
ALAPIS DOO	116
ALAPIS SER DOO	141
ALAPIS PHARMAKAPOTHIKI S.A.	79
FARMAGORA S.A.	4,267
ALAPIS MEDICAL & DIAGNOSTICS A.E. (transactions until 10.06.2010)	4,739
K. P. MARINOPOULOS S.A.	1,394
IPIROPHARM S.A.	72
PHARMAKEMPORIKI S.A.	69
ANDREAS CHRISTOFOGLOU S.A.	841
PHARMACARE LTD	196
GEROLPHARM S.A.	9,892
SANTA PHARMA S.A.	16,555
PNG GEROLYMATOS MEDICAL S.A.	31,127
MEDIMEC S.A. (transactions until 10.06.2010)	603
BEAUTY WORKS AE (transactions until 10.06.2010)	641
GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON S.A. (transactions until 10.06.2010)	82
GEROLYMATOS COSMETICS S.A. (transactions until 10.06.2010)	524
GEROLYMATOS ANIMAL HEALTH S.A. (transactions until 10.06.2010)	1,872
SAMBROOK MED S.A.	3,473
MEDSYSTEMS S.A.	20
ALMEDIA PHARMACEUTICALS S.A. (transactions until 30.06.2010)	1
SHISEIDO HELLAS SA (transactions until 10.06.2010)	64
HSP UNIPESSOAL LDA	7
TOTAL	**80,417**

Expenses	**Amounts in € th.**
KTINIATRIKI PROMITHEFTIKI S.A. (transactions until 10.06.2010)	6
ALAPIS ROMANIA SRL	777
ALAPIS SER DOO	15
FARMAGORA S.A.	26
ALAPIS MEDICAL & DIAGNOSTICS A.E. (transactions until 10.06.2010)	3
K. P. MARINOPOULOS S.A.	2
EUROMEDICINES LTD	2
GEROLPHARM S.A.	3
SANTA PHARMA S.A.	2
PNG GEROLYMATOS MEDICAL S.A.	199
MEDIMEC S.A. (transactions until 10.06.2010)	5,209
BEAUTY WORKS AE (transactions until 10.06.2010)	61
GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON S.A. (transactions until 10.06.2010)	6
GEROLYMATOS COSMETICS S.A. (transactions until 10.06.2010)	53
ALAPIS LUXEMBURG SA	49
GEROLYMATOS INC	266
TOTAL	**6,678**

(All amounts are presented in Euro, except otherwise stated)

The tables below depict the balances of receivables and payables from and to subsidiaries:

Receivables	**Amounts in € th.**
ALAPIS ROMANIA SRL	3,185
ALAPIS BULGARIA EOOD	8,046
ALAPIS DOO	560
ALAPIS SER DOO	141
ALAPIS PHARMAKAPOTHIKI S.A.	1,110
IPIROPHARM S.A.	2,958
PHARMAKEMPORIKI SA	209
ANDREAS CHRISTOFOGLOU S.A.	2,329
PHARMASOFT LTD	51
EUROMEDICINES LTD	0
PHARMACARE LTD	88
SANTA PHARMA S.A.	17,760
PNG GEROLYMATOS MEDICAL S.A.	24,161
SAMBROOK MED S.A.	4,078
GEROLYMATOS INC	989
HSP UNIPESSOAL LDA	7
TOTAL	**65,674**

Payables	**Amounts in € th.**
ALAPIS ROMANIA SRL	789
ALAPIS DOO	5
ALAPIS SER DOO	15
FARMAGORA S.A.	5,250
K. P. MARINOPOULOS S.A.	6,579
MEDSYSTEMS S.A.	25
ALAPIS LUXEMBURG SA	11
TOTAL	**12,674**

H. ACTIVITIES OF THE RESEARCH & DEVELOPMENT DEPARTMENT

In 2010 ALAPIS continued on its Research and Development (R&D) activity of its generic plus medicines in order to differentiate from its competitors and offer its clients, patients, health professionals as well as other companies high value added medicines.

More specifically, during 2010, as far as it concerns the human medicines division, ALAPIS developed a total of 20 new formulations while successfully completed the development of 10 generic plus dossiers and submitted 5 of them to the competent local and European authorities. These products consist of various pharmacotechnical formulations in the fields of the central nervous system, cardiovascular and ophthalmology, where the company has accumulated substantial expertise and knowhow.

By means of enhancing its ongoing presence in the industry and participating in several international industry exhibitions such as the recent CPhI 2010 in Paris, ALAPIS propels the development of its business via licensing-out its proprietary products and services to third parties and in general seeks new strategic partners for the co-development of products hence optimizing the cost/benefit criteria. At the same time the Company finalized a significant number of licensing agreements granting the rights of use to several renowned Greek and/or multinationals (MNCs) for the distribution of products in the local and the European market. The well-equipped and staffed R&D department, continued to provide analysis and laboratory services concerning the control and release of pharmaceutical products to the EEA (EU release), expanding its activity in the field of high strength formulations (hormonal, cytostatic etc.) in a specially designed laboratory that meets the most stringent criteria for protection of personnel and environment, GMP-certified by the Greek authorities (NOM). Upon completion of ALAPIS's vertically integrated plant in Pallini, which offers unique growth potential for Greece's standards and is among the few exiting in Europe, along with the production of special medical formulations with particular characteristics (such as pellets or extended release), Alapis is expected to intensify the launch of technologically innovative products. Pursuant to the aforementioned expansion of R & D activities, ALAPIS instituted five patents relating to pharmaceutical compositions for generic plus products, of which two have already been submitted before the Greek Industrial Property Organization (IPO) and the corresponding European Office (EPO) in order to secure the copyright on them.

Finally, ALAPIS' participation in two research programs, "COOPERATION", along with the publication of scientific papers submitted to journals via the jury system -peer reviewed journals- in collaboration with renowned research institutions of the country (NCSR "Demokritos", The University of Athens School of Pharmacy, the University of Athens Medical School, the University of Thessaly, CERTH), confirms the close ties that Alapis maintains with the academic community and the health organizations. Pursuant to the above, there is a plan for conducting clinical studies in Greece concerning either innovative products or therapeutic effect evaluation, which will provide additional therapeutic value and innovation in the product development.

I. SIGNIFICANT EVENTS THAT TOOK PLACE AFTER THE END OF 2010 AND DURING THE FIRST QUARTER OF 2011

Opportunities in the pharma market

Pursuant to the State's fiscal adjustment and the austerity measures imposed, the State promotes and implements a series of reforms which include:

- The increase of generics penetration level converging to that of other larger European markets
- The reduction of the procurement cost for the purchase of pharmaceutical products and other State hospitals' material through the establishment of public tenders and
- The introduction of new measures aimed at further reducing pharma prices

New shareholders composition and strengthening of the management team

Since December 2010 Mr. Mario Al-Jebouri is the new major shareholder of the Company, holding indirectly 15.206% of the Company's total outstanding voting rights. Since February 2011, he was appointed the new Vice-Chairman (Non-executive member) of its Board of Directors. Moreover, pursuant to the reorganisation and enhancement of its operations, the Company recently reinforced its management team with the addition of experienced and skilled senior executives in the financial and operational departments.

Capital Raising Plan for the strengthening of Company's capital structure

The Company, with an aim of strengthening its capital structure, improving its financial flexibility and adjusting to the country's macroeconomic environment, has called its shareholders to an Extraordinary General Meeting (EGM) on 04.04.2011, who, are called to resolve on the Company's share capital increase by approximately 98 mil. € through payment in cash as well as to grant authorisation to the Company's Board of Directors to issue convertible bond loans up to 300 mil. €, with abrogation of the existing shareholders' pre-emption rights, according to the terms and conditions that the EGM will approve. The Company's management believes that the successful completion of the proposed capital increase as well as the ability to issue convertible bonds, will allow the Company to successfully pursue its long-term strategy.

Besides all the aforementioned, there are no events after the end of the reporting period and until the date of approval of the Annual Financial Report by the BoD regarding the Group and the Company that must be disclosed according to the IFRSs.

J. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility constitutes the corner stone of the philosophy that permeates the ALAPIS GROUP of companies since its inception. The Group promotes the notion of Corporate Sustainability by fully incorporating its fundamental principles in every aspect of the group's activities while operating sensibly and responsibly towards its employees, society and the environment.

ALAPIS, which is a founding member of the Hellenic Federation of Enterprises' board for Viable Growth, considers the preservation of the quality of human life as well as the protection of the environment as one of its basic priorities. Within the scope of its corporate responsibility framework, the company strives for the constant amelioration of its environmental performance and focuses on reducing the environmental impact of its activity as well as on protecting natural resources through the adoption of European Directive, Environmental Management System, EMAS.

In order to ensure the quality and safety of products and services, the ALAPIS GROUP of companies relies on the expertise of its human capital, who, through the use of cutting edge technology, applies homogeneous operation procedures, strict controls and high standards in all processes of production, standardization, storage, transportation and distribution.

One of the constant concerns of the company is the safety of its people. ALAPIS GROUP abides fully to all specifications and safety rules, in order to provide all employees with safe and healthy working conditions in the production line area, in the offices as well as in the laboratories.

ALAPIS GROUP is highly active in Healthcare Research and Development in Greece. In addition, by providing professional opportunities to a large number of people, the Group contributes significantly to the creation of new jobs in the country.

K. STATEMENT OF CORPORATE GOVERNANCE

K1. ADOPTION OF CORPORATE GOVERNANCE CODE – SPECIAL PRACTICES

Alapis SA, as a société anonyme listed in the Athens Stock Exchange, complies with the applicable legislation and, with regard to the corporate governance practices, the Company follows the Corporate Governance Code, which was established by the Hellenic Federation of Enterprises (SEV) and has been posted on the website http://www.sev.org.gr/online/index.aspx.

The Company has not adopted any other practices except for the legal requirements and the aforementioned code.

The present statement was drafted by application of the provisions of Article 2 of L. 3873/2010 and Article 4 of L. 3556/2007 and describes the manner in which the Company implements the above Code and identifies and provides explanations regarding any divergence from and non-compliance with the provisions of the said code.

K2. COMPANY'S CORPORATE GOVERNANCE DESCRIPTION

K2.1 BOARD OF DIRECTORS

General Information

The Board of Directors is the highest ranking decision making body of the Company and is responsible for its administration, management and representation. The members of the BoD are elected by the General Meeting of the shareholders, pursuant to the Company's articles of association, and they serve for a five-year term. The Company's Board of Directors comprises of five (5) members, out of which four (4) are non-executives, while two (2) of which are at the same time independent. The only executive member of the Board of Directors is Company's Chief Executive Officer. The Board of Directors has the flexibility to hold its meetings whenever deemed necessary, in order for its members to effectively execute their duties.

(All amounts are presented in Euro, except otherwise stated)

RESPONSIBILITIES AND COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors within its responsibilities:

- Determines and supervises the business strategy, the main action plans, the risk policy, the annual financial statements and the business plans of the Company.
- Defines the eligible goals and how they will be achieved.
- Makes decisions regarding large-scale capital expenditure, acquisitions and spin-offs.
- Selects, supervises and replaces its executive members (in case of resignation or disqualification).
- Guarantees the credibility of the financial statements and the fundamentals of the Company, the integrity of the independent auditors' reports, as well as the excellent operation of the applicable internal audit, risk management and legal and regulatory compliance systems.
- Provides for the prevention of a potential conflict of interest between the members of the Board and the shareholders, by exercising the necessary supervision.
- Adopts the Code of Conduct, which applies for all employees.
- Assesses the performance of its Chairman.

On the date the present statement was drafted, the composition of the Board of Directors was as follows:

TITLE	NAME	EXECUTIVE/NON-EXECUTIVE MEMBER	INDEPENDENT MEMBER	BEGINNING OF TERM	END OF TERM
Chairman	Aristotelis Charalambakis	Non-Executive Member		30/06/2008	11/05/2012
Vice-Chairman	Mario Al Jebouri	Non-Executive Member		18/02/2011	11/05/2012
Chief Executive Officer	Stylianos Kymbaridis	Executive Member		06/08/2010	11/05/2012
Member	Evridiki Georgakaki	Non-Executive Member	Independent Member	24/12/2008	11/05/2012
Member	Nikolaos Karantanis	Non-Executive Member	Independent Member	30/06/2008	11/05/2012

The changes in the composition of the Board of Directors which have taken place since 2010 until today are summarised as follows:

- During the meeting of the BoD on 10/06/2010 it was decided that Mr Nikolaos Korbis, executive member who resigned, would be replaced by Mr Athanassios Kyriakidis, son of Stylianos.
- During a subsequent meeting of the BoD, on 06/08/2010 it was decided that, Mr. Athanassios Kyriakidis, son of Stylianos, executive member who resigned, would be replaced by Mr. Stylianos Kymbaridis, son of Konstantinos.
- During the meeting of the BoD on 22/10/2010, the Vice-Chairman of the BoD and Managing Director, Mr Periklis Livas resigned, and Mrs Maria Birbili, daughter of Georgios was elected as a new member.
- Finally, the current composition of the BoD was established during the meeting of 18/02/2011, when the BoD elected Mr. Mario Al Jebouri to replace Mrs Maria Birbili, who resigned, for the remaining of his term.

DUTIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE COMPANY'S CHIEF EXECUTIVE OFFICER

The division of duties of the Chairman of the Board of Directors and that of the Chief Executive Officer are clearly defined. The duties of each one are established by the Board of Directors and are officially posted at the Company's Code of Internal Regulation.

Chairman of the Board of Directors

The Chairman of the BoD of the Company is responsible for the mapping out of the policies and the goals of the Company, in general.

Duties

- Formulation of proposals to the BoD regarding the goals and the vision of the Company.
- Drafting of the Annual Report for every financial year.
- Safeguarding of private and confidential information regarding the Company.
- Strategic planning of the Company's business policy.
- Approval of the minutes from the meetings of the BoD and the General Meeting.
- Briefing on the course of the Company from the General Management and the other divisions.
- Fixing of the BoD meetings and agenda, whenever deemed necessary.
- Contribution in the effective participation of the non-executive members of the BoD in its works/operations.
- Ensuring the constructive relations between the executive and the non-executive members of the BoD.
- Conduct of meetings with non-executive members of the BoD, without the presence of its executive members, in order to discuss the performance and the fees of the latter, as well as other subjects.
- Ensuring that the decisions being made are aligned with the Company's articles of association.
- Determination of the Company objectives and elaboration of action plans.
- Assurance of long-term stability.
- Formulation of investment policy.
- Monitoring of the Company's strategic development.
- The Chairman of the BoD reports to the Company's BoD.

Chief Executive Officer

The Chief Executive Officer is responsible for the Company's efficient and high quality management, in order to implement its vision and to achieve the goals arising from the Company's business plan.

Duties

- Maximisation of his contribution in the achievement of the goals set by the Management.
- Representation of the Company (in court, out of court, toward trade associations and revenue agencies, etc.).
- Decision making regarding actions pertaining to the administration of the Company, the management of its assets and the pursuit of its purpose, within the limits of competence have been given.
- Administration and management of the Company in the framework of the decisions made by the BoD and the General Meeting.
- Management of financial resources, flows and transactions, as well as efficient disposition thereof.
- Receipt of periodical reports regarding the course of all matters pertaining to the Company.
- Development of values and principles, which will guide the employees.
- Alignment of team efforts with the common goals.
- Processing of a strategic business plan, which would reflect the aspirations for the development/progress of the Company.
- Linking of the strategic goals with the vision of the Company.
- Monitoring the progress of the business plans.
- Taking measures to correct deviations from set goals.
- Processing of the annual budget and monitoring its progress.
- Monitoring the market trends and the developments in the corresponding sectors abroad.
- Implementation of the approved human resources policy regarding fees, incentives, evaluation and training.
- Cooperation with and briefing of the Chairman of the BoD on important matters of the Company.
- Adoption and review of the Code of Conduct that applies to all employees.

The Chief Executive Officer report to the Company's BoD and all Company divisions report to him.

CVs OF THE MEMBERS OF THE BOARD OF DIRECTORS

The CVs of the members of the Board of Directors are the following:

Aristotelis Charalambakis (Chairman of the BoD, Non-Executive Member)
Mr. Aristotelis Charalambakis was elected as Chairman of the BoD in December 2008. He has been formerly elected as new independent non-executive member of the BoD on 30/06/2008.
He studied Law at the University of Athens and holds a PhD in Criminal Law from the University of Munich where he also worked as a lecturer. Today he is Professor of Criminal Law in the Department of Law at the Democritus University of Thrace (DUTH), but also Head of the Criminal and Criminal Procedural Law Laboratory and of the Criminal and Forensic Sciences Sector of the DUTH Law Department.

In addition, he is President of the Department of Law of the Democritus University of Thrace and member of the Special Court for the hearing of mistrial injunctions. He is solicitor of Athens since 1980 and partner of the Law Office "Aristotelis J. Charalambakis & Associates". He has an extensive writing record, and participates in international scientific organisations and societies as well as in legislatorial and revisory committees of the Ministries of Justice, Public Order, Defence and Foreign Affairs.

Mario Al-Jebouri (Vice-Chairman of the BoD, Non-Executive Member)
Mr. Mario Al-Jebouri was elected as member of the BoD in February 2011.
Mr. Al-Jebouri is the founder of Lamda Partners and brings a wealth of experience through a range of activities. He is businessman with a strong track record of building successful businesses.

He has served as Head of Barclays Wealth in CEE, CIS and Russia and was responsible for establishing the business in the region. Prior to Barclays, Mr. Al-Jebouri co-founded and managed industry-leading companies in Bulgaria, including Forem Consulting, the Bulgarian Real Estate Fund "BREF" (Bulgaria's largest publicly listed REIT) and Horizon JSC (joint stock company with interests in real estate, logistics and IT). He served as senior advisor to the Bulgarian Prime Minister, H.E. Simeon-Saxe-Coburg-Gotha and as Chairman of the Bulgarian State Tourism Agency (a ministerial post), as well as Head of Bulgaria's taskforce for Iraq's reconstruction and redevelopment.

Mr. Al-Jebouri began his career in finance working in London for Arthur Andersen and Lazard in the Oil & Gas sector.

Stylianos Kymbaridis (Chief Executive Officer, Executive Member)
Mr. Stylianos Kymbaridis was elected as member of the BoD in August 2010.
He studied at the Aristotle University of Thessalonica at the Faculty of Philosophy. He then studied Business Administration and Economics while recently he joined the PhD program at the London Metropolitan University, UK. He attended numerous seminars and conferences and has developed his managerial skills with emphasis in the Southeast and Northern Europe.

He has gained substantial experience in managerial positions at various multinationals as well as Greek corporations. He was previously employed at the Neochimiki Group and was assumed the position of Chief Executive Officer at Neochimiki International.

He has contributed to the editing of several scientific researches on several topics from statistics to finance and has published articles in several economic journals. Finally, he has participated in roundtable discussions at several international as well as Greek scientific conferences.

Evridiki Georgakaki (Independent Non-Executive Member)
Mrs. Evridiki Georgakaki was elected as member of the BoD in December 2008.
She studied media at the Media Lab and speaks English and French. She has and still is attending several seminars with topics including national issues, foreign and international affairs.

She started off with freelance media reports and later on has published several articles in regional newspapers. Moreover, she has produced several radio programs of sociopolitical nature. (Newspapers: Rethymno, Chania News, Greeks Abroad, - Radio stations: Rethymno, Sparta, Thiva, Patra).

She is working at Secretariat General of Communication- Information as journalist, and has served as news director for "Polidiktio". Additionally, she has produced an hourly program of political nature title "Satellite Morning" and has participated in several afternoon programs that dealt with interviews of politicians and intellectuals and arts personas.

Nikolaos Karantanis (Independent Non-Executive Member)
Mr. Nikolaos Karantanis was elected as member of the BoD in June 2008. He has extensive experience in the field of economics and taxing, having worked since 1958 in the Tax Branch of the Ministry of Economy and Finance where in 1990-1001 he was Director of the Income Taxes Department. From 1991 until 1994 he was Managing Director of Taxing and Public Property while being Managing Director of Inspections and Tax Controls of the Ministry of Economy and Finance (Oct. 1992-Jan. 1994).

Since 1994 he works as Business Tax Consultant. Former first vice president of central administration of the Economic Chamber of Greece.

(All amounts are presented in Euro, except otherwise stated)

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND PARTICIPATION OF THE MEMBERS

Within 2010, 178 meetings of the Board of Directors were realised. The participation of each member of the Board of Directors at its meetings, during 2010, are presented in the following table:

FULL NAME	NUMBER OF MEETINGS REALISED DURING HIS/HER TERM	NUMBER OF MEETING HE/SHE PARTICIPATED	NUMBER OF MEETINGS WHERE HE/SHE WAS REPRESENTED
Aristotelis Charalambakis	178	178	0
Stylianos Kymbaridis	59	59	0
Periklis Livas	137	137	0
Evridiki Georgakaki	178	178	0
Nikolaos Karantanis	178	178	0
Nikolaos Korbis	99	99	0
Athanassios Kyriakidis	18	18	0
Maria Birbili	40	40	0

For the financial year 2010, during the Ordinary General Meeting of the shareholders that was held on 28 May 2010, the remuneration of the members of the BoD was set to the sum of €20.000 per month for the Chairman of the BoD and the Managing Director, while for the rest of the members of the BoD, the fees would amount to €3.000 for each member, irrespectively of the number of the meetings held.

K2.2. COMMITTEES OF THE BOARD OF DIRECTORS
AUDIT COMMITTEE

General Information

The Audit Committee is responsible for the evaluation of the adequacy of the audit systems, the evaluation of the compliance of the procedures with the applicable law, executive orders and the recommendations from previous audits, and is also responsible for the identification and management of problems relating to the auditing of corporate activities and procedures.

The Audit Committee is part of the BoD and is elected by the General Meeting of the shareholders. It consists of three members, who are non-executive members of the BoD. The Audit Committee convenes at least four times a year.

The Audit Committee reports to the BoD through its Chairman.

Regulation of Operation of the Audit Committee

The main responsibilities of the Audit Committee are the following:

- Monitors and evaluates, on an annual basis, the adequacy and the effectiveness of the Internal Audit System, and it monitors the work of the Internal Audit Department focusing on matters pertaining to its degree of independence, the quality and the wideness of the audits it performs, as well as the efficiency of its operation, in general.
- Evaluates whether the appropriate framework of operation of the Internal Audit System has been adopted, by making others understand the importance of internal audit and risk management in every level of the Company.
- Examines conflicts of interest during the transactions of the Company with associated/affiliated persons and submits relevant reports to the BoD.
- Encourages the employees of the Company to disclose, in strict confidentiality, illegal actions and irregularities on financial reporting matters or other issues regarding the operation of the Company. The Audit Committee must also ensure that the Company has in place procedures for the effective investigation of such issues, as well as that the said issues are handled properly.
- With regard to the supervision of the regular audit, it examines:
  - The independence of the external auditors and the possibility of their objectivity being influenced.
  - The re-hiring or not of the external auditors and the amount of their fee.
  - The obtaining of additional information from the audit company to which the regular audit has been assigned.
- In cooperation with the BoD, it examines:
  - The reports of the Internal Audit department that are characterised by the same, the General Management or the Financial Division as important.
  - The adequacy of the human resources and the equipment of the Internal Audit Department, as well as their mandatory structure.
- In cooperation with the Corporate Functions Division and the Chartered Accountants, it examines:
  - The annual schedules for the conduct of audits.
  - The suitability of the internal audit systems of the Company, including the computer systems and safety audits.
  - The contents of the reports drafted by the Chartered Accountants, regarding the financial statements of the Company and the answers from competent authorities.
- Is briefed by the BoD, the Financial Division and the Chartered Accountants regarding important risk or openings and decides on the measures that have been taken or are about to be taken, in order to minimise Company risk.

- Examines, in cooperation with the BoD and the Chartered Accountants, the simplified and consolidated financial statements, the relevant supplements and the semi-annual financial statements, and when deemed necessary, the quarterly financial statements, before they are submitted to the BoD and establishes:
  - Any changes in the way they are drafted.
  - Areas that require particular judgment calls.
  - Important re-adjustments arising from the audit.
  - Adherence to the accounting principles and practices.
  - Adherence to the laws and regulations of the Stock Exchange.

Members of the Audit Committee

The members of the Audit Committee have been appointed by the General Meeting, pursuant to Article 37 of L.3693/2008. Its composition during the financial year 2010 was the following:
President: Nikolaos Karantanis, Non-executive Member
Member: Aristotelis Charalambakis, Non-executive Member
Member: Evridiki Georgakaki, Non-executive Member
The term of the members of the Audit Committee coincides with their term as BoD members.

Sessions and participation

The Committee convened four (4) times in 2010, according to those defined in the relevant section of the Company's Internal Regulation of Operation. Those sessions were scheduled in order to coincide with the procedure of publication of the Company's financial data.
The members of the Committee participated in all the sessions that took place.
The members of the Committee shall not receive any additional remuneration for their participation in the said sessions.

K2.3. GENERAL MEETING AND SHAREHOLDERS' RIGHTS

How the General Meeting works

The General Meeting is the Company's highest-ranking body and has a right to decide on any Company related issue and represents the shareholders. The decisions of the General Meeting are binding for all the shareholders, even those who are absent or disagree.

The General Meeting of the shareholders, which is convened by the BoD, is ordinarily held once every financial year and no sooner than six (6) months from the end of the previous meeting. The General Meeting convenes at the Company's registered offices, or in the region of another municipality within the prefecture of its registered offices or another municipality adjacent to the municipality of the registered offices, as well as in the region of the municipality where the registered office of the stock market in which the Company's shares are listed is situated. When deemed necessary, the BoD may convene an Extraordinary General Meeting.

The invitation to the General Meeting, which must at least indicate the premises and its exact address, the date and the time of the meeting, as well as the issues on the daily agenda accurately, the shareholders that have a right to participate, as well as accurate directions regarding the manner in which the shareholders will be able to participate in the meeting and exercise their rights in person or by proxy, or even from a remote location, is published pursuant to Codified Law 2190/1920, as applicable.

Quorum is achieved and the General Meeting convenes validly, regarding the issues stated in the agenda, when at least twenty per cent (20%) of the paid share capital is represented in the meeting. If such quorum is not achieved during the first meeting, the meeting convenes again within twenty (20) days from the date the meeting was cancelled and the invitation should be sent at least ten (10) days earlier. Quorum is achieved and the second meeting convenes validly regarding the issues on the original agenda, regardless of the paid capital represented in it.

By exception, for decisions pertaining to the change of nationality of the Company, the change in the scope of its business activity, the increase in the obligations of the Company's shareholders, the share capital increase not foreseen in the articles of association, pursuant to paragraphs 1 and 2 of Article 13 of Codified Law 2190/1920 except when this is required by the law or is performed by capitalisation of reserves, the share capital decrease unless it is performed pursuant to paragraph 6 of Article 16 of Codified Law 2190/1920, the change in the disposal of profits, the issuance of a bond loan and bonds which can be converted into equities pursuant to Articles 3α and 3β of Codified Law 2190/1920, as applicable and not withstanding Articles 6 and 21 of the Company's articles of association, the merger, division, conversion, revival, extension of the duration or liquidation of the Company, provision or renewal of the authority given to the BoD for the increase of the share capital, pursuant to paragraph 1 of Article 13 of Codified Law 2190/1920 or the issuance of a bond loan in any other instance defined by the law, quorum is achieved and the general meeting convenes validly regarding the issues on the agenda when shareholders representing the two thirds (2/3) of the paid share capital are present or represented by proxy in the meeting.

If the quorum mentioned in the previous paragraph is not achieved in the first meeting, a first repeated meeting is convened, and it is considered that quorum is achieved and the meeting convenes validly regarding the issues on the agenda when at least half (1/2) of the paid share capital is represented during the said meeting. However, if quorum is not achieved once more, a second repeated meeting is convened within twenty (20) days, after the dispatch of an invitation at least ten (10) days earlier, where it shall be deemed that quorum is achieved and that the meeting convenes validly regarding the issues on the agenda when at least one fifth of the paid share capital is represented.

There is no need for a new invitation if the place and date of the repeated meetings, as provided for by the law for the eventuality of non-achievement of a quorum, are stated in the original invitation.

Participation of Shareholders in the General Meeting

The shareholders who are entitled to participate and vote in the General Meeting are those who are registered as shareholders in the records of the Hellenic Exchanges S.A. ("HELEX") at the record date, pursuant to Article 28a, paragraph 4 of the Codified Law 2190/1920, five (5) days before the date the General Meeting will be held, under the condition that they have submitted to the Company a written certification issued by the HELEX, which would certify their capacity as shareholders, at the latest, three (3) days before the date the General Meeting will be held.

The shareholders can participate and vote in the General Meeting, either in person or via up to three (3) proxies. The legal entities nay appoint up to three (3) physical persons as proxies. For the appointment or the revocation of a proxy, the entitled shareholder must authorise in writing the said person or persons and the relevant written authorisation must be notified to the Company in writing at least three (3) days before the date the General Meeting is scheduled to be held. In case of a repeated session, the above authorisation should be notified to the Company, as mentioned above, at least three (3) days before the date the repeated General Meeting is scheduled to be held.
A sample of the authorisation form for the appointment of a proxy is available at the website of the Company.

Furthermore, the above entitled shareholders may vote in the General Meeting via mail, after having filled-in the relevant ballot paper, which must be received by the Company, at the latest, before the commencement of the session of the General Meeting. Even though the Company's articles of association provide for the possibility to fill in and send the said ballot papers via electronic means, nevertheless, as the Ministerial Decision provided for in paragraph 8 of Article 28α of Codified Law 2190/1920 has not been issued yet, this possibility remains inactive.

A sample of the ballot paper is available at the Company's website.

Shareholders, that do not submit the above documents in time, may only participate and vote in the General Meeting's session or repeated session, upon relevant permission.

Minority Rights and how they are exercised

(a) Shareholders, who represent 1/20 of the Company's paid share capital, are entitled to ask for the registration, and the BoD is obligated to register, additional issues in the agenda. This application is accompanied by a justification, or by a draft decision, for approval by the General Meeting. The said right is exercised upon application to the BoD of the Company, which must be submitted to it at least fifteen (15) days before the date that the General Meeting is scheduled to convene.

(b) Shareholders who represent the 1/20 of the Company's paid share capital, are entitled to request from the BoD, at least seven (7) days before the date of the General Meeting, to present them with draft decisions for issues on the agenda, if they exist pursuant to Article 27, paragraph 3 of the Codified Law 2190/1920, while the BoD is obligated to place them at the disposal of the shareholders at least six (6) days before the date of the General Meeting.
(c) Any shareholder is entitled to request, at least five (5) full days before the date of the General Meeting, and the BoD is obligated to provide during the General Meeting specific information regarding matters of the Company, to the extent that the said information will be useful for the factual evaluation of the issues on the agenda.
(d) Shareholders who represent 1/5 of the Company's paid share capital are entitled to request from the Company to provide, at least five (5) full days before the date of the General Meeting, and the BoD is obligated to provide information regarding the progress of the corporate affairs and the assets of the Company at the General Meeting.

It is noted that, for the exercise of the rights stated in indents (a) to (d) above, the shareholder exercising the relevant right has to prove his shareholder capacity and the number of Company shares he owns during the exercise of the said right. The submission of the aforementioned certification by the HELEX shall be considered as such proof.

K3. RISK MANAGEMENT AND INTERNAL AUDIT DEPARTMENT

The BoD is responsible for the identification, assessment and monitoring of the risks faced by the Company, as well as for their management. Regarding the existence of audit issues and risk management incidents, the BoD is informed both by the various business and operational units, and the Audit Committee.

The Internal Audit Department and the Internal Audit system adopted by the Company are the main tools for the implementation of the risk management regulations.

The Internal Audit Department, in order to guarantee the credibility of the financial statements, the efficiency and effectiveness of the operations and the compliance with the laws and regulations, examines and assesses the adequacy and effectiveness of the internal audit systems' structure, as well as the performance quality of the rest of the mechanisms and systems regarding the goals set by the Company.

The Internal Audit Department is an independent business unit that aims to ensure that the Company operates according to its business goals, policies and procedures.

More specifically, and pursuant to the Company's Internal Regulation of Operation, its responsibilities are as follows:

- Monitoring compliance with the contents of the Internal Regulation of Operation
- Monitoring compliance with the obligations stated in the prospectuses and the business plans of the Company, regarding the use of capitals collected from the stock exchange.
- Monitoring the lawfulness of the fees and of any kind of benefits provided to the Management, with regard to the decisions made by competent Company bodies.
- Monitoring of the relations and transactions between the Company and its associated companies in the meaning of Article 42e paragraph 5 of Codified Law 2190/1920, as well as of the relations between the Company and corporations in which members of the BoD or shareholders of the Company own at least 10% of their share capitals.
- Recording, review and audit of the Company's Internal Control System.
- Inspection of the system providing financial and administrative information to the Company's Management.
- Confirmation regarding the implementation of policies and procedures, which have been introduced for the realisation the Company's business targets.
- Participation in the conduct of ordinary and extraordinary inventory.
- Inspection of the means used for the safeguarding of the Company's fixed assets.
- Audit of accounting, and the Company's computerised systems, in general.
- Conduct extraordinary audits, upon consultation with the Company's Management.
- Confirmation of the effective and efficient utilisation of the available resources.
- Timely identification and assessment of possible business risks.
- Recommendation for the development of new systems and related internal audit controls
- Monitoring the adherence, as well as the renewal of the Company's regulations of operation, as set by the Company's BoD.
- Verify cases on conflict of interest between private interests of the members of the BoD or the senior executives of the Company, as well as the report of those cases.

In June 2010, the Company proceeded to the sale of its activities on the field of cosmetics and liquid detergents, veterinary, medical industry and orthopaedic devices implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharmaceutical sector.

The disruption of these activities did not affect the continuing operations (human pharmaceuticals – powder detergent). The existing system of internal controls continued to operate without modification, for the continuing operations.

K4. INFORMATION REQUIRED BY THE DIRECTIVE 2004/25/EU, ARTICLE 10, PARAGRAPHE 1

Items c), d), f) h) i) of the Directive 2004/25/EC are included, among others, in the Explanatory Report of the BoD to the Ordinary General Shareholder's Meeting (section M of this Annual Financial Report of the BoD).

K5. DIVERGENCES FROM THE CORPORATE GOVERNMENT CODE AND JUSTIFICATIONS

The Company diverges from the Code in the following cases:

- Based on the Articles of association of the Company, the BoD comprises of three (3) to seven (7) members elected by the General Meeting of the Shareholders. The BoD of the Company, for the financial year of 2010, comprises of five (5) members, one (1) of which is an executive member. Due to its size, the Company deems that the number of the BoD members, as well as of its executive members is satisfactory, with respective differences taken into consideration, pursuant to the provisions of L.3016/2002 on corporate governance, regarding the executive members and the number of non-executive members of the BoD.
- No committee has been established for the appointment of candidate BoD members after the submission of the relevant nominations to the BoD. Given that there is no statutory recommendation for the above committee, the Company did not consider it appropriate to set up one, but will review the need for its recommendation in the future.
- There is no procedure in place for the evaluation of the BoD and committees' members. The Company will evaluate the need of adopting such a procedure in the future.
- There has not been established a remuneration committee. The General Meeting approves and determines the remuneration and the salary of the members of the BoD.
- The BoD does not keep a journal of its sessions or a specific action plan, given that it has the flexibility to convene whenever it is deemed necessary.

L. PROSPECTS FOR THE YEAR 2011

In light of the prevailing volatile environment of the Greek economy and the Greek pharma market, Alapis' management is closely monitoring developments in order to capitalize on any opportunities that may arise, as well as on its competitive advantages.

Current uncertainty factors include: the conditions in the Greek economy, the implementation of the austerity measures and the fiscal adjustment targets set by the Troika aimed at resuming economic growth the slowdown of the country's current negative growth, as well as the lack of liquidity in the market.

More specifically, the pharmaceutical sector is expected to be constrained financially due to lack of liquidity. The industry is constantly changing and is directly affected by institutional changes being implemented. The reforms which are being introduced include among others the new pricing policy instigating lower prices, the increase in generics penetration, the new online prescription system and the establishment of a new procurement system for pharmaceutical products by State hospitals through the introduction of public tenders.

These developments however constitute an opportunity for Alapis. Specifically Alapis, that had the insight to invest during the previous years in the generics sector, is now a leading player in this segment. With a significant portfolio of 199 molecules covering all key therapeutic categories, the Company has the ability now to benefit from these efforts and capitalize on the potential from the generics market share enhancement following the convergence of generics penetration in Greece to that of other European countries.

Alapis has developed and manages today the largest integrated sales network and the largest team of sales professionals in the market and intends to capitalise on rising opportunities, which are emerging in this new environment. Specifically Alapis will seek further partnerships with multinational pharmaceutical groups in the domestic market.

In essence, Alapis strategic goals may be summarised in:

- enhancing the Company's capital structure by further supporting its working capital requirements
- capitalising on opportunities stemming from the new conditions in the pharma market and market share enhancement
- finalizing the integration of acquired entities so as to exploit the resulting synergies, while optimising the Group's cost base, and
- expanding into new markets via signing new trade agreements in South East Europe and Middle East.

M. EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF ALAPIS SA ORDINARY GENERAL SHAREHOLDERS' MEETING, FOR THE PROVISIONS OF THE PAR.7, ARTICLE 4 OF L.3556/2007.

The current explanatory report of the Board of Directors addressed to the Ordinary General Meeting of Shareholders contains information regarding the clauses of paragraph 7 of article 4 of Law 3556/2007.

M1. Structure of the Company's share capital

The share capital of the Company amounts to five hundred eighty eight million three hundred sixty thousand and one hundred thirty two Euros (588,360,132 €), divided into two hundred forty five million one hundred fifty thousand fifty five common registered shares with voting (245,150,055 shares), with nominal value of two point forty cents (EUR 2.40) each.

The Company's shares are listed for trading on the Athens Stock Exchange (Large Cap Category).

The rights of the Company shareholders derived from their share are proportionate to the capital percentage, which corresponds to the paid value of the shares. Every share provides all the rights stipulated by Law and the Company's Articles of Association, and in particular:

• the right to receive a dividend from the Company's annual profits or liquidation proceeds.

After deducting the regular reserve only, 35% of net profits are distributed from each financial year's profit to the shareholders as an initial dividend, whereas the payment of an additional dividend is decided by the General Meeting. Every shareholder is entitled to the dividend according to the date determining dividend beneficiaries. The dividend for each share is paid to the shareholders within two (2) months from the date the Ordinary General Shareholder Meeting which approved the Annual Financial Statements. The manner and place of payment will be announced through the Press. The right to dividends is written-off and the respective amount is paid to the State, after the lapse of 5 years from the end of the year, during which the General Meeting approved the distribution of dividends.

• the right to recover the contribution during liquidation, or, similarly, the right to amortization of the capital corresponding to the share, provided this has been decided by the General Meeting,

• the pre-emptive right in every Company's share capital increase exercised in cash and the acquisition of new shares.

• the right to receive a copy of the financial statements and reports by the chartered accountants/auditors and the Company's Board of Directors.

(All amounts are presented in Euro, except otherwise stated)

• the right to participate in the General Meeting, which consists of the following individual rights: legitimization, attendance, participation in discussions, submission of proposals on agenda items, recording of opinions in the minutes of the meeting, and voting.

• The Company's General Shareholders Meeting reserves all rights during liquidation.

The liability of Company shareholders is limited to the nominal value of the shares they own.

M2. Limitations in Transferring Company Shares

Transfer of Company shares is carried out according to the Law, with no restrictions stipulated by the company's Articles of Association as to their transfer, considering that these are intangible shares listed on the Athens Stock Exchange.

M3. Significant Direct or Indirect Participations pursuant to L.3556

On 29 March 2011, the shareholders who owned more than 5% of the total voting rights of the Company based on the last notification of L. 3556/2007 were:

NAME	PERCENTAGE (%)
MARIO AL-JEBOURI (indirect)	15.206
FORTIS OBAM (direct and indirect)	12.800
LAVRENTIS LAVRENTIADIS (indirect)	6.119
OTHER SHAREHOLDERS	65.875
TOTAL	**100.000**

M4. Share that provide special rights of audit

There are no shares of the Company that provide to their holders special rights of audit.

M5. Restrictions on voting rights

No restrictions on the voting rights deriving from the Company's shares are provided in its Articles.

M6. Company's Shareholders' agreements

The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of the Company's shares or on the exercise of the voting rights conferred by its shares.

M7. Rules of appointment and replacement of Board of Directors members and amendment of Articles of association

The rules provided in the Company's Articles of association regarding the appointment and replacement of its Board of Directors members as well as the amendment of its Articles do not differ from those provided for in codified law 2190/1920.

M8. Duties of the Board of Directors Regarding the Issuance of New or the Purchase of Treasury Shares

According to the provisions of the article 5 of the Articles of the Company, and the decision of the General Meeting, which is subject to the publication requirements of article 7b of codified law 2190/1920, the Board of Directors of the Company is entitled to increase the share capital of the Company through the partly or totally issuance of new shares, by virtue of a decision adopted by a majority of at least two thirds (2/3) of the total number of its members. In such case, the share capital may be increased only up to the amount of the capital which is paid-up on the date of adoption of the decision by the General Meeting. For the purchase of treasury shares the Boards of Directors duties do not differ from the provisions of article 16 of codified law 2190/1920. There is no opposite regulation in the Company's Articles of association.

On the Extraordinary Shareholders Meeting on February 4, 2008 approved the purchase of the company's treasury shares up to 1/10 of the paid up share capital, which is 98.060.022 shares, according to the Article 16 of Codified Law 2190/1920 in order to decrease the share capital of the company, with the lowest acquisition price set at 1 Euro per share while the upper price limit set at 5 Euro per share. It was also defined that the time frame for the acquisition of the share will not exceed two years.

The Board of Directors has been authorized to proceed to the respective change of Article 5 of the company's articles of association at such time when the treasury shares are purchased and materialize all decisions of the specific General Meeting following the procedure as defined in Codified Law 2190/1920 combined with the respective provisions of the legal framework, the stock exchange rulebook and the company's articles of association in general.

Finally, the Extraordinary General Meeting held on 29.09.2008, approved amongst others: I) to add to the current scope of decreasing the company's share capital the possibility to the company to sell its treasury shares to fulfill its obligations arising from (a) debt securities that are exchangeable to company shares (i.e. in the context of convertible bond loan) and (b) the probable scheme of stock short selling of the Company. II) to provide a proxy letter to the Board of Directors, both for the share capital increase according to the article 13 par1 of Law 2190/1920 wholly or totally by issuing new shares by the amount of the existing share capital, as well as for the issuance of convertible bond into shares according to the article 3 of Law 2190/1920. Noted that the Board of Directors pursuant to the decision on 05.08.2009, made use of that authorization, regarding the share capital increase of the company until the existing share capital by issuance of the new shares.

M9. Significant Agreements that Come into Force, are Amended, or Terminated in the Event of Change of Control, Following a Public Takeover Offer

There are no agreements which come into force, are amended or terminated in the event of change of Company control following a takeover offer.

M10. Agreements that the Company has contracted with the members of the Board of Directors or with its personnel

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

Athens, March 29, 2011

President of the Board of Directors	Managing Director	Member of the Board of Directors
Aristotelis Charalampakis	Stilianos Kimparidis	Nikolaos Karantanis

INDEPENDENT AUDITOR'S REPORT

To the shareholders of ALAPIS S.A.

Report on the Separate & Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the company **ALAPIS S.A.** (the "Company") and its subsidiaries (the "Group") which comprise of the separate and consolidated statement of financial position as at December 31, 2010 and the separate and consolidated income statements, the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the company **ALAPIS S.A.** and its subsidiaries as of December 31, 2010 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our audit opinion, we draw your attention to the explanatory Note 35, where it is mentioned that the Group, due to the fact that some financial covenants of existing bank facilities of € 735 mil. were not satisfied, is negotiating with banks, with a view to redefinition of terms of aforementioned liabilities. The successful completion of the negotiations with banks is a crucial factor for the ability of continuation of the Group's normal operation in the future.

Report on Other Legal and Regulatory Requirements

(a) The Director's Report includes the statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1920.

(b) We have verified the consistency of the Directors' Report with the accompanying separate and consolidated financial statements, in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, March 30, 2011

The Certified and Registered Auditor

BDO

BDO Certified and Registered

Patission 81 and Heyden Street, 104

S.O.E.L. Registration Number 111

Vrasidas Sp. Damilakos

S.O.E.L. Registration Number 22791

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

This is to certify that the attached financial statements are those which have been approved by the Board of Directors of 'ALAPIS SA' on March 29, 2011 and have been published by posting them on the internet, at the address http://www.alapis.eu. The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards. Please note, that for purposes of simplification, some accounts in the published financial statements have been abridged or rearranged.

INDEX OF THE ANNUAL FINANCIAL STATEMENTS

(All amounts are presented in thousands Euro, except otherwise stated)

COMPANY PROFILE

Board of Directors:	Aristotelis Charalampakis, Chairman of the BoD, non executive member Mario Al-Jebouri, Vice president of the BoD, non executive member Stilianos Kimparidis, Managing Director, executive member Nikolaos Karantanis, independent non executive member Evridiki Georgakaki, independent non executive member
Registered Office:	2, Aftokratoros Nikolaou 176 71, Athens Greece
Company's Number in the Registry of Societe Anonymes:	8057/06/B/86/11
Audit Company:	BDO Certified and Registered Auditors AE 81, Patision & 8-10, Heyden 104 34, Athens Greece

(All amounts are presented in thousands Euro, except otherwise stated)

CONSOLIDATED INCOME STATEMENT

		The Group					
	Notes	1.1. - 31.12.2010			1.1. - 31.12.2009		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Revenue	7	859.566	87.014	946.580	946.268	286.194	1.232.462
Cost of sales	8	(678.177)	(49.098)	(727.276)	(686.703)	(137.226)	(823.929)
Gross profit / (losses)		**181.389**	**37.915**	**219.305**	**259.565**	**148.967**	**408.532**
Administrative expenses	9	(54.035)	(10.200)	(64.235)	(42.486)	(20.870)	(63.356)
Distribution costs	10	(151.690)	(32.524)	(184.214)	(92.195)	(84.284)	(176.479)
Other income / (expenses)	11	16.112	1.051	17.163	2.835	782	3.617
Impairment of assets	17	(840.543)	(7.373)	(847.916)	(3.141)	(26.287)	(29.428)
Operating profit / (losses)		**(848.766)**	**(11.131)**	**(859.898)**	**124.577**	**18.309**	**142.887**
Finance income / (expenses)	13	(53.392)	(9.456)	(62.848)	(45.226)	(9.804)	(55.030)
Profit / (losses) before income tax		**(902.158)**	**(20.587)**	**(922.746)**	**79.352**	**8.505**	**87.856**
Income tax expense	14	(4.446)	(4.387)	(8.832)	(29.246)	(6.256)	(35.502)
Net profit / (loss)		**(906.604)**	**(24.974)**	**(931.578)**	**50.106**	**2.248**	**52.354**
Attributable to:							
Owners of the parent		(906.411)	(24.974)	(931.385)	50.642	2.248	52.890
Non-controlling interests		(193)	0	(193)	(536)	0	(536)
Earnings / (losses) per share (in Euro)							
Basic	15	(3,8374)	(0,1057)	(3,9432)	0,3456	0,0153	0,3609
Weighted average number of shares, basic and diluted							
Basic	15	236.202.933	236.202.933	236.202.933	146.538.461	146.538.461	146.538.461

The accompanying notes from page 66 to page 180 are an integral part of the annual financial statements

(All amounts are presented in thousands Euro, except otherwise stated)

COMPANY'S INCOME STATEMENT

	Notes	The Company					
		1.1. - 31.12.2010			1.1. - 31.12.2009		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Revenue		288.083	25.404	313.487	260.393	219.278	479.671
Cost of sales	**8**	(165.046)	(24.447)	(189.493)	(80.234)	(105.791)	(186.025)
Gross profit / (losses)		**123.036**	**957**	**123.994**	**180.159**	**113.487**	**293.646**
Administrative expenses	**9**	(38.351)	(1.782)	(40.133)	(20.919)	(26.655)	(47.574)
Distribution costs	**10**	(101.400)	(10.213)	(111.613)	(32.404)	(67.480)	(99.885)
Other income / (expenses)	**11**	13.758	0	13.758	2.342	5.789	8.131
Impairment of assets	**17**	(789.537)	(7.373)	(796.910)	0	(26.287)	(26.287)
Operating profit / (losses)		**(792.494)**	**(18.410)**	**(810.904)**	**129.178**	**(1.145)**	**128.032**
Finance income / (expenses)	**13**	(98.200)	(11.036)	(109.237)	(51.436)	(6.657)	(58.093)
Profit /(losses) before income tax		**(890.694)**	**(29.447)**	**(920.141)**	**77.742**	**(7.803)**	**69.939**
Income tax expense	**14**	(2.365)	(255)	(2.620)	(28.888)	(3.547)	(32.435)
Net profit / (loss)		**(893.059)**	**(29.702)**	**(922.761)**	**48.854**	**(11.350)**	**37.504**
Earnings / (losses) per share (in Euro)							
Basic	**15**	(3,7809)	(0,1257)	(3,9066)	0,3334	(0,0775)	0,2559
Weighted average number of shares, basic and diluted							
Basic	**15**	236.202.933	236.202.933	236.202.933	146.538.461	146.538.461	146.538.461

The accompanying notes from page 66 to page 180 are an integral part of the annual financial statements

(All amounts are presented in thousands Euro, except otherwise stated)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group					
	1.1. - 31.12.2010			1.1. - 31.12.2009		
	Continuing operations	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Net profit / (losses)	**(906.604)**	**(24.974)**	**(931.578)**	**50.106**	**2.248**	**52.354**
Other comprehensive income						
Gain from disposal of share capital's issue rights	0	0	0	4.006	0	4.006
Share capital's issue expenses	0	0	0	(28.013)	0	(28.013)
Currency translation differences	289	0	289	(153)	0	(153)
Income tax relating to components of other comprehensive income	0	0	0	0	0	0
Other comprehensive income (net of tax)	**289**	**0**	**289**	**(24.160)**	**0**	**(24.160)**
Total comprehensive income	**(906.315)**	**(24.974)**	**(931.289)**	**25.946**	**2.248**	**28.194**
Attributable to:						
Owners of the parent	(906.131)	(24.974)	(931.105)	26.489	2.248	28.737
Non-controlling interests	(184)	0	(184)	(543)	0	(543)

The accompanying notes from page 66 to page 180 are an integral part of the annual financial statements

(All amounts are presented in thousands Euro, except otherwise stated)

COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

	The Company					
	1.1. - 31.12.2010			1.1. - 31.12.2009		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net profit / (losses)	**(893.059)**	**(29.702)**	**(922.761)**	**48.854**	**(11.350)**	**37.504**
Other comprehensive income						
Deferred tax directly attributable to equity	0	0	0	0	0	0
Gain from disposal of share capital's issue rights	0	0	0	4.006	0	4.006
Share capital's issue expenses	0	0	0	(28.013)	0	(28.013)
Currency translation differences	0	0	0	0	0	0
Income tax relating to components of other comprehensive income	0	0	0	0	0	0
Other comprehensive income (net of tax)	**0**	**0**	**0**	**(24.007)**	**0**	**(24.007)**
Total comprehensive income	**(893.059)**	**(29.702)**	**(922.761)**	**24.848**	**(11.350)**	**13.497**

(All amounts are presented in thousands Euro, except otherwise stated)

CONSOLIDATED AND COMPANY'S STATEMENT OF FINANCIAL POSITION

		The Group		The Company	
	Notes	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
ASSETS					
Non-current assets					
Property, plant and equipment	**16**	1.316.430	1.669.714	1.286.431	1.580.386
Goodwill	**17**	0	537.161	0	416.614
Intangible assets	**17**	372.802	342.280	249.599	190.074
Investment properties	**18**	46.180	25.544	46.180	25.476
Investments in subsidiaries	**21**	0	0	248.382	476.012
Investments in associates	**19**	0	1.700	1.700	1.700
Other non-current assets	**22**	5.452	5.995	7.602	5.353
Deferred income tax assets	**14**	20.998	10.532	17.722	9.839
Total non-current assets		**1.761.863**	**2.592.926**	**1.857.616**	**2.705.455**
Current assets					
Inventories	**23**	87.695	164.869	23.077	39.922
Trade receivables	**23**	147.629	274.983	133.883	351.705
Other receivables	**25**	142.133	118.277	94.348	56.463
Short term investments	**26**	4.085	6	3.278	0
Cash and cash equivalents	**28**	83.333	216.398	66.088	158.426
Total current assets		**464.875**	**774.532**	**320.675**	**606.517**
TOTAL ASSETS		**2.226.739**	**3.367.458**	**2.178.291**	**3.311.971**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	**30**	588.360	588.360	588.360	588.360
Paid in surplus	**30**	1.320.885	1.320.885	1.320.885	1.320.885
Legal and other reserves	**31**	68.515	65.790	67.971	68.747
Revaluation reserves	**32**	30.847	30.847	30.847	30.847
Treasury shares	**33**	(91.610)	(91.610)	(91.610)	(91.610)
Retained earnings / (losses)	**34**	(911.434)	33.896	(860.655)	72.667
		1.005.565	**1.948.169**	**1.055.799**	**1.989.898**
Non-controlling interests		(31)	92	0	0
Total equity		**1.005.534**	**1.948.261**	**1.055.799**	**1.989.898**
Non-current liabilities					
Borrowings		0	735.000	0	735.000
Finance lease liabilities	**36**	43.483	35.309	42.878	32.476
Deferred income tax liabilities	**14**	102.826	106.674	83.021	81.749
Retirement benefit obligations	**37**	4.447	8.264	2.402	4.506
Other non-current liabilities	**38**	8.340	3.427	8.332	3.243
Total non-current liabilities		**159.096**	**888.674**	**136.633**	**856.974**
Current liabilities					
Trade payables	**39**	151.822	252.260	93.215	194.971
Borrowings	**35**	24.544	81.187	17.222	76.001
Current portion of non-current borrowings	**35**	795.000	65.000	795.000	65.000
Finance lease liabilities	**36**	2.899	4.046	2.593	1.701
Current income tax liabilities	**14**	22.845	23.048	15.481	16.045
Other current liabilities	**40**	64.999	104.981	62.347	111.381
Total current liabilities		**1.062.108**	**530.522**	**985.858**	**465.099**
TOTAL EQUITY AND LIABILITIES		**2.226.739**	**3.367.458**	**2.178.291**	**3.311.971**

The accompanying notes from page 66 to page 180 are an integral part of the annual financial statements

(All amounts are presented in thousands Euro, except otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Group

	Equity attributable to owners of the parent								
	Share capital	**Paid-in surplus**	**Legal and other reserves**	**Revaluation reserves**	**Treasury shares**	**Retained earnings / (losses)**	**Total**	**Non-controlling interests**	**Total equity**
Balance, January 1, 2010	**588.360**	**1.320.885**	**65.790**	**30.847**	**(91.610)**	**33.896**	**1.948.169**	**92**	**1.948.261**
Currency translation differences	0	0	280	0	0	0	**280**	9	**289**
Net profit/ (loss) for the year	0	0	0	0	0	(931.385)	**(931.385)**	(193)	**(931.578)**
Total comprehensive income for the year	**0**	**0**	**280**	**0**	**0**	**(931.385)**	**(931.105)**	**(184)**	**(931.289)**
Acquisition of subsidiaries	0	0	0	0	0	(162)	**(162)**	62	**(100)**
Dividends	0	0	0	0	0	(11.338)	**(11.338)**	0	**(11.338)**
Transfer to reserves	0	0	(407)	0	0	407	**0**	0	**0**
Disposal of subsidiaries	0	0	2.852	0	0	(2.852)	**0**	0	**0**
Balance, December 31, 2010	**588.360**	**1.320.885**	**68.515**	**30.847**	**(91.610)**	**(911.434)**	**1.005.565**	**(31)**	**1.005.534**
Balance, January 1, 2009	**294.180**	**1.179.297**	**72.370**	**30.847**	**(95.616)**	**58.402**	**1.539.481**	**6.897**	**1.546.377**
Currency translation differences	0	0	(146)	0	0	0	**(146)**	(7)	**(153)**
Gain from disposal of share capital's issue rights	0	0	0	0	4.006	0	**4.006**	0	**4.006**
Share capital's issue expenses	0	(28.013)	0	0	0	0	**(28.013)**	0	**(28.013)**
Net profit / (loss) for the year	0	0	0	0	0	52.890	**52.890**	(536)	**52.354**
Total comprehensive income for the year	**0**	**(28.013)**	**(146)**	**0**	**4.006**	**52.890**	**28.737**	**(543)**	**28.194**
Share capital issue	294.180	156.896	0	0	0	0	**451.076**	0	**451.076**
Acquisition of subsidiaries	0	0	0	0	0	(61.063)	**(61.063)**	(6.262)	**(67.324)**
Dividends	0	0	0	0	0	(10.062)	**(10.062)**	0	**(10.062)**
Effect from merger	0	12.705	(12.705)	0	0	0	**0**	0	**0**
Transfer to reserves	0	0	6.272	0	0	(6.272)	**0**	0	**0**
Balance, December 31, 2009	**588.360**	**1.320.885**	**65.790**	**30.847**	**(91.610)**	**33.896**	**1.948.169**	**92**	**1.948.261**

The accompanying notes from page 66 to page 180 are an integral part of the annual financial statements

(All amounts are presented in thousands Euro, except otherwise stated)

COMPANY'S STATEMENT OF CHANGES IN EQUITY

The Company	Share capital	Paid-in surplus	Legal and other reserves	Revaluation reserves	Treasury shares	Retained earnings / (losses)	Total equity
Balance, January 1, 2010	**588.360**	**1.320.885**	**68.747**	**30.847**	**(91.610)**	**72.667**	**1.989.898**
Gain from disposal of share capital's issue rights	0	0	0	0	0	0	**0**
Share capital's issue expenses	0	0	0	0	0	0	**0**
Net profit / (loss) for the year	0	0	0	0	0	(922.761)	**(922.761)**
Total comprehensive income for the year	**0**	**0**	**0**	**0**	**0**	**(922.761)**	**(922.761)**
Dividends	0	0	0	0	0	(11.338)	**(11.338)**
Effect from merger	0	0	0	0	0	0	**0**
Transfer to reserves	0	0	(777)	0	0	777	**0**
Share capital issue	0	0	0	0	0	0	**0**
Balance, December 31, 2010	**588.360**	**1.320.885**	**67.971**	**30.847**	**(91.610)**	**(860.655)**	**1.055.799**
Balance, January 1, 2009	**294.180**	**1.179.297**	**72.609**	**30.847**	**(95.616)**	**47.005**	**1.528.323**
Gain from disposal of share capital's issue rights	0	0	0	0	4.006	0	**4.006**
Share capital's issue expenses	0	(28.013)	0	0	0	0	**(28.013)**
Net profit / (loss) for the year	0	0	0	0	0	37.504	**37.504**
Total comprehensive income for the year	**0**	**(28.013)**	**0**	**0**	**4.006**	**37.504**	**13.497**
Dividends	0	0	0	0	0	(9.999)	**(9.999)**
Effect from merger	0	12.705	(9.218)	0	0	3.514	**7.001**
Transfer to reserves	0	0	5.357	0	0	(5.357)	**0**
Share capital issue	294.180	156.896	0	0	0	0	**451.076**
Balance, December 31, 2009	**588.360**	**1.320.885**	**68.747**	**30.847**	**(91.610)**	**72.667**	**1.989.898**

(All amounts are presented in thousands Euro, except otherwise stated)

CONSOLIDATED AND COMPANY'S STATEMENT OF CASH FLOWS

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Cash flows from operating activities				
Profit / (losses) before income taxes (continuing operations)	**(902.158)**	**79.352**	**(890.694)**	**77.742**
Profit / (losses) before income taxes (discontinued operations)	**(20.587)**	**8.505**	**(29.447)**	**(7.803)**
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortisation	177.049	131.142	139.721	78.166
Provisions and impairment charges	836.484	2.076	778.360	(5.435)
Debit interest and similar charges	51.296	45.720	42.436	44.497
Revenues from investments and credit interest	(2.995)	(1.926)	(330)	(19.535)
Losses from valuation of derivatives and investments	5.091	1.431	56.095	26.474
(Gain) / losses from disposal of fixed assets	6	459	1.950	93
Profit / (loss) before working capital changes	**144.186**	**266.759**	**98.091**	**194.198**
(Increase)/Decrease in:				
Inventories	20.124	12.376	4.989	(2.863)
Trade receivables	89.912	(163.258)	121.374	(198.767)
Other receivables	(36.261)	18.801	(37.885)	47.603
Increase/(Decrease) in:				
Liabilities (except bank)	(72.999)	(9.117)	(51.488)	78.391
Other liabilities	(51.824)	18.954	(49.034)	28.259
Income taxes paid	(12.595)	(9.357)	(9.796)	(13.553)
Interest paid	(50.278)	(53.213)	(45.158)	(55.229)
Exchange differences	3.531	(2.914)	(100)	118
Operating cash flows of discontinued operations	5.804	82.763	27.299	18.907
Cash flows from operating activities	**39.600**	**161.793**	**58.293**	**97.065**
Cash flows from investing activities				
Purchase / (disposals) of PPE and intangible assets	(212.561)	(393.456)	(202.192)	(349.379)
Dividends received	0	0	0	18.476
Gains / (losses) on disposal of investments	(24)	408	(30)	(4.781)
Interest and other related income received	444	1.094	256	808
(Acquisition) / disposal of subsidiaries and associates	(67)	(65.939)	(2.790)	(296.320)
(Purchase) / disposal of investment properties	0	(3.402)	0	(3.402)
Guaranties (paid) / received	351	(4.934)	(2.249)	(4.793)
Investing cash flows of discontinued operations	124.004	(126.841)	144.105	86.871
Cash flows from investing activities	**(87.853)**	**(593.071)**	**(62.899)**	**(552.520)**
Cash flows from financing activities				
Share capital issued (net of expenses)	0	423.063	0	423.063
Proceeds / (repayments) of borrowings	(58.223)	3.942	(63.778)	23.966
Proceeds from / (repayments) of finance lease	(13.920)	16.008	(12.619)	16.167
Dividends paid	(11.333)	(10.061)	(11.333)	(9.998)
Gain / (losses) from disposal of share capital's issue rights	0	4.006	0	4.006
Financing cash flows of discontinued operations	(1.336)	2.038	0	0
Cash flows from financing activities	**(84.812)**	**438.997**	**(87.731)**	**457.204**
Cash contributed by merged entities	0	0	0	35.372
Net increase/(decrease) in cash and cash equivalents	**(133.065)**	**7.718**	**(92.338)**	**1.749**
Cash and cash equivalents at beginning of year	**216.398**	**208.679**	**158.426**	**121.305**
Cash and cash equivalents at end of year	**83.333**	**216.398**	**66.088**	**158.426**

The accompanying notes from page 66 to page 180 are an integral part of the annual financial statements

1. GENERAL INFORMATION

The Group consists of the parent company ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL AND CHEMICAL PRODUCTS, with distinctive title ALAPIS SA (i.e. 'the Company') and its subsidiaries (i.e. 'the Group'). The principal activities of the Group and the Company are on the following business segments:

- Pharmaceutical
- Other activities (powder detergents)

On June 10, 2010 the Company implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharmaceutical sector, proceeded in the disposal of its non-Human Health activities, namely in Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector. Particularly, the Company proceeded in the disposal of the companies GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA and KTINIATRIKI PROMITHEFTIKI SA for a total consideration of € 144.700. The profit from the disposal of the companies mentioned above amounted in €4.979 and € 1.052 for the Group and the Company respectively. These segments are presented at the current financial statements as discontinued operation according to IFRS 5 and some of the amounts of the previous financial statements were reclassified in order to become comparable to those of the current period. Regarding the property, plant and equipment of the abovementioned sectors of the parent company were reclassified as investment properties. The aforementioned sale of the companies did not have a substantial impact on the Group's net equity position and activity since as at the first six month of 2010, that the disposal carried out, the discontinued operations accounted for 18,5% of the consolidated turnover, 9,5% of the consolidated EBITDA and 2,5% of the consolidated EBIT.

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

The number of employees as at December 31, 2010 for the Group and the Company was 1.717 and 741 respectively. (December 31, 2009: 2.994 and 1.364 for the Group and the Company respectively).

The financial statements (consolidated and company's) for the year ended December 31, 2010 were approved for issuing by the Board of Directors at its meeting of March 29, 2011.

The subsidiary companies included in the attached consolidated financial statements of the Group are presented in note 3.

2. BASIS OF PREPARATION

The consolidated and separate financial statements of ALAPIS SA have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union, IFRIC Interpretations and the Companies Law 2190 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost contract, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The Management estimates that after the end of the discussions with lending banks (note 35), in order to improve the structure of the financing of the Company, will be in the position to maintain its financial liabilities (maintenance of financial indicators) which are under relevant borrowing contracts and to secure the appropriate funds for the proper activity's continuation.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's and the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.

The amounts are presented in thousands Euro. Is noted that if any casting differences are due to rounding.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

3.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements of the parent (company's financial statements), the investments in subsidiaries are recognised at acquisition cost, net of any accumulated impairment loss.

(b) Transactions and non-controlling interest

The Group applies a policy of treating transactions with non-controlling interest as transactions internal to the Group. Disposals to non-controlling interest result in gains and losses for the Group and are recognized directly to equity. Purchases from non-controlling interest result in goodwill, transferred directly to equity as it is considered as a transaction among the owners.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

In the separate financial statements of the parent (company's financial statements), the investments in associates are recognised at acquisition cost, net of any accumulated impairment loss.

(d) Mergers of entities under common control (subsidiaries)

The aforementioned mergers are accounted in the financial statements of the parent company by the pooling of interest method. In accordance with the applied accounting practice in transactions accounted for by the pooling of interest method, the resulting goodwill, arising from the merger, is recognised directly in the equity of the absorbing company, cost and relevant expenses are recognised in the income statement as reorganization expenses and the commercial transactions realized by the absorbed companies are recognized in account of the acquirer from the beginning date of the year as if the merged companies were a single company.

(All amounts are presented in thousands Euro, except otherwise stated)

(e) Consolidation basis

The consolidated financial statements comprise the financial statements of the parent and subsidiaries of the Group. In the table below are listed all companies included in the consolidation with the percentage of participation of the Group, the country of incorporation, the consolidation method and the activity for each company.

CORPORATE NAME	DIRECT / INDIRECT	HQ / COUNTRY	% CONSOLIDATION	CONSOLIDATION METHOD	ACTIVITY
ALAPIS SA	-	GREECE	PARENT COMPANY	-	Pharmaceutical and detergents
PROVET SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Veterinary
KTINIATRIKI PROMITHEFTIKI SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Veterinary
ALAPIS ROMANIA SRL	DIRECT	ROMANIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS BULGARIA EOOD	DIRECT	BULGARIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS HUNGARY KFT	DIRECT	HUNGARY	100,00%	Full consolidation	Pharmaceutical
ALAPIS DOO	DIRECT	CROATIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS SER DOO	DIRECT	SERBIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS PHARMAKAPOTHIKI SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
FARMAGORA SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
ALAPIS MEDICAL AND DIAGNOSTICS SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Medical device
ALAPIS SLVN DOO	DIRECT	SLOVENIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS ALBANIA SHPK	DIRECT	ALBANIA	100,00%	Full consolidation	Pharmaceutical
VETERIN POLAND SPZOO	DIRECT	POLAND	100,00%	Full consolidation	Pharmaceutical
ALAPIS UKRAINE SA	DIRECT	UKRAINE	100,00%	Full consolidation	Pharmaceutical
KP MARINOPOYLOS SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
IPIROPHARM SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical

(All amounts are presented in thousands Euro, except otherwise stated)

CORPORATE NAME	DIRECT / INDIRECT	HQ / COUNTRY	% CONSOLIDATION	CONSOLIDATION METHOD	ACTIVITY
PHARMAKEMPORIKI SA	INDIRECT	GREECE	50,82%	Full consolidation	Pharmaceutical
ANDREAS CHRISTOFOGLOU SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
PHARMASOFT LTD	INDIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
EUROMEDICINES LTD	DIRECT	UK	100,00%	Full consolidation	Pharmaceutical
SUMADIJALEK AD	DIRECT	SERBIA	97,79%	Full consolidation	Pharmaceutical
ALAPIS RESEARCH LABORATORIES INC	DIRECT	USA	100,00%	Full consolidation	Pharmaceutical
PHARMACARE LTD	DIRECT	CYPRUS	100,00%	Full consolidation	Pharmaceutical
ALAPIS LUXEMBURG SA	DIRECT	LUXEMBURG	100,00%	Full consolidation	Pharmaceutical
GEROLPHARM SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
SANTA PHARMA SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
PNG GEROLYMATOS MEDICAL SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
MEDIMEC SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Medical device
BEAUTY WORKS SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Cosmetics
GEROLYMATOS PRESTIGE SPA’S SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Cosmetics
GEROLYMATOS COSMETICS SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Cosmetics
GEROLYMATOS ANIMAL HEALTH SA (disposed as of June 10, 2010)	-	GREECE	100,00%	Full consolidation	Veterinary
SAMBROOK MED SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
ALMEDIA PHARMACEUTICALS SA (disposed as of June 30, 2010)	-	GREECE	100,00%	Full consolidation	Pharmaceutical
MEDSYSTEMS SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
ALAPIS LUXEMBURG SA	DIRECT	LUXEMBURG	100,00%	Full consolidation	Pharmaceutical
GEROLYMATOS INC	DIRECT	USA	100,00%	Full consolidation	Pharmaceutical
GENESIS ILAC SA	DIRECT	TURKEY	50,00%	Proportionate consolidation	Pharmaceutical
SHISEIDO HELLAS SA (disposed as of June 10, 2010)	-	GREECE	49,00%	Equity method	Cosmetics
HSP UNIPESSOAL LDA	INDIRECT	PORTUGAL	100,00%	Full consolidation	Pharmaceutical

In the consolidated financial statements for the year ended December 31, 2010 GEROLYMATOS INC and HSP UNIPESSOAL LDA are fully consolidated to the Group for the first time since their acquisition and establishment date respectively. In addition GENESIS ILAC SA, which was consolidated on December 31, 2009 using the equity method, is consolidated to the Group via proportional method. It is noted that within 2010 was concluded the owners' agreement for joint control of GENESIS ILAC SA.

In the consolidated financial statements for the year ended December 31, 2010 the following companies are not consolidated to the Group: GLIKEIA IGEIA SA, GLIKEIA GEFSI SA, PROIONTA EBIK SA, CERTIFIED ORGANIC PRODUCTS LTD, THERAPEFTIKI SA, EBIK SA, LYD SA, DALL SA, DILACO LTD and SCALONITA LTD, which were disposed during the previous year, and the statement of financial position of GEROLYMATOS PRESTIGE SPA’S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA, KTINIATRIKI PROMITHEFTIKI SA, SHISEIDO HELLAS SA and ALMEDIA PHARMACEUTICALS SA, which were disposed on June 2010.

3.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses are presented in the income statement within 'Finance income / (expenses)'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(All amounts are presented in thousands Euro, except otherwise stated)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement,
(b) income and expenses for each income statement are translated at average exchange rates and
(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to owners’ equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

A summary of significant foreign currency which have been used to translate Group’s foreign subsidiaries financial statements of which the functional currency is not Euro, has as follows:

	Closing rate		**Average rate**	
	31.12.2010	**31.12.2009**	**1.1. - 31.12.2010**	**1.1. - 31.12.2009**
Dollar USA	1,3362	1,4406	1,3884	1,3946
Pound Great Britain	0,8608	0,8881	0,8744	0,9203
Zloty Poland	3,9750	4,1354	4,0552	4,3373
Forid Hungary	277,9500	270,4200	274,1850	281,1513
Lei Romania	4,2620	4,2363	4,2492	4,1294
Dinar Serbia	105,4982	95,4681	100,4832	93,3242
Kouna Kroatia	7,3830	7,3000	7,3415	7,3278
Leva Bulgaria	1,9558	1,9558	1,9558	1,9558
Lek Albania	141,0650	140,5850	140,8250	134,5671
Chrivnia Ukraine	10,6933	11,6374	11,1654	11,3604

3.4 Property, plant and equipment

Property, plant and equipment are reported in the financial statements at their acquisition cost or values as deemed cost determined based on fair values at the transition date, minus, firstly the accumulated depreciations and secondly impairment losses. The acquisition cost includes all the expenses directly attributable to the acquisition of assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	2%-5%
Machinery	3%-20%
Vehicles	11%-20%
Other Equipment	3%-30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income / (expenses)' in the income statement.

3.5 Goodwill and intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(b) Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Besides the trademark 'ALEFA (private label)', of € 134 which was recognised on the acquisition of KP MARINOPOULOS SA and has indefinite useful life, all the other trademarks and licences have finite useful life and therefore, amortisation is calculated over their estimated useful life. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years.

(c) Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique pharmaceutical product controlled by the Group or by the Company are recognised as intangible assets when the following criteria are met:
(a) it is technically feasible to complete the pharmaceutical product so that it will be available for use,
(b) management intends to complete the pharmaceutical product and use or sell it,
(c) there is an ability to use or sell the pharmaceutical product,
(d) it can be demonstrated how the pharmaceutical product will generate probable future economic benefits,
(e) adequate technical, financial and other resources to complete the development and to use or sell the pharmaceutical product are available, and
(f) the expenditure attributable to the pharmaceutical product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the pharmaceutical product include the pharmaceutical development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Pharmaceutical development costs recognised as assets are amortised over their estimated useful lives, which do not exceed twenty years.

(d) Customer base and contractual customer relationships

Customer base and contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer base and contractual customer relations have a finite useful life of 6 to 12 years and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer base and relationship.

(e) Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to five years.

3.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.7 Investment properties

Investment properties are held to earn rental income and appreciate capital value. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied properties from investment properties.

Investment properties are treated as non-current assets and carried at fair value, representing open market value determined internally on an annual basis based on similar transactions that have taken place at a date around the financial statements' preparation date. Changes in fair values are recognised within 'Other income / (expenses)' in the income statement.

3.8 Non-current assets (or disposal groups) held for sale

The Group and the Company classify a non-current asset (or disposal groups) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The basic preconditions to classify a non-current asset (or a disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets / groups and its sale must be highly probable.

For the sale to be highly probable the following preconditions should be met accumulatively:
(a) the appropriate level of management must be committed to a plan to sell the asset (or disposal group),
(b) an active program to locate a buyer and complete the plan must have been initiated,
(c) the asset (or disposal groups) must be actively marketed for sale at a price that is reasonable in relation to its current fair value,
(d) the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, with some exceptions, and
(e) actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately before the initial classification of a non-current asset (or a disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) will be measured in accordance with the applicable IFRS.

Non-current assets (or disposal group) classified as held for sale will be measured at the lower of its carrying amount and fair value less costs to sell and any possible resulting impairment losses will be recognised in the income statement. Any subsequent increase in fair value will be recognised, but not in excess of the cumulative impairment loss which was previously recognised.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale it should not be depreciated or amortised. On December 31, 2010 and 2009, there were no non-current assets held for sale.

3.9 Financial assets

3.9.1 Classification

The Group and the Company classify their financial assets in the following categories: (a) at fair value through profit or loss and (b) loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The loans and receivables comprise 'Other non-current assets', 'Trade receivables', 'Other receivables' and 'Cash and cash equivalents' in the statement of financial position.

The Group and the Company do not hold any investments classified as investments held to their maturity and available-for-sale financial assets.

3.9.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group or the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group or the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are presented in the income statement within 'Finance income / (expenses)' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement within 'Finance income / (expenses)'when the Group's or the Company's right to receive payments is established.

3.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3.11 Impairment of financial assets

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group and the Company use to determine that there is objective evidence of an impairment loss include:
(a) significant financial difficulty of the issuer or obligor,
(b) a breach of contract, such as a default or delinquency in interest or principal payments,
(c) the Group or the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
(d) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation,
(e) the disappearance of an active market for that financial asset because of financial difficulties, or
(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
(i) adverse changes in the payment status of borrowers in the portfolio, and
(ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group and the Company first assess whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group or the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

3.12 Derivative financial instruments

Financial instruments include the primary financial instruments (such as receivable amounts, payable amounts and equity instruments) and the derivative financial instruments (such as stock options, forward contracts and exchange agreements). Derivative financial instruments result assets and liabilities that transfer between the parts one or more financial risks, which are related to a specific financial instrument.

Initially the financial instruments result to each part:
(a) the conventional right to change a financial asset with the other part under potential propitious conditions, or
(b) the conventional liability to change a financial asset with the other part under potential disfavourable conditions.

Derivatives usually do not lead to transmission of the financial instrument at the beginning of the contract, and such a transmission is not necessary at the end of the contract.

Assuming that the exchange terms are defined at the beginning of the agreement, they turn to be propitious or disfavoucrable when the prices of the financial instruments change in the financial markets.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Company use derivatives for trading. Changes in the fair value of derivatives that are designated for trading are recorded in the income statement within 'Finance income / (expenses)' in the period in which they arise.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weight average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value for merchandise, finished and semi-finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value for raw materials is the estimated replacement cost in the ordinary course of business. Impairment charge for slow moving or obsolete inventories is made when necessary.

3.14 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

3.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

3.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.20 Employee benefits

(a) Short-term benefits

Short-term benefits to the employees (apart from the benefits for the termination of the labour relationship) in cash and in goods are recorded for as an expense when they become payable. Any outstanding amount is recorded as a liability, while in the case where the amount already paid exceeds the amount of the benefits, the entity records the excess amount as asset (prepaid expense) only to the extent that the prepayment will lead to the reduction of future payments or to a return.

(b) Benefits after exiting from the service

The Group and the Company has no benefit liabilities for personnel exiting from the service, excluding those provided by labour legislation referring to compensation due to termination of employment or retirement.

(c) Retirement benefit obligations

Staff retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions detailed in note 37 and are determined using the projected unit credit actuarial valuation method (Project Unit Credit Method). Net pension costs for the period are included in payroll in the accompanying income statements and consist of the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial gains or losses recognised in the year and any additional pension charges. Past service costs are recognised on a straight-line basis over the average period until the benefits under the plan become vested. Unrecognised actuarial gains or losses that exceed 10% of the projected benefit obligation at the beginning of each period are recognised based on corridor approach over the average remaining service period of active employees and included as a component of net pension cost for a year if, as of the beginning of the year. The retirement benefit obligations are not funded.

3.21 Grants

The Group and the Company record the government grants, which satisfy the following criteria cumulatively:
(a) there is a presumed certainty that the Group or the Company has complied or will comply with the terms of the grant, and
(b) it is likely that the amount of the grant will be collected.

Those are recorded at fair value and accounted in a systematic way in the income, based on the principle of correlation of the grants with the respective costs that they subsidize.

Grants that involve assets are included in the non-current liabilities as income of future financial years and are recorded systematically and reasonably in the income statement throughout the useful life of the asset.

3.22 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group or the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each financial statements date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Regarding the provisions that are expected to be settled in the long term when the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

3.23 Earnings / (losses) per share

Basic earnings / (losses) per share are computed by dividing net profit or loss attributable to equity holders of the parent by the weighted average number of common shares outstanding during each year, excluding the average number of common shares purchased by the Group as treasury shares.

Diluted earnings / (losses) per share are calculated by dividing the net profit or loss attributable to equity holders of the parent (after deducting interest on convertible shares, net of tax), by the weighted average number of shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

3.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's or the Company's activities as described below. The Group and the Company base their estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

The Group focuses on the manufacturing processing and packaging of pharmaceuticals products and manufacturing and distribution of powder detergents. Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group or the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.25 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group and the Company lease certain property, plant and equipment. Leases of property, plant and equipment where the Group or the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in 'Finance lease liabilities' in the statement of financial position. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

3.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

4. NEW, AMENDED STANDARDS AND INTERPRETATIONS

The auditing principles according to which the annual financial statements were prepared are consistent with those used for the preparation of the financial statements of financial year 2009, except from the adoption of new standards which are mandatory for accounting years that begin on or after January 1, 2010.

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2010.

IFRS 3, Business combinations - revised *(effective from July 1, 2009).*

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group has adopted IFRS 3 (revised) prospectively to all business combinations since January 1, 2010.

IAS 27, Consolidated and separate financial statements - amendment *(effective from July 1, 2009).*

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group has adopted IAS 27 (amendment) prospectively to transactions with non-controlling interests since January 1, 2010

IAS 36, Impairment of assets – amendment *(effective from January 1, 2010).*

The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, 'Operating segments'.

IAS 38, Intangible Assets – amendment *(effective from July 1, 2009).*

The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

(b) Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group (although they may affect the accounting for future transactions and events)

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning January 1, 2010, but are not currently relevant for the Group.

IAS 1, Presentation of financial statement - amendment *(effective from January 1, 2010).*

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

IAS 39, Financial Instruments: Recognition and Measurement – Eligible Hedged Items *(effective from July 1, 2009).*

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.

IFRS 1, First-time adoption of International Financial Reporting Standards – amendment *(effective from January 1, 2010).*

This amendment provides additional clarifications for first-time adopters of IFRS in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment.

IFRS 2, Group cash-settled and share-based payment transactions- amendment *(effective from January 1, 2010).*

In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of Group arrangements that were not covered by that interpretation.

IFRS 5, Measurement of non-current assets (or disposal groups) classified as held-for-sale – amendment *(effective from January 1, 2010).*

The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

IFRIC 9, Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement *(effective from July 1, 2009).*

This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss.

IFRIC 16, Hedges of a net investment in a foreign operation *(effective from July 1, 2009).*

IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the group. The requirements of IAS 21, The effects of changes in foreign exchange rates, do apply to the hedged item.

IFRIC 17, Distributions of non-cash assets to owners *(effective from July 1, 2009).*

The Interpretation provides guidance on the measurement of distribution of non-cash assets both when the obligation is incurred and when the distribution is made. This includes both distributions of specific assets and more complex transactions, such as demergers. The guidance does not apply where the asset transferred is controlled by the same body both before and after the transaction, meaning that it is not relevant to distributions from a subsidiary to a parent, nor to transfers between subsidiaries accounted for as deemed distributions. It also does not apply if a parent distributes part of its investment in a subsidiary, creating a non-controlling interest but retaining control. In this case the distribution is accounted for under IAS 27 (as amended in May, 2008). The Interpretation further clarifies that it only applies to distributions where all owners of the same class of equity instruments are treated equally. If an entity distributes assets to its equity shareholders who constitute both a parent company and non-controlling shareholders, the whole distribution is scoped out of the Interpretation because a proportion of the assets transferred are controlled by the same entity before and after.

IFRIC 18, Transfers of assets from customers *(effective from July 1, 2009).*

IFRIC 18 clarifies the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).

The basic principle of IFRIC 18 is that when the item of property, plant and equipment transferred from a customer meets the definition of an asset under the IASB Framework from the perspective of the recipient, the recipient must recognise the asset in its financial statements. If the customer continues to control the transferred item, the asset definition would not be met even if ownership of the asset is transferred to the utility or other recipient entity. The deemed cost of that asset is its fair value on the date of the transfer. If there are separately identifiable services received by the customer in exchange for the transfer, then the recipient should split the transaction into separate components as required by IAS 18.

(c) New standards, new interpretations and amendments to existing standards which are not effective for the financial year beginning January 1, 2010 and have not early adopted

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning January 1, 2010 and have not been early adopted.

IFRS 9, Financial instruments *(effective from January 1, 2013).*

IFRS 9 is the first part of Phase 1 of the Board's project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes; in this case, the entity is required to reclassify affected financial assets prospectively.

IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently investigating the impact of IFRS 9 on its financial statements.

IAS 24, Related party disclosures – amendment *(effective from January 1, 2011).*

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date.

IAS 32, Financial instruments: Presentation - amendment *(effective from February 1, 2010).*

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group's financial statements.

IFRIC 14, The limit on a defined benefit asset, minimum funding requirements and their interaction *(effective from January 1, 2011).*

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

IFRIC 19, Extinguishing financial liabilities with equity instruments *(effective from July 1, 2010).*

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

(d) Improvements to International Financial Reporting Standards 2010

The following improvements to International Financial Reporting Standards 2010 were issued in May 2010.

IFRS 1, First-time adoption of International Financial Reporting Standards – amendment *(effective from July 1, 2010).*

The amendment provides the same relief to first-time adopters as was given to current users of IFRSs upon adoption of the amendments to IFRS 7. Also clarifies the transition provisions of the amendments to IFRS 7.

IFRS 1, First-time adoption of International Financial Reporting Standards – amendment *(effective from January 1, 2011).*

(a) Accounting policy changes in the year of adoption. Clarifies that, if a first-time adopter changes its accounting policies or its use of the exemptions in IFRS 1 after it has published an interim financial report in accordance with IAS 34, 'Interim financial reporting', it should explain those changes and update the reconciliations between previous GAAP and IFRS. (b) Revaluation basis as deemed cost. Allows first-time adopters to use an event-driven fair value as deemed cost, even if the event occurs after the date of transition, but before the first IFRS financial statements are issued. When such remeasurement occurs after the date of transition to IFRSs, but during the period covered by its first IFRS financial statements, any subsequent adjustment to that event-driven fair value is recognised in equity. (c) Use of deemed cost for operations subject to rate regulation. Entities subject to rate regulation are allowed to use previous GAAP carrying amounts of property, plant and equipment or intangible assets as deemed cost on an item-by-item basis. Entities that use this exemption are required to test each item for impairment under IAS 36 at the date of transition.

IFRS 3, Business combinations – amendment *(effective from July 1, 2010).*

(a)Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS. Clarifies that the amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 32, 'Financial instruments: Presentation', and IAS 39, 'Financial instruments: Recognition and measurement', that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008). (b) Measurement of non-controlling interests. The choice of measuring non- controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by IFRS. (c) Un-replaced and voluntarily replaced share-based payment awards. The application guidance in IFRS 3 applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards.

IFRS 7, Financial instruments– amendment *(effective from January 1, 2011).*

The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

IAS 1, Presentation of financial statements– amendment *(effective from January 1, 2011).*

The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

IAS 27, Consolidated and separate financial statements– amendment *(effective from July 1, 2010).*

The amendment clarifies that the consequential amendments from IAS 27 made to IAS 21, 'The effect of changes in foreign exchange rates', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', apply prospectively for annual periods beginning on or after 1 July 2009, or earlier when IAS 27 is applied earlier.

IAS 34, Interim financial reporting – amendment *(effective from January 1, 2011).*

The amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around: (a) The circumstances likely to affect fair values of financial instruments and their classification, (b) Transfers of financial instruments between different levels of the fair value hierarchy, (c) Changes in classification of financial assets, (d) Changes in contingent liabilities and assets.

IFRIC 13, Customer loyalty programmes – amendment *(effective from January 1, 2011).*

The meaning of 'fair value' is clarified in the context of measuring award credits under customer loyalty programmes.

5. FINANCIAL RISK MANAGEMENT

The state of the Greek economy and the pharmaceutical sector

The recession in which the Greek economy entered since 2009 continued to stifle the market in 2010 (Estimated 2010 GDP growth: -4.5%, Source IMF) as the factors which facilitated its development during the last decade proved to be unsustainable. In addition, the ongoing fiscal imbalances resulted to the continuous downgrading of the country's creditworthiness and the subsequent increase of its borrowing rates. Due to the failure of financing the public debt through the markets, the Greek government filed for financial support by the Eurozone, the ECB and the IMF, which was agreed on May 2, 2010 and was also approved by the Hellenic Parliament on May 6, 2010. Pursuant to the above agreement, Greece is to receive financial support, via a set of payments over the period 2010 - 2013, amounting to a total of € 110 billion under the precondition of meeting the terms and conditions of the Memorandum of Economic and Financial Policies, On May 18, 2010 the first payment of € 20 billion was provided whereas for the full 2010 a total amount of €29 billion were disbursed.

The recessive environment of the Greek economy in conjunction with the Government's effort to tackle the budget deficit (Estimated General government deficit as a percentage of GDP:9.6%, source: IMF) and the public debt (Estimated public debt as a percentage of GDP:143% source: IMF) resulted in compressing inter alia the pharmaceutical expenditure through sustained interventions on pharmaceutical prices, which led to the destabilization of the market and had a negative impact on the performance of the Group. More specifically, in May 2010 a horizontal price reduction was applied on approximately 12,000 drugs that led to a percentage reduction of 3% to 27% depending on the wholesale price of those pharmaceuticals before the price adjustment.

In September 2010, the General Secretariat of Commerce published the 04/2010 Price Bulletin proceeding to the re-pricing of 6.400 medicines pursuant to art. 14 of Law 3840/31.03.2010, enacting at the same time a percentage floor and a percentage ceiling on price reduction or increment based on the wholesale prices as were in force until the issuance of Price Bulletin 01/2010. Further, in February 2011, the supplemental Price Bulletin 02/2011 was announced, through which an additional number of 3.400 medicines were re-priced taking also in consideration the application of the ceiling referred to above. These adjustments resulted in the weighted reduction of the annual pharmaceutical expenditure of 14.46% (source: Ministry of Regional Development and Competitiveness, press release 21.02.2011) and have a significant negative impact on the Greek industry, which primarily as a generic medicinal producer has proportionately absorbed a greater reduction of revenue in the pharmaceutical industry. In addition, as a result of the above the ordering and stocking policies of pharma wholesalers and pharmacies were disrupted, whereas strikes of pharmacy owners and of public hospitals personnel destabilised the market further.

Additionally, the lack of liquidity, which is the most important problem the Greek market is facing in the current adverse economic environment, continues to pose an increased risk for the industry as it leads to interest rates and doubtful debt increments.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department ('Group treasury') under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use mainly of no derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates in an international environment and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group may use forward contracts, transacted with Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Company and its Greek subsidiaries do not have significant assets and liabilities in a currency other than the Euro and thus have no substantial exchange risk.

Regarding future commercial conducted in currencies other than the operational currency, the Group has adopted the policy of transactions with instalments set in advance, aiming to limit currency differences.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At December 31, 2010, if the UK pound currency had weakened/strengthened by 3% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 42 and € 44 respectively higher / lower, mainly as a result of foreign exchange gains/losses on translation of income statement of EUROMEDICINES LTD.

At December 31, 2010, if the Romania RON currency had weakened/strengthened by 1% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 29 and € 30 respectively lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of ALAPIS ROMANIA SRL.

At December 31, 2010, if the Croatian KUNA currency had weakened/strengthened by 1% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 7 lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of ALAPIS DOO.

At December 31, 2010, if the Serbian DINAR currency had weakened/strengthened by 11% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 322 and € 398 respectively lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of SUMADIJALEK AD and ALAPIS SER DOO.

At December 31, 2010, if the US dollar currency had weakened/strengthened by 13% against Euro currency, with all other variables held constant, Group's net loss for the year would have been € 133 and € 172 respectively lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of GEROLYMATOS INC.

(ii) Price risk

Pharmaceutical pricing is set by the Greek government. According to L.3840/31.03.2010 the price of a medicine produced, packaged or imported in the country must not exceed the average of the three lowest prices of that particular medicine as sold within the European Union (EU) member states. In Management's view, the above system of price determination is leading in extreme reductions in most of the medicines as it does not focus in countries with similar profiles and does not take into account a series of macroeconomic parameters and indicators such as the level of GDP, the health profile of the country, currency exchange rates, etc. Indicatively, it includes countries with GDP and labour costs at 40% of the respective Greek figures, such as Bulgaria, Romania, Poland and Hungary.

In addition, the Law provides that the prices of original pharmaceutical products, after the certification of the expiry of the first national or European patent shall be reduced by a minimum percentage of twenty percent (20%), while the prices of medicinal products with the same active ingredient (generic) shall be set at a maximum rate of ninety percent (90%) of the corresponding ex original product as it is determined after the expiry of the first National patent or European patent. The price of each medicine will be determined three times a year, which according to Management hinders the smooth functioning of the market and the planning process of the industry.

New reductions in the prices of medicinal products, as a result of a state re-pricing, or the expiration of the price reduction floor introduced in the 4/2010 Price Bulletin mentioned above, or within the context of adapting to the requirements of the updated Memorandum of Economic and Financial Policy (The Economic Adjustment Programme for Greece Third Review-Winter 2011/February 2011) may have a material adverse effect on the Group's profitability and results of operations. Although the Group has pursued a strategy of developing branded generics to partially offset the impact of price reductions, a failure to offset such losses through its branded generics may have a material adverse effect on the Group's business, financial condition and result of operations.

The Group is not exposed to securities price risk due to its limited investment in entities and their classification in the consolidated statement of financial position as financial assets at a fair value through the results. The Group is not exposed to commodity price risk.

(iii) Cash flows and fair value interest rate risk

The Group's interest rate risk increases by its non-current liabilities. The liabilities could possibly result in variable interest rates and expose the Group to cash flow interest rate risk, which is partially offset by term deposits held at variable rates.

The Group analyses exposure to interest rate risk on a dynamic basis. Various scenarios are simulated, as refinancing and renewals of existing positions are taken into consideration. Based on these scenarios, the Group calculates the impact on the profit and loss of a certain interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios only apply to liabilities that represent the major interest positions.

At December 31, 2010, if Euribor had been 1% higher/lower with all other variables held constant, net profit for the year would have been € 8.932 and € 8.839 lower/higher for the Group and the Company respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Group's principal credit risk relates to the possibility that clients fail to fulfil their financial obligations. Group's clients are state hospitals that generally take longer than the customers of the private sector to settle their accounts with their suppliers. In addition, the National Healthcare System (part of the broader social security system) is also delaying payment towards pharmacies and hospitals. Furthermore, as an adverse effect of the recession and the lack of liquidity there is an increasing risk involved of losses stemming from clients failing to fulfill their payments towards the Group. However, Management considers that the Group has no significant concentration of credit risk. Credit insurance contracts have been signed for a substantial part of the receivables arising from the public and private sectors; covering up to 90% of the claims should a failure or a delay in the collection occur.

The Company enters into factoring contracts with Greek and international financial institutions. Under these contracts, the Company receives approximately 90% of the nominal value of the assigned receivables. As part of the signed contracts of receivables' assignment without recourse, the credit risk, in the event of inability of payment by the company's customers, is transferred to counterpart factors, under the condition that these receivables are insured by third parties and after the assignment of the insurance credit policy to the counterpart factors. Due to the current Greek economic conditions and the reduction of the approved credit limits within 2010 the Company is under negotiations in order to assign uninsured receivables under the abovementioned contracts as well, a matter that may lead in conversion of part of the existing factoring contracts to factoring contracts with recourse within 2011.

(c) Liquidity risk

As mentioned above, the Group funds a significant part of its working capital by entering into factoring contracts with Greek and international financial institutions. The terms of the factoring contracts require that the Group purchases credit insurance that is assigned to counterpart factors obtaining a three year credit insurance for its state owed receivables and a six months to a year for its private sector receivables. Moreover the terms of the factoring agreements provide that, upon the default of an underlying customer, the factor counterparties will turn to the credit insurance providers for payment. The repayment obligation, however, would revert to the Group if both the underlying customer and the credit insurer fail to pay, in which case the Group could be subject to significant liabilities in respect of previously factored receivables. In addition the maximum indemnity paid by the providers of credit insurance for any given period is limited to a multiple of the Group's insurance premium for that period and, thus if a significant proportion of the Group's receivables were to default simultaneously, it is possible that such default would exceed the indemnity to be paid by the insurers, in which case the Group would be liable for any deficiency in the coverage.

Although the Group has headroom for additional financing, under its factoring facilities in the event that it fails to obtain additional credit insurance, or is not paid for the outstanding trade and other receivables in the near future in order to increase the headroom under existing factoring facilities, it may encounter difficulties in the financing of its working capital which could have a material adverse effect on the Group's business, financial condition and results of operations..

Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal ratio targets and, if applicable external regulatory or legal requirements.

(All amounts are presented in thousands Euro, except otherwise stated)

On December 31, 2010, specific financial terms (covenants) that are referring in the maintenance of specific financial figures and indicators during the whole period of the loan, were not within terms that was set by the stand by revolving credit facility contract of amount € 640.000, which are granted by a consortium of lending banks with BNP Paribas as administrator. In addition, specific financial terms (covenants) were not within terms that were set by the common bond loan contract between the company and TT Hellenic Postbank of Greece referring to amount of € 95.000 (note 35).

The Company is in advanced discussions with lending banks for the improvement of the structure of the financing, which are taking place in a positive climate. The Management estimates that at the end of the negotiations the Company will reach compliance with its liabilities which are under these borrowing contracts, securing the appropriate funds for the proper activity continuation of the Company in the future. This should lead to an increase of the current financial cost of the Company.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. At the reporting date, the Group and the Company held cash in interest bearing current accounts of € 83.188 (2009: € 213.931) and € 66.047 (2009: € 158.221) respectively, that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group **31.12.2010**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	819.544	0	0
Finance lease liabilities	2.899	14.759	28.724
Derivatives	0	8.332	0
Trade and other receivables	216.821	7	0

The Group **31.12.2009**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	146.187	685.000	50.000
Finance lease liabilities	4.046	13.461	21.848
Derivatives	0	3.243	0
Trade and other receivables	357.241	184	0

(All amounts are presented in thousands Euro, except otherwise stated)

The Company **31.12.2010**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	812.222	0	0
Finance lease liabilities	2.593	14.154	28.724
Derivatives	0	8.332	0
Trade and other receivables	155.562	0	0

The Company **31.12.2009**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	141.001	685.000	50.000
Finance lease liabilities	1.701	10.628	21.848
Derivatives	0	3.243	0
Trade and other receivables	306.352	0	0

Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current finance lease liabilities' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity shown in the consolidated statement of financial position plus net debt.

	The Group		**The Company**	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Total borrowings	865.926	920.542	857.693	910.178
Less: Cash and cash equivalents	(83.333)	(216.398)	(66.088)	(158.426)
Net debt	**782.593**	**704.145**	**791.605**	**751.752**
Total equity	1.005.565	1.948.169	1.055.799	1.989.898
Total capital	**1.788.158**	**2.652.314**	**1.847.404**	**2.741.650**
Gearing ratio	**43,77%**	**26,55%**	**42,85%**	**27,42%**

The increased gearing factor at the Group level is due to a decrease in net worth by € 942.604 due to the € 847.916 loss resulting from the impairment of assets in conjunction with the increase in net debt by € 78.448 due to a decrease in the cash amount held by the Group at December 31, 2010 against December 31, 2009, despite a total borrowings reduction by € 54.616 during the respective period.

The increased gearing factor at the Company level is due to a decrease in net worth by € 934.099 due to the € 847.916 loss resulting from the impairment of assets in conjunction with the increase in net debt by € 39.853 due to a decrease in the cash amount held by the Company at December 31, 2010 against December 31, 2009, despite a total borrowings reduction by € 52.485 during the respective period.

(All amounts are presented in thousands Euro, except otherwise stated)

Fair value estimation

Effective 1 January 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price (level 1).
(b) The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for non-current debt (level 2).
(c) Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments (level 3).

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at December 31, 2010 and 2009.

The Group
31.12.2010

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	4.085	0	0	**4.085**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

The Group
31.12.2009

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	6	0	0	**6**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	3.243	0	**3.243**

The Company
31.12.2010

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short term investments	3.278	0	0	**3.278**

Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

The Company
31.12.2009

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short term investments	0	0	0	**0**

Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	3.243	0	**3.243**

Other business risks

Loss of the Group's long-term contracts with key multinational suppliers and customers could materially adversely affect the Group's business, financial condition and results of operations

The Group has entered as a client or a vendor long-term distribution, production and in licensing and out-licensing contracts with international and domestic pharmaceutical companies. However, there can be no assurance that once such existing contracts expire, the Group will be able to renegotiate or enter into new distribution and/or production contracts that will be on terms that are satisfactory to the Group. In addition, in the event any of the Group's key multinational suppliers or customers merges with another multinational that is not currently a customer of the Group, the Group may not be able to renew its existing contract or enter into a new contract with the resulting new entity. In addition, due to the adverse economic conditions, lack of liquidity in the market and the volatile conditions in the pharmaceutical industry the Group may seek to renegotiate certain terms of its existing contracts. Any failure to successfully alter these conditions and the loss of contracts with companies that are key customers or suppliers could have a material adverse effect on the Group's business, financial condition and results of operations.

Key suppliers may not continue to supply products, including APIs, to the Group on commercially acceptable terms, or at all

The Group relies on a broad base of suppliers for the supply and cost of its various raw materials, including active pharmaceutical ingredients (“APIs”). For certain raw materials the Group may encounter shortages as a result of unexpected demand, production difficulties or financial distress of a key supplier and any of these shortages may take time to rectify, particularly if a supplier’s replacement is required. Although the Group policy for the supply of important raw materials is to secure the collaboration of more than one supplier, any failure in securing a sufficient supply of raw materials under commercially acceptable terms could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, due to the adverse economic conditions, lack of liquidity in the market and the volatile conditions in the pharmaceutical industry the Group may seek to renegotiate certain terms of its existing contracts. Any failure to successfully alter these conditions and the loss of contracts with companies that are key customers or suppliers could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's future revenue growth and profitability are dependent upon its ability to successfully develop, license, or otherwise acquire and introduce new products on a timely basis in relation to product introductions of its competitors

The Group aims to continually introduce a significant number of new and upgraded pharmaceutical products in order to remain competitive in the sector. The Group's future revenues and profitability will therefore depend, to a significant extent, upon its ability to successfully develop and/or license, or otherwise acquire and introduce, new generic and patented or statutorily protected pharmaceutical products in a timely manner. Product development, licensing, and commercialization require substantial time, effort and financial resources while a set of unpredicted factors may affect the achievement of milestones. In this context, it should be noted that the State did not meet its obligation, under the current legislation, for the issuance of at least 4 Price Bulletins per year introducing prices of new medicines, thus hindering the planning and development strategy of the Group as the introduction of new drugs in the market has been delayed. Indicatively within 2010 only one price Bulletin was published introducing new medicines. Therefore, a potential weakness in commercializing, acquiring or licensing any of such products on a timely basis, if at all, which could have a material adverse effect on the Group's business, financial condition and result of operations.

Economic and regulatory uncertainties in some of the countries in which the Group operates may have a material adverse effect on the Group's business, financial condition and results of operations

Over the past few years, many of the countries in which the Group operates or expects to operate have experienced economic growth and improved economic stability. For example, countries such as Bulgaria and Romania initiated free-market reforms in connection with their accession to the EU. Recently, this trend has been reversed by the on-going global economic contraction, which has led to lower and, in some cases, negative growth rates in the countries in which the Group's businesses operates. The legal and regulatory systems in certain of these countries remain underdeveloped and subject to political interference. Moreover, legal, regulatory and free-market reform policies may not continue to be implemented and, if implemented, may not be successful. Any economic deterioration in the countries in which the Group's businesses operate as well as continued uncertainty with respect to legal, regulatory and free-market reforms could have a material adverse effect on the Group's business, financial condition and results of operations.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Goodwill impairment tests

The Group and the Company determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flow. More details are provided in note 17.

During the year ended December 31, 2010, the goodwill of pharmaceutical and other activities sector (powder detergent) of the Group, incurred by impairment on its total value amount € 463.013, resulted the carrying amount of the cash-generating unit to lead in a decrease on its recoverable amount.

(b) Income tax

Current income tax liabilities for the current and prior periods are measured, in accordance with IAS 12, at the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by the tax authorities upon settlement of the unaudited tax years.

Group entities are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Further details are provided in note 14.

(c) Deferred income tax assets

Deferred income tax assets are recognised for all unused tax losses to the extend that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 14.

(d) Provision impairment for doubtful receivables

The Group performs allowance for doubtful receivables regarding specific customers for which certain evidence are shown that the collection of the relevant receivable is doubtful. Group's management periodically reassess the adequacy of the allowance for doubtful receivables in conjunction with its credit policy, taking into account reports from its Legal Department, following the processing of historical data and recent developments of the cases they are assigned to.

(e) Property, plant and equipment and intangible assets impairment

Property, plant and equipment and intangible assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

During the year ended December 31, 2010 and as part of the goodwill impairment test, the property, plant and equipment as well as the intangible assets of the Group charged with impairment amount € 377.530. If the estimated weighted average cost of capital, which is used for the determination of the pre-tax discount rate had been 0,5% higher than the management's estimates, the Group would have recognised a further impairment against property, plant and equipment and intangible assets, of € 99.824.

(f) Retirement benefit obligations

The cost of retirement benefit obligations is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and increase in consumer price index. Such estimates are subject to significant uncertainty and Group's management make continuing judgments and assumptions about them.

7. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports as follows:

- Pharmaceutical
- Other activities (powder detergents)
- Discontinued operations

Pharmaceutical

The Pharmaceutical sector is involved in the research and development, production, distribution, sale and marketing of pharmaceutical products for human use in the Greek market, with a presence in both the generic and brand-name drug markets. The Group maintains an established product portfolio with an increasingly strong presence across therapeutic categories including, for example, cardiovascular drugs, drugs for neurological disorders, antibiotics, gastroenterological treatments, antineoplastic and immunomodulating agents, dermatological and gynecological treatments, and various contrast agents.

Other activities (powder detergents)

The other activities sub-division is primarily involved in the production of powdered form detergents for large multinational companies and large supermarket chains in Greece.

Discontinued operations

On June 10, 2010 the Company implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharmaceutical sector, proceeded in the disposal of its non- Pharmaceutical sector, namely in Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector. Particularly, the Company proceeded in the disposal of the companies GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA and KTINIATRIKI PROMITHEFTIKI SA for a total consideration of €144.700. These segments are presented at the current financial statements as discontinued operation according to IFRS 5.

Group is measuring its performance by using the indicator/ratio of **EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortisation)

Group defines the EBITDA ratio as profit before income tax adding the financial and investing results along with total depreciation of property, plant and equipment and amortisation of intangible assets that correspond for the specific period. The item ‘financial and investing results’ comprises revenues, expenses, gains and losses pertaining to the time value of money (interests from deposits, loans etc) and capital investments. The term ‘capital investments’ means placements in securities (stocks, debentures etc), property, plant and equipment and intangible assets (investment properties or owner-occupied). The item ‘financial and investing results’ includes, among others, revenues from deposit interests, expenses from interests on debt capital, non operating exchange differences, revenues from dividends, gains/losses from the sale, write-down, impairment, impairment reverse and securities valuation, of property, plant and equipment and intangible assets. The item ‘depreciation’ that is added in profit before income tax, is the one arising after setting-off the depreciation of property, plant and equipment (expense) with the corresponding amortisation of relative grants (revenue) that have granted for these assets.

Other information provided to the Board of Directors is measured in a manner consistent with that in the financial statements.

(All amounts are presented in thousands Euro, except otherwise stated)

The segment information provided to the Board of Directors for the reportable segments for the year ended December 31, 2010 and 2009 is as follows:

1.1.-31.12.2010	**Pharmaceutical**	**Other Activities**	**Continuing Operations**	**Discontinuing Operations**	**Total**
Revenue	813.942	45.624	859.566	87.014	946.580
EBITDA	(519.156)	(152.562)	(671.717)	1.552	(670.166)
EBITDA excluding investing results	164.104	4.888	168.993	9.176	178.168
Depreciation and amortisation	153.495	23.554	177.049	12.683	189.732
EBIT	(672.651)	(176.116)	(848.766)	(11.131)	(859.898)
Finance income / (expenses)			(53.392)	(9.456)	(62.848)
Profit / (loss) before income tax			(902.158)	(20.587)	(922.746)
Income tax			(4.446)	(4.387)	(8.832)
Net Profit / (loss)			(906.604)	(24.974)	(931.578)

(All amounts are presented in thousands Euro, except otherwise stated)

1.1.-31.12.2009	**Pharmaceutical**	**Other Activities**	**Continuing Operations**	**Discontinuing Operations**	**Total**
Revenue	886.190	60.078	946.268	286.194	1.232.462
EBITDA	250.080	5.640	255.720	52.422	308.142
EBITDA excluding investing results	253.983	5.640	259.623	82.849	342.472
Depreciation and amortisation	123.535	7.607	131.142	34.113	165.255
EBIT	126.545	(1.968)	124.577	18.309	142.887
Finance income / (expenses)			(45.226)	(9.804)	(55.030)
Profit / (loss) before income tax			79.352	8.505	87.856
Income tax			(29.246)	(6.256)	(35.502)
Net Profit / (loss)			50.106	2.248	52.354

(All amounts are presented in thousands Euro, except otherwise stated)

A reconciliation of ratio 'EBITDA' to 'Profit / (loss) before income tax' is provided as follows:

	1.1.-31.12.2010	1.1.-31.12.2009
EBITDA (continuing operations)	**(671.717)**	**255.720**
Finance income / (expenses)	(53.392)	(45.226)
Depreciation and amortisation	(177.049)	(131.142)
Profit / (loss) before income tax (continuing operations)	**(902.158)**	**79.352**

	1.1.-31.12.2010	1.1.-31.12.2009
EBITDA (discontinued operations)	**1.552**	**52.422**
Finance income / (expenses)	(9.456)	(9.804)
Depreciation and amortisation	(12.683)	(34.113)
Profit / (loss) before income tax (discontinued operations)	**(20.587)**	**8.505**

A reconciliation of ratio 'EBITDA excluding investing results' to 'Profit / (loss) before income tax' is provided as follows:

	1.1.-31.12.2010	1.1.-31.12.2009
EBITDA excluding investing results (continuing operations)	**168.993**	**259.623**
Finance income / (expenses)	(53.392)	(45.226)
Depreciation and amortisation	(177.049)	(131.142)
Impairment of goodwill	(463.013)	(3.141)
Impairment of PPE and intangible assets	(377.530)	0
Gain / (losses) from disposal of PPE and intangible assets	(6)	(459)
Impairment of other assets	(160)	(303)
Profit / (loss) before income tax (continuing operations)	**(902.158)**	**79.352**

	1.1.-31.12.2010	1.1.-31.12.2009
EBITDA excluding investing results (discontinued operations)	**9.176**	**82.849**
Finance income / (expenses)	(9.456)	(9.804)
Depreciation and amortisation	(12.683)	(34.113)
Impairment of goodwill	(7.373)	(26.287)
Impairment of PPE and intangible assets	0	0
Gain / (losses) from disposal of PPE and intangible assets	2	513
Impairment of other assets	(253)	(4.654)
Profit / (loss) before income tax (discontinued operations)	**(20.587)**	**8.505**

(All amounts are presented in thousands Euro, except otherwise stated)

The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the physical location and the operations of the segment respectively. The allocation of consolidated assets and liabilities, in each business segment, is presented below:

31.12.2010	**Pharmaceutical**	**Other activities**	**Disposed segments**	**Total**
Assets	2.029.265	197.474	0	2.226.739
Liabilities	1.039.548	181.657	0	1.221.205

31.12.2009	**Pharmaceutical**	**Other activities**	**Disposed segments**	**Total**
Assets	2.539.631	391.079	436.748	3.367.458
Liabilities	839.487	286.307	293.402	1.419.196

(All amounts are presented in thousands Euro, except otherwise stated)

8. COST OF SALES

Cost of sales in the accompanying financial statements is as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Cost of sales merchandise (note 23)	617.731	604.570	134.937	34.825
Payroll (note 12)	9.327	2.306	9.173	1.166
Third party charges	312	1.244	224	1.153
Third party fees	7.987	3.596	5.440	1.138
Depreciation and amortisation (note 16)	35.543	57.510	10.535	32.711
Taxes and duties	1.506	904	1.506	854
Rent expenses (note 42)	171	1.853	106	105
Goods transportation	452	1.274	207	1.061
Repair and maintenance	104	1.157	94	1.025
Inventory impairment (note 23)	2.397	2.626	193	585
Other	2.646	9.661	2.630	5.610
	678.177	**686.703**	**165.046**	**80.234**
Plus: Discontinued operations	49.098	137.226	24.447	105.791
Total	**727.276**	**823.929**	**189.493**	**186.025**

9. ADMINISTRATIVE EXPENSES

Administrative expenses in the accompanying financial statements are as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Payroll (note 12)	9.086	9.497	1.399	1.637
Third party charges	1.154	501	67	27
Third party fees	3.534	5.060	178	164
Depreciation and amortisation (note 16)	36.364	23.907	36.183	18.822
Taxes and duties	452	48	33	46
Rent expenses (note 42)	438	289	100	2
Goods transportation	210	423	30	21
Repair and maintenance	134	1.237	28	32
Impairment of assets	160	303	139	0
Other	2.503	1.221	193	168
	54.035	**42.486**	**38.351**	**20.919**
Plus: Discontinued operations	10.200	20.870	1.782	26.655
Total	**64.235**	**63.356**	**40.133**	**47.574**

(All amounts are presented in thousands Euro, except otherwise stated)

10. DISTRIBUTION COSTS

Distribution costs in the accompanying financial statements are as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Payroll (note 12)	22.014	29.874	3.553	1.973
Third party charges	1.321	295	372	134
Third party fees	1.851	1.760	446	940
Depreciation and amortisation (note 16)	105.141	49.725	93.003	26.633
Taxes and duties	241	476	15	288
Rent expenses (note 42)	2.197	1.244	728	16
Goods transportation	2.468	347	169	176
Repair and maintenance	585	488	156	68
Provision for impairment of receivables (note 24)	6.903	2.340	1.726	872
Other	8.969	5.646	1.232	1.304
	151.690	**92.195**	**101.400**	**32.404**
Plus: Discontinued operations	32.524	84.284	10.213	67.480
Total	**184.214**	**176.479**	**111.613**	**99.885**

11. OTHER INCOME / (EXPENSES)

Other income / (expenses) in the accompanying financial statements are as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Rent income	1.074	389	1.564	161
Grants amortization	0	0	0	0
Grants income	79	263	36	204
Profit / (loss) on disposal of PPE and intangible assets	(6)	(459)	(1.950)	(93)
Income from services	617	281	579	149
Income from reversal of provisions	641	799	503	782
Prior year income	12.361	297	12.006	0
Income from insurance claims	18	0	15	0
Other	1.329	1.263	1.004	1.139
	16.112	**2.835**	**13.758**	**2.342**
Plus: Discontinued operations	1.051	782	0	5.789
Total	**17.163**	**3.617**	**13.758**	**8.131**

(All amounts are presented in thousands Euro, except otherwise stated)

12. EMPLOYEE BENEFIT EXPENSE

Employee benefit expense in the accompanying financial statements is as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Wages and salaries	26.021	33.338	6.527	3.162
Social security cost (note 37)	7.709	6.708	2.700	699
Pension cost paid (note 37)	6.834	889	6.026	415
Provision for pension cost (note 37)	(1.998)	(731)	(1.854)	(843)
Other	1.860	1.474	726	1.343
	40.426	**41.677**	**14.125**	**4.776**
Number of employees	1.717	2.994	741	1.364

13. FINANCE INCOME / (EXPENSES)

Finance income / (expenses) in the accompanying financial statements are as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Finance income				
Dividends	0	0	0	18.476
Exchange differences	2.550	419	74	247
Profit from valuation of securities	0	1	0	0
Profit on sale of securities	0	412	0	4
Interest from deposit accounts (note 28)	267	968	171	799
Other	178	126	85	9
Total finance income	**2.995**	**1.926**	**330**	**19.535**
Finance expenses				
Finance lease interest (note 36)	(4.008)	(2.552)	(3.820)	(2.372)
Interest expense on bonds (note 35)	(23.349)	(23.309)	(23.349)	(23.263)
Non-current loan interest (note 35)	0	(1.596)	0	(1.596)
Current loan interest (note 35)	(2.591)	(6.150)	(2.359)	(5.557)
Exchange difference	(4.006)	(1.864)	(174)	(129)
Loss from disposal of securities and subsidiaries (note 20)	(23)	(4)	(30)	(4.784)
Loss from valuation of securities and subsidiaries (note 21)	(2)	0	(51.005)	(25.041)
Loss from valuation of derivatives (note 38)	(5.089)	(1.432)	(5.089)	(1.432)
Fees for factoring	(11.053)	(8.238)	(6.842)	(5.166)
Other	(6.266)	(2.006)	(5.863)	(1.630)
Total finance expenses	**(56.387)**	**(47.152)**	**(98.531)**	**(70.970)**
Total finance income / (expenses)	**(53.392)**	**(45.226)**	**(98.200)**	**(51.436)**
Plus: Discontinued operations	(9.456)	(9.804)	(11.036)	(6.657)
Total	**(62.848)**	**(55.030)**	**(109.237)**	**(58.093)**

(All amounts are presented in thousands Euro, except otherwise stated)

14. INCOME TAX EXPENSE

Income tax expense in the accompanying financial statements is as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Current income tax	1.812	4.994	0	3.673
Prior years tax charges paid	10.785	9.091	8.429	8.161
Provision for prior year tax charges	1.490	359	547	106
Deferred tax	(9.641)	14.802	(6.611)	16.947
	4.446	**29.246**	**2.365**	**28.888**
Plus: Discontinued operations	4.387	6.256	255	3.547
Total	**8.832**	**35.502**	**2.620**	**32.435**

The tax on the Group's and on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	The Group	
	1.1. - 31.12.2010	1.1. - 31.12.2009
Profit / (losses) before income tax (continuing operations)	**(902.158)**	**79.352**
Tax calculated at domestic tax rates	219.446	(19.838)
Prior years tax charges	(3.751)	(9.450)
Non deductible expense	(5.127)	(6.236)
Non taxable income	0	448
Extraordinary contribution and income taxable independently	(8.526)	(205)
Temporary difference for which no deferred tax asset was recognised	(203.207)	(238)
Effect of change in tax rate	(3.280)	6.272
	(4.446)	**(29.246)**
Plus: Discontinued operations	(4.387)	(6.256)
Total	**(8.832)**	**(35.502)**

	The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009
Profit / (losses) before income tax (continuing operations)	**(890.694)**	**77.742**
Tax calculated at domestic tax rates	213.767	(19.435)
Prior years tax charges	(2.108)	(8.267)
Non deductible expense	(2.359)	(5.896)
Non taxable income	0	855
Extraordinary contribution and income taxable independently	(6.868)	(20)
Temporary difference for which no deferred tax asset was recognised	(201.730)	0
Effect of change in tax rate	(3.066)	3.877
	(2.365)	**(28.888)**
Plus: Discontinued operations	(255)	(3.547)
Total	**(2.620)**	**(32.435)**

(All amounts are presented in thousands Euro, except otherwise stated)

The movement in provision for prior year tax charges is as follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance at 1.1	**8.398**	**8.052**	**4.455**	**3.045**
Provision for unaudited years	2.524	7.452	803	4.455
Income from used provisions	(111)	(6.871)	0	(4.349)
Provision in the income statement	**2.413**	**581**	**803**	**106**
Acquisition / merger of subsidiaries	0	393	0	1.304
Disposal of subsidiaries	(1.889)	(628)	0	0
Balance at 31.12	**8.922**	**8.398**	**5.257**	**4.455**

Provision for unaudited fiscal years regarding the discontinued operations for the Group and the Company amount to € 923 and € 255 respectively (2009: € 222 and € 0 for the Group and the Company respectively).

The corporation tax rate applicable to companies located in Greece for the fiscal years 2010 and 2009 is 24% and 25% respectively. According to the paragraph 1of article 19 of L.3697/25.9.2008, the Greek corporation tax rate on which the tax on the profits of companies is calculated, is decreased progressively at one percentage unit each year, from year 2010 until year 2014. In year 2014 the tax rate will amount in 20%. The deferred tax assets and liabilities have been calculated with the use of tax rates that will be in force the year that these differences will become permanent.

On May 6, 2010, the Greek Government enacted the ‘Extraordinary Social Contribution Tax’ (Law Nr 3845/2010). According to article 5, the extraordinary contribution, was applied retrospectively on net income for the fiscal year ended 31 December 2009. The amount of such tax applicable to 2009 is € 8.524 and € 6.868 and these amounts are recorded as current tax expense in the income statement of the Group and the Company respectively.

(All amounts are presented in thousands Euro, except otherwise stated)

Greek tax laws and related regulations are subject to interpretations by the tax authorities. Tax returns are filled annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate. The unaudited fiscal years of the Group and of the Company are as follows:

DISTINCTIVE TITLE	**TAX UNAUDITED FISCAL YEARS**
ALAPIS SA	2008-2010
ALAPIS ROMANIA SRL	2010
ALAPIS BULGARIA EOOD	2009-2010
ALAPIS HUNGARY KFT	2009
ALAPIS DOO	2009
ALAPIS SER DOO	2010
ALAPIS PHARMAKAPOTHIKI SA	2010
FARMAGORA SA	2008-2010
ALAPIS SLVN DOO	2010
ALAPIS ALBANIA SHPK	2009
VETERIN POLAND SPZOO	2009
ALAPIS UKRAINE SA	2009
KP MARINOPOYLOS SA	2009-2010
IPIROPHARM SA	2009-2010
PHARMAKEMPORIKI SA	2008-2010
ANDREAS CHRISTOFOGLOU SA	2010
PHARMASOFT LTD	2010
EUROMEDICINES LTD	2010
SUMADIJALEK AD	2010
ALAPIS RESEARCH LABORATORIES INC	2010
PHARMACARE LTD	2010
ALAPIS LUXEMBURG SA	2009-2010
GEROLPHARM SA	2007-2010
SANTA PHARMA SA	2009-2010
PNG GEROLYMATOS MEDICAL SA	2008-2010
SAMBROOK MED SA	2010
MEDSYSTEMS SA	2010
ALAPIS LUXEMBURG SA	2010
GEROLYMATOS INC	2009
GENESIS ILAC SA	2009
HSP UNIPESSOAL LDA	2010

(All amounts are presented in thousands Euro, except otherwise stated)

Provision for the unaudited fiscal years on December 31, 2010 amounting to € 8.922 and € 5.257 for the Group and the Company respectively. The Group, based upon previous years' tax examinations and past interpretations of the tax laws, believes that adequate provisions for probable future tax assessments have been provided.

Current income tax liabilities in the accompanying financial statements are as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Income tax payable	13.923	14.650	10.223	11.591
Provision for unaudited tax years	8.922	8.398	5.257	4.455
Total	**22.845**	**23.048**	**15.481**	**16.045**

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The gross movement on the deferred income tax account is as follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance 1.1	**(96.142)**	**(76.772)**	**(71.910)**	**(22.846)**
Income statement charge	8.750	(13.710)	6.611	(16.016)
Tax charge directly to equity	0	0	0	0
Disposal of subsidiaries	5.564	(1.810)	0	0
Acquisition / merger of subsidiaries	0	(3.851)	0	(33.047)
Exchange differences	0	0	0	0
Balance 31.12	**(81.828)**	**(96.142)**	**(65.299)**	**(71.910)**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(All amounts are presented in thousands Euro, except otherwise stated)

The Group

2010	**Opening Balance**	**Debit / credit in PnL**	**Acquisitions**	**Disposals**	**Exchange differences**	**Closing Balance**
Provision for doubtful accounts	2.881	(254)	0	(230)	0	**2.397**
Tax losses carried forward	1.112	11.662	0	(293)	0	**12.481**
Impairment of assets	622	218	0	(356)	0	**484**
Valuation of investment in subsidiaries	(1.308)	(4.244)	0	0	0	**(5.552)**
Valuation of derivatives	811	856	0	0	0	**1.666**
Provisions for withholding taxes	897	(149)	0	(398)	0	**349**
Pension & dismissal	1.387	(111)	0	(476)	0	**801**
PPE & intangible assets	(101.213)	1.381	0	6.381	(167)	**(93.618)**
Exchange differences	(13)	1	0	12	0	**(0)**
Finance lease	(2.065)	(193)	0	753	168	**(1.337)**
Accrued expenses	885	(2.408)	0	0	0	**(1.523)**
Grants	(26)	0	0	0	0	**(26)**
Valuation of borrowings	0	0	0	0	0	**0**
Accrued income	(112)	1.992	0	170	0	**2.050**
Other	0	0	0	0	0	**0**
Total	**(96.142)**	**8.750**	**0**	**5.564**	**0**	**(81.828)**

(All amounts are presented in thousands Euro, except otherwise stated)

The Group

2009	Opening Balance	(Debit) / credit in PnL	Acquisitions	Disposals	Exchange differences	Closing Balance
Provision for doubtful accounts	2.116	767	72	(75)	0	**2.881**
Tax losses carried forward	513	2.082	269	(1.752)	0	**1.112**
Impairment of assets	451	125	46	0	0	**622**
Valuation of investment in subsidiaries	(58)	(1.250)	0	0	0	**(1.308)**
Valuation of derivatives	453	358	0	0	0	**811**
Provisions for withholding taxes	453	444	0	0	0	**897**
Pension & dismissal	1.492	(61)	(25)	(18)	0	**1.387**
PPE & intangible assets	(85.799)	(11.236)	(4.213)	35	0	**(101.213)**
Exchange differences	(13)	0	0	0	0	**(13)**
Finance lease	(1.713)	(352)	0	0	0	**(2.065)**
Accrued expenses	5.750	(4.865)	0	0	0	**885**
Grants	(26)	0	0	0	0	**(26)**
Valuation of borrowings	(35)	35	0	0	0	**0**
Accrued income	(356)	243	0	0	0	**(112)**
Other	0	0	0	0	0	**0**
Total	**(76.772)**	**(13.710)**	**(3.851)**	**(1.810)**	**0**	**(96.142)**

(All amounts are presented in thousands Euro, except otherwise stated)

The Company

2010	Opening Balance	Debit / credit in PnL	Acquisitions	Mergers	Exchange differences	Closing Balance
Provision for doubtful accounts	1.398	(280)	0	0	0	**1.118**
Tax losses carried forward	0	10.165	0	0	0	**10.165**
Valuation of investment in subsidiaries	(1.308)	(4.244)	0	0	0	**(5.552)**
Impairment of assets	231	(46)	0	0	0	**185**
Valuation of derivatives	811	856	0	0	0	**1.666**
Pension & dismissal	762	(371)	0	0	0	**392**
Tangible assets	(77.374)	3.172	0	0	0	**(74.202)**
Finance lease	(1.231)	(117)	0	0	0	**(1.348)**
Accrued expenses	4.443	(2.442)	0	0	0	**2.001**
Other	359	(83)	0	0	0	**275**
Total	**(71.910)**	**6.611**	**0**	**0**	**0**	**(65.299)**

The Company

2009	Opening Balance	(Debit) / credit in PnL	Acquisitions	Mergers	Exchange differences	Closing Balance
Provision for doubtful accounts	1.485	63	0	(150)	0	**1.398**
Tax losses carried forward	0	(12)	0	12	0	**0**
Valuation of investment in subsidiaries	(58)	(1.250)	0	0	0	**(1.308)**
Impairment of assets	0	(0)	0	231	0	**231**
Valuation of derivatives	453	358	0	0	0	**811**
Pension & dismissal	352	(169)	0	579	0	**762**
Tangible assets	(29.428)	(13.739)	0	(34.206)	0	**(77.374)**
Finance lease	(103)	(321)	0	(808)	0	**(1.231)**
Accrued expenses	4.500	(1.307)	0	1.250	0	**4.443**
Other	(47)	360	0	46	0	**359**
Total	**(22.846)**	**(16.016)**	**0**	**(33.047)**	**0**	**(71.910)**

(All amounts are presented in thousands Euro, except otherwise stated)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Deferred income tax liabilities	(102.826)	(106.674)	(83.021)	(81.749)
Deferred income tax assets	20.998	10.532	17.722	9.839
Deferred tax (net)	**(81.828)**	**(96.142)**	**(65.299)**	**(71.910)**

(All amounts are presented in thousands Euro, except otherwise stated)

15. EARNINGS / (LOSSES) PER SHARE

Basic earnings / (losses) per share is calculated by dividing the profit or the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding common shares purchased by the Company and held as treasury shares.

On May 28, 2010, the Annual General Shareholders Meeting approved the increase of the nominal value of each share from € 0,30 to € 2,40 and at the same time the reduction of the total number of existing shares from 1.961.200.440 to 245.150.055 common registered shares. As a result, the weighted average number of shares in circulation regarding all the periods presented was restated in relation to the financial statements initially reported, in order earnings / (losses) per share to become comparable to those of the current year

Basic earnings / (losses) per share for the continuing and discontinued operations respectively are as follows:

	The Group	
	1.1. - 31.12.2010	1.1. - 31.12.2009
Profit / (loss) attributable to owners of the parent company (continuing operations)	(906.411)	50.642
Weighted average number of shares	236.202.933	146.538.461
Earnings / (losses) per share (continuing operations)	**(3,8374)**	**0,3456**

	The Group	
	1.1. - 31.12.2010	1.1. - 31.12.2009
Profit / (loss) attributable to owners of the parent company (discontinued operations)	(24.974)	2.248
Weighted average number of shares	236.202.933	146.538.461
Earnings / (losses) per share (discontinued operations)	**(0,1057)**	**0,0153**

	The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009
Profit / (loss) attributable to owners of the parent company (continuing operations)	(893.059)	48.854
Weighted average number of shares	236.202.933	146.538.461
Earnings / (losses) per share (continuing operations)	**(3,7809)**	**0,3334**

	The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009
Profit / (loss) attributable to owners of the parent company (discontinued operations)	(29.702)	(11.350)
Weighted average number of shares	236.202.933	146.538.461
Earnings / (losses) per share (discontinued operations)	**(0,1257)**	**(0,0775)**

(All amounts are presented in thousands Euro, except otherwise stated)

16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are as follows:

The Group	Land and buildings	Machinery and motor vehicles	Other equipment	Construction in progress	Total
Cost 1.1.2010	**287.340**	**1.464.634**	**64.180**	**7.814**	**1.823.967**
Exchange differences	(106)	(38)	(21)	(1)	**(166)**
Opening balance 1.1.2010	**287.234**	**1.464.596**	**64.159**	**7.812**	**1.823.802**
Additions/disposals	(94.098)	135.238	(31.636)	8.917	**18.421**
Merger-demerger of business segment	0	0	0	0	**0**
Acquisition of subsidiaries (note 19)	381	0	71	0	**452**
Transfer to investment property (note 18)	(6.294)	(17.672)	(5.302)	0	**(29.267)**
Exchange differences	36	(1)	6	0	**40**
Transfers	6.630	8.736	47	(15.569)	**(157)**
Write-offs / impairments (note 17)	(485)	(451.399)	(4)	(13)	**(451.902)**
Closing balance 31.12.2010	**193.403**	**1.139.499**	**27.341**	**1.147**	**1.361.390**
Depreciation 1.1.2010	**(14.929)**	**(112.370)**	**(26.955)**	**0**	(154.254)
Exchange differences	15	11	13	0	**40**
Opening balance 1.1.2010	**(14.914)**	**(112.358)**	**(26.942)**	**0**	(154.214)
Additions/disposals	1.487	(69.571)	6.873	0	**(61.212)**
Merger-demerger of business segment	0	0	0	0	**0**
Acquisition of subsidiaries (note 19)	(20)	0	(45)	0	**(65)**
Transfer to investment property (note 18)	1.437	3.829	3.297	0	**8.563**
Exchange differences	(1)	0	(3)	0	**(4)**
Transfers	0	0	0	0	**0**
Write-offs / impairments (note 17)	99	161.868	4	0	**161.971**
Closing balance 31.12.2010	**(11.911)**	**(16.233)**	**(16.815)**	**0**	(44.959)
Net book value 31.12.2010	**181.492**	**1.123.266**	**10.526**	**1.147**	**1.316.430**

The Group	Land and buildings	Machinery and motor vehicles	Other equipment	Construction in progress	Total
Cost 1.1.2009	**304.091**	**1.192.976**	**40.436**	**1.806**	**1.539.309**
Exchange differences	(47)	(29)	(15)	(33)	**(124)**
Opening balance 1.1.2009	**304.044**	**1.192.947**	**40.422**	**1.773**	**1.539.186**
Additions/disposals	(2.449)	278.957	20.190	6.751	**303.448**
Transfer to investment property	(15.622)	(7.129)	0	0	**(22.751)**
Exchange differences	(28)	(5)	1	3	**(29)**
Transfers from construction in progress	713	0	0	(713)	**0**
Acquisition of subsidiaries	900	25	3.685	0	**4.610**
Write-offs/Impairments	(218)	(161)	(117)	0	**(496)**
Closing balance 31.12.2009	**287.340**	**1.464.634**	**64.180**	**7.814**	**1.823.967**
Depreciation 1.1.2009	**(8.695)**	**(43.385)**	**(20.609)**	**0**	(72.689)
Exchange differences	7	16	6	0	**30**
Opening balance 1.1.2009	**(8.687)**	**(43.369)**	**(20.603)**	**0**	(72.659)
Additions/disposals	(5.999)	(69.389)	(5.200)	0	**(80.587)**
Exchange differences	2	(1)	2	0	**3**
Acquisition of subsidiaries	(658)	(14)	(1.269)	0	**(1.941)**
Transfer to investment property	417	320	0	0	**736**
Transfers	(3)	5	(2)	0	**(0)**
Write-offs/Impairments	0	78	117	0	**195**
Closing balance 31.12.2009	**(14.929)**	**(112.370)**	**(26.955)**	**0**	(154.254)
Net book value 31.12.2009	**272.410**	**1.352.264**	**37.226**	**7.814**	**1.669.714**

(All amounts are presented in thousands Euro, except otherwise stated)

The Company	Land and buildings	Machinery and motor vehicles	Other equipment	Construction in progress	Total
Cost 1.1.2010	**241.135**	**1.436.740**	**28.617**	**6.653**	**1.713.145**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2010	**241.135**	**1.436.740**	**28.617**	**6.653**	**1.713.145**
Additions/disposals	(66.978)	178.434	(4)	8.812	**120.264**
Transfers from construction	0	0	0	0	**0**
Acquisition of subsidiaries	0	0	0	0	**0**
Transfer to investment property (note 18)	(6.294)	(17.672)	(5.302)	0	**(29.267)**
Merger / (demerger) of business sector	0	(28.649)	0	0	**(28.649)**
Transfers	6.630	8.736	47	(15.412)	**0**
Write-offs / impairments (note 17)	(485)	(448.669)	0	0	**(449.154)**
Closing balance 31.12.2010	**174.009**	**1.128.921**	**23.358**	**52**	**1.326.340**
Depreciation 1.1.2010	**(11.898)**	**(105.690)**	**(15.172)**	**0**	**(132.759)**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2010	**(11.898)**	**(105.690)**	**(15.172)**	**0**	**(132.759)**
Additions/disposals	(783)	(74.936)	(2.419)	0	**(78.138)**
Transfers from construction	0	0	0	0	**0**
Acquisition of subsidiaries	0	0	0	0	**0**
Transfer to investment property (note 18)	1.437	3.829	3.297	0	**8.563**
Merger / (demerger) of business sector	0	1.621	0	0	**1.621**
Transfers	0	0	0	0	**0**
Write-offs / impairments (note 17)	93	160.711	0	0	**160.804**
Closing balance 31.12.2010	**(11.150)**	**(14.465)**	**(14.294)**	**0**	**(39.909)**
Net book value 31.12.2010	**162.858**	**1.114.456**	**9.064**	**52**	**1.286.431**

The Company	Land and buildings	Machinery and motor vehicles	Other equipment	Construction in progress	Total
Cost 1.1.2009	**122.544**	**1.066.273**	**10.676**	**517**	**1.200.009**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2009	**122.544**	**1.066.273**	**10.676**	**517**	**1.200.009**
Additions/disposals	9.842	276.425	3.943	6.136	**296.345**
Transfers from construction	0	0	0	0	**0**
Acquisition of subsidiaries	0	0	0	0	**0**
Transfer to investment property	(15.622)	(7.129)	0	0	**(22.751)**
Merger of subsidiaries	124.372	101.171	13.999	0	**239.543**
Transfers	0	0	0	0	**0**
Write-offs/Impairments	0	0	0	0	**0**
Closing balance 31.12.2009	**241.135**	**1.436.740**	**28.617**	**6.653**	**1.713.145**
Depreciation 1.1.2009	**(4.148)**	**(35.455)**	**(4.740)**	**0**	**(44.342)**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2009	**(4.148)**	**(35.455)**	**(4.740)**	**0**	**(44.342)**
Additions/disposals	(5.248)	(69.150)	(3.132)	0	**(77.529)**
Transfers from construction	0	0	0	0	**0**
Acquisition of subsidiaries	0	0	0	0	**0**
Transfer to investment property	417	320	0	0	**736**
Merger of subsidiaries	(2.919)	(1.405)	(7.300)	0	**(11.624)**
Transfers	0	0	0	0	**0**
Write-offs/Impairments	0	0	0	0	**0**
Closing balance 31.12.2009	**(11.898)**	**(105.690)**	**(15.172)**	**0**	**(132.759)**
Net book value 31.12.2009	**229.237**	**1.331.051**	**13.445**	**6.653**	**1.580.386**

Machinery's carrying amount of the pharmaceutical sector is impaired by the amount of € 289.517 and € 287.958 for the Group and the Company respectively. This impairment is included in 'Impairment of assets' in the income statement of continuing operation.

Property, plant and equipment transferred to the investment properties amounts to € 20.704 and relates to assets which are used by the Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector (note 18).

Depreciation and amortisation expense of € 35.543 (2009: € 57.510) has been charged in 'cost of sales', € 36.364 (2009: € 23.907) in 'administrative expenses' and € 105.141 (2009: € 49.725) in 'distribution costs' of Group, regarding the continuing operations. For the Company and for the continuing operations, depreciation and amortisation expense of € 10.535 (2009: € 32.711) has been charged in 'cost of sales' € 36.183 (2009: € 18.822) in 'administrative expenses' and € 93.003 (2009: € 26.633) in 'distribution costs'.

Depreciation and amortisation expense of € 12.683 (2009: € 34.113) has been charged in the income statement of discontinued operations of Group. For the Company, depreciation and amortisation expense of € 5.569 (2009: € 19.806) has been charged in the income statement of discontinued operations.

Depreciation of € 3.270 (2009: € 4.205) and € € 2.377 (2009: € 2.235) for property, plant and equipment leased with financial lease has been charged in the income statement of the Group and of the Company respectively.

Lease rentals amounting to € 2.806 (2009: € 3.386) and € 935 (2009: € 123) relating to the lease of property, plant and equipment are included in the income statement (continuing operations) of the Group and of the Company respectively.

Property, plant and equipment where the Group and the Company is a lessee under a finance lease amounting to € 55.764 and € 54.873. The lease terms are between 2 and 20 years, and ownership of the assets deferred until full payment of lease payments. No other restrictions on property or conveyance or other charges on the real assets of the Group exist. Moreover, no mechanical equipment has been committed as a guarantee towards liabilities.

(All amounts are presented in thousands Euro, except otherwise stated)

17. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets are as follows:

The Group	Goodwill	Pharmaceutical licenses and development expenses	Trademarks	Software, customer base and customer relationships	Total
Cost 1.1.2010	**537.161**	**290.964**	**134**	**151.726**	**979.986**
Exchange differences	0	(1)	0	0	**(1)**
Opening balance 1.1.2010	**537.161**	**290.963**	**134**	**151.726**	**979.985**
Additions/disposals	(68.859)	179.444	0	(41.864)	**68.721**
Exchange differences	0	4	0	12	**16**
Impairment	(470.386)	(143.376)	0	0	**(613.763)**
Acquisition of subsidiaries (note 19)	2.084	107	0	83	**2.273**
Transfers	0	157	0	0	**157**
Closing balance 31.12.2010	**0**	**327.298**	**134**	**109.957**	**437.390**
Depreciation 1.1.2010	**0**	**(68.945)**	**0**	**(31.599)**	**(100.545)**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2010	**0**	**(68.945)**	**0**	**(31.599)**	**(100.544)**
Additions/disposals	0	(12.944)	0	(6.388)	**(19.331)**
Exchange differences	0	(2)	0	(4)	**(6)**
Impairment	0	55.363	0	0	**55.363**
Acquisition of subsidiaries (note 19)	0	(41)	0	(28)	**(69)**
Transfers	0	0	0	0	**0**
Closing balance 31.12.2010	**0**	**(26.568)**	**0**	**(38.019)**	**(64.587)**
Net book value 31.12.2010	**0**	**300.730**	**134**	**71.938**	**372.802**

The Group	Goodwill	Pharmaceutical licenses and development expenses	Trademarks	Software, customer base and customer relationships	Total
Cost 1.1.2009	**542.387**	**152.354**	**6.437**	**129.746**	**830.924**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2009	**542.387**	**152.354**	**6.437**	**129.746**	**830.924**
Additions/disposals	0	138.614	0	2.267	**140.881**
Acquisition of subsidiaries	24.202	0	0	20.306	**44.508**
Exchange differences	0	0	0	0	**0**
Impairment	(29.428)	0	0	0	**(29.428)**
Transfers	0	0	0	0	**0**
Write-off	0	(4)	(6.303)	(593)	**(6.900)**
Closing balance 31.12.2009	**537.161**	**290.964**	**134**	**151.726**	**979.986**
Depreciation 1.1.2009	**0**	**(22.693)**	**(1.651)**	**(13.369)**	**(37.713)**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2009	**0**	**(22.693)**	**(1.651)**	**(13.369)**	**(37.713)**
Additions/disposals	0	(46.255)	(312)	(18.510)	**(65.077)**
Acquisition of subsidiaries	0	0	0	0	**0**
Exchange differences	0	0	0	0	**0**
Impairment	0	0	0	0	**0**
Transfers	0	0	0	0	**0**
Write-off	0	2	1.963	280	**2.245**
Closing balance 31.12.2009	**0**	**(68.945)**	**0**	**(31.599)**	**(100.545)**
Net book value 31.12.2009	**537.161**	**222.019**	**134**	**120.127**	**879.442**

(All amounts are presented in thousands Euro, except otherwise stated)

The Company	**Goodwill**	**Pharmaceutical licenses and development expenses**	**Trademarks**	**Software, customer base and customer relationships**	**Total**
Cost 1.1.2010	**416.614**	**184.839**	**0**	**36.275**	**637.728**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2010	**416.614**	**184.839**	**0**	**36.275**	**637.728**
Additions/disposals	0	204.048	0	401	**204.450**
Acquisition of subsidiaries	0	0	0	0	**0**
Impairment	(442.208)	(99.829)	0	0	**(542.038)**
Merger / (demerger) of business sector	25.594	(61.173)	0	0	**(35.578)**
Transfers	0	0	0	0	**0**
Write-off	0	0	0	0	**0**
Closing balance 31.12.2010	**0**	**227.886**	**0**	**36.676**	**264.562**
Depreciation 1.1.2010	**0**	**(21.182)**	**0**	**(9.858)**	**(31.040)**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2010	**0**	**(21.182)**	**0**	**(9.858)**	**(31.040)**
Additions/disposals	0	(18.319)	0	(5.106)	**(23.425)**
Acquisition of subsidiaries	0	0	0	0	**0**
Impairment	0	33.085	0	0	**33.085**
Merger / (demerger) of business sector	0	6.416	0	0	**6.416**
Transfers	0	0	0	0	**0**
Write-off	0	0	0	0	**0**
Closing balance 31.12.2010	**0**	**0**	**0**	**(14.963)**	**(14.963)**
Net book value 31.12.2010	**(0)**	**227.886**	**0**	**21.713**	**249.599**

The Company	**Goodwill**	**Pharmaceutical licenses and development expenses**	**Trademarks**	**Software, customer base and customer relationships**	**Total**
Cost 1.1.2009	**424.247**	**106.714**	**6.303**	**7.760**	**545.024**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2009	**424.247**	**106.714**	**6.303**	**7.760**	**545.024**
Additions/disposals	0	35.743	0	1.273	**37.016**
Acquisition of subsidiaries	0	0	0	0	**0**
Impairment	(26.287)	0	0	0	**(26.287)**
Merger of subsidiaries	18.654	42.382	0	27.836	**88.872**
Transfers	0	0	0	0	**0**
Write-off	0	0	(6.303)	(593)	**(6.896)**
Closing balance 31.12.2009	**416.614**	**184.839**	**0**	**36.275**	**637.728**
Depreciation 1.1.2009	**0**	**(17.835)**	**(1.651)**	**(3.394)**	**(22.881)**
Exchange differences	0	0	0	0	**0**
Opening balance 1.1.2009	**0**	**(17.835)**	**(1.651)**	**(3.394)**	**(22.881)**
Additions/disposals	0	1.335	(312)	(5.540)	**(4.518)**
Acquisition of subsidiaries	0	0	0	0	**0**
Impairment	0	0	0	0	**0**
Merger of subsidiaries	0	(4.681)	0	(1.203)	**(5.884)**
Transfers	0	0	0	0	**0**
Write-off	0	0	1.963	280	**2.243**
Closing balance 31.12.2009	**0**	**(21.182)**	**0**	**(9.858)**	**(31.040)**
Net book value 31.12.2009	**416.614**	**163.657**	**0**	**26.417**	**606.688**

The carrying amount of the branded generics dossiers of the pharmaceutical sector is impaired by an amount of € 88.013 and € 66.744 for the Group and the Company respectively. This impairment is concluded as line item 'Impairment of assets' on the income statement of continuing operation.

(All amounts are presented in thousands Euro, except otherwise stated)

Goodwill impairment test

Goodwill is allocated in groups of cash generating units identified according to operating segment.

An operating segment-level summary of the goodwill allocation is presented below.

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Pharmaceuticals	0	277.886	0	251.792
Other activities	0	157.450	0	157.450
Discontinued operations	0	101.826	0	7.373
Total	**0**	**537.161**	**0**	**416.614**

The recoverable amount of each group of cash generating units (operating segment) was determined based on its value in use. The value in use was calculated on the basis of estimates of net discounted cash flows expected to arise from each segment's activity, which were based on financial projections approved by management covering a five-year period. The cash flows beyond the five year period are calculated on the basis of the estimated growth rates of each segment.

The key assumptions used for value in use calculations are consistent with the external indicators and are the following:

2010	Growth rate (beyond the five-year period)	Discount rate
Pharmaceuticals	1,00%	12,15%
Other activities (Powder Detergents)	1,00%	10,47%

2009	Growth rate (beyond the five-year period)	Discount rate
Pharmaceuticals	1,00%	9,80%
Other activities (Powder Detergents)	1,00%	8,69%

Budgeted gross margins: The basis used to determine the value assigned to the budgeted gross margins is the actual gross margin achieved by each group of cash-generating units, based on their financial statements as at 31 December 2010.

Growth rate: The basis used to determine the value assigned to the growth rate of each group of cash-generating units beyond the five year period is the expected average growth rate for each industry division, which is consistent with forecasts presented in industry analyses.

Capital expenditures: All the necessary estimated purchases of fixed assets as well as investments in working capital were taken into account, based on the last two years actual requirements, in order for the groups of cash generating units to maintain their production capacity and market share.

Discount rate: The pre tax internal rate of return of the projected cash flows was applied. The discount rate reflects (a) the time value of money and (b) specific risks inherent with each operational segment.

The aforementioned assumptions have been used for the value in use calculation of each group of cash generating units.

The impairment test, on the assets of cash generating units groups (operating segments of the Group) with allocated goodwill, resulted to a goodwill impairment loss of amount € 470.386 and € 442.209 for the Group and the Company respectively. Furthermore, an additional impairment loss amounting to € 377.530 at Group level and € 405.707 at Company level, which was allocated to their other assets, as required by the provisions of IAS 36. Specifically, the given amounts are as follows:
(a) Pharmaceutical segment: the impairment test revealed: a) goodwill impairment loss of amount € 305.564 and € 277.386 for the Group and the Company respectively and b) other assets impairment loss of amount € 377.530 and € 405.707 for the Group and the Company respectively.
(b) Other activities segment (powder detergent): The impairment test revealed goodwill impairment loss of amount € 157.450 for the Group and the Company.
(c) Discontinuing operation segment (liquid detergent): the impairment test revealed goodwill impairment loss of amount € 7.373 for the Group and the Company.

Regarding the impairment test carried out and the above mentioned impairment losses the following are noted: as at 30 June 2010 the management of the Company proceeded an impairment test which resulted to an impairment loss of € 7.373 to the remaining amount of goodwill after the disposal of the Liquid Detergent and Cosmetics segment. By the impairment test carried out as at 31 December 2010 the additional impairment loss covered the entire amount of goodwill which was allocated to the remaining Powder Detergents segment of amount € 157.450 for the Group and the Company, as its recoverable amount (value in use) was less than the respective adjusted carrying amount of goodwill and net assets by the given amount, thus the total impairment loss for the year 2010 amounted to € 164.823 for both Group and Company. The management of the Company ruled that the diminished figures and negative results of the Powder Detergents segment for the year 2010 do not allow the generation of sufficient cash flows in order to maintain the segment's goodwill value as an asset of the Group and the Company.

During the fourth quarter of 2010, the adverse conditions that occurred in the pharmaceuticals market in Greece, generated negative results for Pharmaceutical sector. On December 31, 2010, the Company defined the recoverable amount of the segment (after excluding the activities of the foreign subsidiaries with impaired participation in them, from the assets, liabilities and results of the segment as well as from the provisions used for the calculation its value in use), using the previously mentioned assumptions. Then, the Company carried out an impairment test on the assets of cash generating units group (Pharmaceutical sector) with allocated goodwill. This test resulted to a total impairment loss of € 683.094 (in goodwill and other assets of the Group and the Company), as the recoverable amount of the segment (value in use) fell behind the adjusted carrying amount of its goodwill and net assets. The given amount of impairment loss cover the entire amount of the goodwill which is allocated to Pharmaceutical sector at Group and Company level, i.e. € 305.564 and € 277.386 respectively. Furthermore, the assets of the Group were impaired by € 377.530 (Property, plant and equipment: € 289.517, Intangible assets: € 88.013) and of the Company by € 405.707 (Property, plant and equipment: € 287.958, Intangible assets: € 66.744, Investments in subsidiaries: € 51.005).

(All amounts are presented in thousands Euro, except otherwise stated)

The movement of goodwill in the consolidated and separate financial statements for the years ended December 31, 2010 and 2009 has as follows:

	The Group		
2010	**Pharmaceutical**	**Other activities**	**Discontinued operations**
Balance at 1.1	**277.886**	**157.450**	**101.826**
Acquisition of subsidiaries	2.084	0	0
Merger of subsidiaries	25.594	0	(25.594)
Disposals of subsidiaries	0	0	(68.859)
Impairment loss	(305.564)	(157.450)	(7.373)
Balance at 31.12	**0**	**0**	**0**

	The Group		
2009	**Pharmaceutical**	**Other activities**	**Discontinued operations**
Balance at 1.1	**280.875**	**157.450**	**104.062**
Acquisition of subsidiaries	152	0	24.051
Merger of subsidiaries	0	0	0
Disposals of subsidiaries	0	0	0
Impairment loss	(3.141)	0	(26.287)
Balance at 31.12	**277.886**	**157.450**	**101.826**

	The Company		
2010	**Pharmaceutical**	**Other activities**	**Discontinued operations**
Balance at 1.1	**251.792**	**157.450**	**7.373**
Acquisition of subsidiaries	0	0	0
Merger of business sector	25.594	0	0
Disposals of subsidiaries	0	0	0
Impairment loss	(277.386)	(157.450)	(7.373)
Balance at 31.12	**0**	**0**	**0**

	The Company		
2009	**Pharmaceutical**	**Other activities**	**Discontinued operations**
Balance at 1.1	**233.138**	**157.450**	**33.660**
Acquisition of subsidiaries	18.654	0	0
Merger of subsidiaries	0	0	0
Disposals of subsidiaries	0	0	0
Impairment loss	0	0	(26.287)
Balance at 31.12	**251.792**	**157.450**	**7.373**

(All amounts are presented in thousands Euro, except otherwise stated)

18. INVESTMENT PROPERTIES

Investment properties are as follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance at 1.1	**25.544**	**127**	**25.476**	**59**
Additions	0	3.402	0	3.402
Disposals of subsidiaries	(68)	0	0	0
Transfers from property, plant and equipment (note 16)	20.704	22.015	20.704	22.015
Gain / (loss) from revaluation	0	0	0	0
Balance at 31.12	**46.180**	**25.544**	**46.180**	**25.476**

Property, plant and equipment transferred to the investment properties amounts to € 20.704 and relates to assets which are used by the Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector (note 16).

At December 31, 2010 investment properties were revaluated at fair value without incurring any substantial difference to their carrying amounts.

(All amounts are presented in thousands Euro, except otherwise stated)

19. BUSINESS COMBINATION

(a) Acquisition of GENESIS ILAC SA

On December 31, 2009, ALAPIS SA acquired the 50% of the company GENESIS ILAC SA on cash consideration of € 1.700 and is included in the previous year consolidated financial statements using the equity method. During 2010 and after significant changes in Management of the associated company, it was decided the joint control of the company. Therefore, in consolidated financial statements for the year ended on December 31, 2010, GENESIS ILAC SA is included via proportional consolidation method.

The goodwill that arose from the above mentioned acquisition was tentatively determined based on the carrying amounts of the acquired entity and thus was considered provisional. The specification of the fair value of assets, liabilities and contingent liabilities of the acquired company, the purchase price allocation according to IFRS 3 'Business Combinations' and the following determination of the goodwill were finalized in 2010, as the Group has used the opportunity provided by this standard to the finalization of this size within 12 months from the date of acquisition.

The proportional carrying amount and fair value of the acquired company, the acquisition cost and the goodwill for the Group, at the acquisition date are as follows:

	Carrying amount	Fair value
ASSETS		
Property, plant and equipment	185	185
Intangibles assets	65	65
Inventories	261	261
Trade and other receivables	1.070	1.070
Cash and cash equivalents	32	32
Total assets	**1.614**	**1.614**
LIABILITIES		
Other non-current liabilities	4	4
Other current liabilities	357	357
Total liabilities	**361**	**361**
Net assets	**1.253**	**1.253**
Total purchase consideration	1.700	1.700
Assets acquired	1.253	1.253
Goodwill	**447**	**447**
Consideration paid in cash		1.700
Cash on acquisition date		32
Net cash flow		**1.668**

As from January 1, 2010 the financial statements of GENESIS ILAC SA have been included in the consolidated financial statements of the Group. The full consolidation of GENESIS ILAC SA contributed to the consolidated revenue of € 2.980 (increase 0,31%) and net profit amount € 61 (increase 0,01%).

(All amounts are presented in thousands Euro, except otherwise stated)

(b) Acquisition of GEROLYMATOS INC

On February 24, 2010, the Company acquired the company GEROLYMATOS INC, for the amount of € 50. GEROLYMATOS INC has its headquarters in New York and is activated mainly in the distribution of OTC products and cosmetics in the American market.

The goodwill that arose from the above mentioned acquisition was tentatively determined based on the carrying amounts of the acquired entity and thus was considered provisional. The specification of the fair value of assets, liabilities and contingent liabilities of the acquired company, the purchase price allocation according to IFRS 3 'Business Combinations' and the following determination of the goodwill were finalized in 2010, as the Group has used the opportunity provided by this standard to the finalization of this size within 12 months from the date of acquisition.

The carrying amount and fair value of the acquired company, the acquisition cost and the goodwill for the Group, at the acquisition date are as follows:

	Carrying amount	Fair value
ASSETS		
Property, plant and equipment	202	202
Intangibles assets	55	55
Other non-current assets	19	19
Inventories	702	702
Trade and other receivables	39	39
Cash and cash equivalents	51	51
Total assets	**1.068**	**1.068**
LIABILITIES		
Borrowings	261	261
Other current liabilities	2.393	2.393
Total liabilities	**2.654**	**2.654**
Net assets	**(1.587)**	**(1.587)**
Percentage (%) acquired	100%	100%
Non-controlling interests	0	0
Net assets acquired	**(1.587)**	**(1.587)**
Total purchase consideration	50	50
Assets acquired	(1.587)	(1.587)
Goodwill	**1.637**	**1.637**
Consideration paid in cash		50
Cash on acquisition date		51
Net cash flow		**(1)**

As from February 24, 2010 the financial statements of GEROLYMATOS INC have been included in the consolidated financial statements of the Group. The full consolidation of GEROLYMATOS INC contributed to the consolidated revenue of € 251 (increase 0,03%) and loss amount € 1.166 (decrease 0,13%). If the acquisition of GEROLYMATOS INC had occurred on January 1, 2010, the contribution to the consolidated revenue and net profit would not defer significantly in comparison with the subsidiary's actual contribution to the Group.

(c) Acquisition of additional voting shares IPIROPHARM SA

On June 30, 2010, the Company proceeded with the acquisition of the remaining 8,80% of the company IPIROPHARM SA for the price of € 100, following which ALAPIS SA now controls 100% of the share capital.

The goodwill deriving from the above transaction amounted to € 162 was recognized in the consolidated owners' equity, in Group's retained earnings according to the Group's accounting policy regarding transaction with non controlling interests.

(All amounts are presented in thousands Euro, except otherwise stated)

20. DISPOSALS OF SUBSIDIARIES

On June 30, 2010, the Company carried out the disposal of ALMEDIA PHARMACEUTICALS SA and simultaneously absorbed the business activity of the disposed company. The loss from the disposal of ALMEDIA PHARMACEUTICALS SA amounted in € 23 and € 30 for the Group and the Company respectively.

Gains and losses regarding disposals of subsidiaries are presented in the income statement within 'Finance income / (expenses)'.

On June 10, 2010 the Company implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharmaceutical sector, proceeded in the disposal of its non-Human Health activities, namely in Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector. Particularly, the Company proceeded in the disposal of the companies GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA and KTINIATRIKI PROMITHEFTIKI SA for a total consideration of € 144.700. These segments are presented at the current financial statements as discontinued operation according to IFRS 5 (note 29).

21. INVESTMENTS IN SUBSIDIARIES

The movement in investments in subsidiaries for the Company is as follows:

	The Company	
	2010	2009
Balance at 1.1	**476.012**	**491.475**
Acquisition of subsidiaries (note 19)	150	149.806
Disposal of subsidiaries (note 20,29)	(143.708)	(8.411)
Merger of subsidiaries	(25.594)	(194.721)
Share capital increase in subsidiaries	3.900	84.404
Share capital reduction in subsidiaries	(11.372)	(21.500)
Transfer from investments in associates	0	0
Impairment (note 13)	(51.005)	(25.041)
Balance at 31.12	**248.382**	**476.012**

(All amounts are presented in thousands Euro, except otherwise stated)

Analysis of investments in subsidiaries, including the distinctive title, the country incorporation, the description of the activity, the percentage of participation and voting rights and the net value of investment is as follows:

Distinctive title	Note	Activity	Country of incorporation	% Interest held and voting rights		Net value of investment	
				31.12.2010	31.12.2009	31.12.2010	31.12.2009
PROVET SA	1	Veterinary	GREECE	-	100,00%	0	6.020
KTINIATPIKI ΠPOMITHEFTIKI SA	1	Veterinary	GREECE	-	100,00%	0	2.589
ALAPIS PHARMAKAPOTHIKI SA		Pharmaceutical	GREECE	100,00%	100,00%	998	998
FARMAGORA SA		Pharmaceutical	GREECE	100,00%	100,00%	71.003	71.003
ALAPIS MEDICAL AND DIAGNOSTICS AE	1	Medical device	GREECE	-	100,00%	0	92.600
KP MARINOPOYLOS SA		Pharmaceutical	GREECE	100,00%	100,00%	57.493	57.493
ANDREAS CHRISTOFOGLOU SA		Pharmaceutical	GREECE	40,00%	40,00%	200	200
PHARMACARE LTD		Veterinary	CYPRUS	100,00%	100,00%	1.300	1.300
GEROLPHARM SA		Pharmaceutical	GREECE	100,00%	100,00%	14.347	14.347
SANTA PHARMA SA		Pharmaceutical	GREECE	100,00%	100,00%	65.876	65.876
PNG GEROLYMATOS MEDICAL SA		Pharmaceutical	GREECE	100,00%	100,00%	85.200	85.200
MEDIMEC SA	1	Medical device	GREECE	-	100,00%	0	71.336
BEAUTY WORKS SA	1	Cosmetics	GREECE	-	100,00%	0	1.500
GEROLYMATOS PRESTIGE SPA’S BEAUTY SALON SA	1	Cosmetics	GREECE	-	100,00%	0	3.250
GEROLYMATOS COSMETICS SA	1	Cosmetics	GREECE	-	100,00%	0	2.060
GEROLYMATOS ANIMAL HEALTH SA	1	Veterinary	GREECE	-	100,00%	0	60
SAMBROOK MED SA		Pharmaceutical	GREECE	100,00%	100,00%	60	60
ALMEDIA PHARMACEUTICAL SA	2	Pharmaceutical	GREECE	-	100,00%	0	60
MEDSYSTEMS SA		Pharmaceutical	GREECE	100,00%	100,00%	60	60
IPIROPHARM SA	3	Pharmaceutical	GREECE	90,00%	-	2.800	0
GEROLYMATOS INC	4	Pharmaceutical	USA	100,00%	-	50	0
Impairment of the pharmaceutical sector	**5**					***(51.005)***	***0***
						248.382	**476.012**

Note 1: On June 10, 2010 the Company implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharmaceutical sector, proceeded in the disposal of its non-Human Health activities, namely in Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector. Particularly, the Company proceeded in the disposal of the companies GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA and KTINIATRIKI PROMITHEFTIKI SA for a total consideration of € 144.700.

Note 2: On June 30, 2010, the Company carried out the disposal of ALMEDIA PHARMACEUTICALS SA and simultaneously absorbed the business activity of the disposed company.

Note 3: On June 2010, the Company proceeded :(a) with the acquisition of the remaining 8,80% of the company IPIROPHARM SA for the price of € 100 and (b) with the share capital increase of the company IPIROPHARM SA for the price of € 2.700.

Note 4: On February 24, 2010, the Company acquired the company GEROLYMATOS INC, for the amount of € 50.

Note 5: During the year ended on December 31, 2010 and as part of goodwill impairment test, the investments in subsidiaries of the Company, on Pharmaceutical sector, were charged by impairment of amount € 51.005. This impairment is included in the line item 'Financial income / (expense)' at the results statements of continuing operations.

(All amounts are presented in thousands Euro, except otherwise stated)

22. OTHER NON-CURRENT ASSETS

The balance of non-current assets amounting of € 5.452 and € 7.602 for the Group and the Company respectively (2009: € 5.995 and € 5.353 for the Group and the Company respectively) comprise mainly given guarantees to third parties (National Electrical Company, Hellenic Telecommunications Organization, lessors of real estates, etc), that are expected to be liquidated in period exceeding twelve (12) months. The relevant amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

23. INVENTORIES

Inventories are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Finished goods and semi-finished goods	9.900	9.565	4.728	6.258
Raw & auxiliary materials, spare parts & pack materials	10.354	13.288	5.923	8.650
Work in progress	0	256	0	256
Merchandise	71.546	146.438	13.349	27.046
Less: Provision for impairment	(4.105)	(4.679)	(924)	(2.287)
Total	**87.695**	**164.869**	**23.077**	**39.922**

The cost of inventories recognised as expense and included in 'Cost of sales' for the Group and the Company amounted to 617.731 (2009: € 604.570) and € 134.937 (2009: € 34.825) respectively (note 8).

Movements on the provision for impairment of inventories are as analyzed follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance at 1.1	4.679	4.265	2.287	0
Impairment provision for the year	3.391	2.782	193	585
Income from used provisions	(114)	0	0	0
Provision in the income statement	**3.277**	**2.782**	**193**	**585**
Exchange differences	1	0	0	0
Inventory written off	(2.367)	(2.550)	(1.556)	(768)
Acquisition / merger of subsidiaries	0	182	0	2.470
Disposal of subsidiaries	(1.485)	0	0	0
Balance at 31.12	**4.105**	**4.679**	**924**	**2.287**

The expenses of the discontinuing operations of the Group, have been increased by € 994 (2009: € 156) as a result of an impairment provision.

(All amounts are presented in thousands Euro, except otherwise stated)

24. TRADE RECEIVABLES

Trade receivables are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Trade debtors	143.858	269.457	135.729	354.330
Bills receivable	5.182	4.943	875	1.182
Checks receivable	22.900	23.738	12.015	11.565
Less: Provision for doubtful accounts	(24.311)	(23.156)	(14.735)	(15.371)
Total	**147.629**	**274.983**	**133.883**	**351.705**

The carrying amount of the above receivables represents their fair values.

The trade receivables of the Group and the Company are denominated mostly in Euro.

Movements on the provision for impairment of trade receivables are as analyzed follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance at 1.1	23.156	25.340	15.371	19.491
Exchange difference	(79)	(21)	0	0
Provision for receivables impairment	15.922	3.959	10.745	4.472
Acquisition of subsidiaries	0	318	0	1.057
Disposal of subsidiaries	(2.249)	(337)	0	0
Receivables written off	(10.891)	(6.087)	(10.877)	(9.649)
Unused amounts reversed	(1.548)	(17)	(503)	0
Balance at 31.12	**24.311**	**23.156**	**14.735**	**15.371**

The expenses of the discontinuing operations of the Group have been increased by € 9.019 (2009: € 1.619) as a result of an impairment provision. As far as the Company is concerned, the expenses of the discontinuing operations have been increased by € 9.019 (2009: € 3.600).

The additional provision has been included in ‘Distribution costs’ in the income statement (note 10).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

(All amounts are presented in thousands Euro, except otherwise stated)

The Company signs factoring contracts with Greek and international financing institutions. Under these contracts, the Company receives approximately the 90% of the nominal value of assigned receivables by these financing institutions. As part of the signed contracts of receivables' assignment without recourse, the credit risk, in the event of inability of payment by the company's customers, is transferred to counterpart factors, under the condition that these receivables are insured by third parties and after the assignment of the insurance credit policy to the counterpart factors. Due to the current Greek economic conditions and the reduction of the approved credit limits within 2010 the Company is under negotiations in order to assign uninsured receivables under the abovementioned contracts as well, a matter that may lead in conversion of part of the existing factoring contracts to factoring contracts with recourse within 2011.

25. OTHER RECEIVABLES

Other receivables are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Share capital receivable	0	0	0	0
Dividends receivable	0	0	0	0
Due from loans	44	0	0	0
Receivables from directors and managers	1.493	778	1.024	126
Advances to suppliers (for inventories)	122	18.110	0	1.469
Other debtors	70.344	10.458	64.183	8.297
V.A.T. receivable	53.229	71.299	14.423	34.514
Deferred expenses	730	1.748	501	1.533
Accrued income	21	29	0	0
Income tax advances	9.401	8.502	7.561	4.165
Other taxes	5.564	4.255	5.308	4.155
Advances and prepayments	463	1.523	202	1.503
Other	722	1.574	1.147	701
Total	**142.133**	**118.277**	**94.348**	**56.463**

The book value of the above receivables represents their fair values.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

(All amounts are presented in thousands Euro, except otherwise stated)

26. SHORT TERM INVESTMENTS

Movements on the short term investments of the Group and the Company are analyzed as follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance at 1.1	**6**	**5**	**0**	**0**
Additions	4.081	0	3.278	0
Disposals	0	0	0	0
Gain / (loss) from valuation (note 13)	(2)	1	0	0
Balance at 31.12	**4.085**	**6**	**3.278**	**0**

Available for sale financial assets at fair value through profit or loss are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Listed securities	4	6	0	0
Unlisted securities				
Hellenic Republic Bonds	4.081	0	3.278	0
Total	**4.085**	**6**	**3.278**	**0**

Changes in fair values of the above financial assets have been included in finance income / (expenses) in the income statement.

The fair value of all short term investments is based on their current bid prices in an active market at the date of reference.

Pursuant to Law 3867/2010 (Article 27) concerning the adjustment of Hospitals' debts to supplying companies, the Company and its subsidiaries proceeded in receiving Hellenic Republic Bonds from National Bank of Greece in order to cover hospitals' debts to them regarding the period from January 1, 2007, to December 31, 2009. On December 31, 2010, Hellenic Republic Bonds of amount € 4.081 and € 3.278 for the Group and the Company respectively, are not valuated because Management's obligations are their assignment as part of sales signed contracts for third parties.

(All amounts are presented in thousands Euro, except otherwise stated)

27. FINANCIAL INSTRUMENTS

The financial instruments by category are analyzed as follows:

The Group

31.12.2010	**Loans and receivables**	**Assets at fair value through the income statement**	**Total**
Assets as presented in the statement of financial position			
Other non-current assets	5.452	0	**5.452**
Trade receivables	147.629	0	**147.629**
Other receivables [1]	140.075	0	**140.075**
Short term investments	0	4.085	**4.085**
Total	**293.157**	**4.085**	**297.242**

The Group

31.12.2009	**Loans and receivables**	**Assets at fair value through the income statement**	**Total**
Assets as presented in the statement of financial position			
Other non-current assets	5.995	0	**5.995**
Trade receivables	274.983	0	**274.983**
Other receivables [1]	95.292	0	**95.292**
Short term investments	0	6	**6**
Total	**376.270**	**6**	**376.276**

The Group

31.12.2010	**Liabilities at fair value through the income statement**	**Other financial liabilities**	**Total**
Liabilities as presented in the statement of financial position			
Borrowings	0	819.544	**819.544**
Finance lease liabilities	0	46.382	**46.382**
Other non-current liabilities	8.332	7	**8.340**
Trade payables	0	151.822	**151.822**
Other current liabilities [1]	0	49.093	**49.093**
Total	**8.332**	**1.066.849**	**1.075.181**

The Group

31.12.2009	**Liabilities at fair value through the income statement**	**Other financial liabilities**	**Total**
Liabilities as presented in the statement of financial position			
Borrowings	0	881.187	**881.187**
Finance lease liabilities	0	39.356	**39.356**
Other non-current liabilities	3.243	184	**3.427**
Trade payables	0	252.260	**252.260**
Other current liabilities [1]	0	91.956	**91.956**
Total	**3.243**	**1.264.942**	**1.268.186**

[1] Other receivables and other current liabilities in the above tables do not include payments in advance

(All amounts are presented in thousands Euro, except otherwise stated)

The Company

31.12.2010	Loans and receivables	Assets at fair value through the income statement	Total
Assets as presented in the statement of financial position			
Other non-current assets	7.602	0	**7.602**
Trade receivables	133.883	0	**133.883**
Other receivables [1]	91.474	0	**91.474**
Short term investments	0	3.278	**3.278**
Total	**232.959**	**3.278**	**236.237**

The Company

31.12.2009	Loans and receivables	Assets at fair value through the income statement	Total
Assets as presented in the statement of financial position			
Other non-current assets	5.353	0	**5.353**
Trade receivables	351.705	0	**351.705**
Other receivables [1]	51.257	0	**51.257**
Short term investments	0	0	**0**
Total	**408.315**	**0**	**408.315**

The Company

31.12.2010	Liabilities at fair value through the income statement	Other financial liabilities	Total
Liabilities as presented in the statement of financial position			
Borrowings	0	812.222	**812.222**
Finance lease liabilities	0	45.471	**45.471**
Other non-current liabilities	8.332	0	**8.332**
Trade payables	0	93.215	**93.215**
Other current liabilities [1]	0	41.999	**41.999**
Total	**8.332**	**992.908**	**1.001.240**

The Company

31.12.2009	Liabilities at fair value through the income statement	Other financial liabilities	Total
Liabilities as presented in the statement of financial position			
Borrowings	0	876.001	**876.001**
Finance lease liabilities	0	34.177	**34.177**
Other non-current liabilities	3.243	0	**3.243**
Trade payables	0	194.971	**194.971**
Other current liabilities [1]	0	86.854	**86.854**
Total	**3.243**	**1.192.003**	**1.195.246**

[1] Other receivables and other current liabilities in the above tables do not include payments in advance

(All amounts are presented in thousands Euro, except otherwise stated)

28. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Cash	145	2.466	42	205
Bank accounts and highly liquid investments	83.188	213.931	66.047	158.221
Total	**83.333**	**216.398**	**66.088**	**158.426**

Cash at banks earn interest at floating rates based on monthly bank deposit rates.

Deposits in foreign currencies as of December 31, 2010 mainly consisted of RON (Romania), BGN (Bulgaria), HUF (Hungary), HRK (Croatia), RSD (Serbia), SIT (Slovenia), ALL (Albania), PLN (Poland), UAH (Ukraine), GBP (UK), TRY (Turkey) and USD (USA). Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to € 267 and € 968 for the years ended at December 31, 2010 and 2009 respectively for the Group (€ 171 and € 799 for the years ended December 31, 2010 and 2009 respectively for the Company), and is included in 'Financial income / (expenses) in the accompanying income statement (note 13).

29. DISCONTINUED OPERATIONS

On June 10, 2010 the Company implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharmaceutical sector, proceeded in the disposal of its non-Human Health activities, namely in Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector. Particularly, the Company proceeded in the disposal of the companies GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA and KTINIATRIKI PROMITHEFTIKI SA for a total consideration of € 144.700. The profit from the disposal of the companies mentioned above amounted in €4.979 and € 1.052 for the Group and the Company respectively.

These segments are presented at the current financial statements as discontinued operation according to IFRS 5 and some of the amounts of the previous financial statements were reclassified in order to become comparable to those of the current year. Regarding the property, plant and equipment of the abovementioned sectors of the parent company were reclassified as investment properties.

The aforementioned sale of the companies did not have a substantial impact on the Group's net equity position and activity since as at the first six month of 2010, that the disposal carried out, the discontinued operations accounted for 18,5% of the consolidated turnover, 9,5% of the consolidated EBITDA and 2,5% of the consolidated EBIT.

It is noted that in previous year's amounts and in respect of discontinuing operations, it is included the organic sector as well, which was sold within period ended December 31, 2009. The profit from the sale of this sector amounted in € 1.339 for the Group and the loss in company's financial statements level amounted in € 3.450.

(All amounts are presented in thousands Euro, except otherwise stated)

The income statement and cash flow statement distinguish discontinued operations from continuing operations. Comparative figures have been restated. Financial information relating to the discontinued operations is set out below:

The Group	**1.1. - 31.12.2010**	**1.1. - 31.12.2009**
Revenue	88.065	286.976
Expenses	(106.258)	(253.524)
Goodwill impairment	(7.373)	(26.287)
Profit before income tax from discontinued operation	**(25.566)**	**7.166**
Income tax	(4.387)	(6.256)
Operating profit / (loss) after income tax from discontinued operations (a)	**(29.953)**	**909**
Gain /(loss) recognised on the disposal of the discontinued operations (b)	**4.979**	**1.339**
Net profit / (loss) from discontinued operations (a) + (b)	**(24.974)**	**2.248**

Cash flows	**1.1. - 31.12.2010**	**1.1. - 31.12.2009**
Operating cash flows of discontinued operations	5.804	82.763
Investing cash flows of discontinued operations	124.004	(126.841)
Financing cash flows of discontinued operations	(1.336)	2.038
Total cash flows	**128.472**	**(42.040)**

The Company	**1.1. - 31.12.2010**	**1.1. - 31.12.2009**
Revenue	25.404	225.067
Expenses	(48.530)	(203.133)
Goodwill impairment	(7.373)	(26.287)
Profit before income tax from discontinued operation	**(30.499)**	**(4.353)**
Income tax	(255)	(3.547)
Operating profit / (loss) after income tax from discontinued operations (a)	**(30.754)**	**(7.900)**
Gain /(loss) recognised on the disposal of the discontinued operations (b)	**1.052**	**(3.450)**
Net profit / (loss) from discontinued operations (a) + (b)	**(29.702)**	**(11.350)**

Cash flows	**1.1. - 31.12.2010**	**1.1. - 31.12.2009**
Operating cash flows of discontinued operations	27.299	18.907
Investing cash flows of discontinued operations	144.105	86.871
Financing cash flows of discontinued operations	0	0
Total cash flows	**171.404**	**105.778**

(All amounts are presented in thousands Euro, except otherwise stated)

30. SHARE CAPITAL AND PAID IN SURPLUS

On December 31, 2010, the shared capital of the Company amounted in € 588.360 which is divided in 245.150.055 nominal shares valued €2,40 each. The paid in surplus shared capital is resulted by issuance of shares for cash in a value higher than the nominal and reduced by the relevant issuing expenses.

31. LEGAL AND OTHER RESERVES

Legal and other reserves are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Legal reserve	10.734	10.365	9.038	9.038
Special reserves	3.117	3.117	3.117	3.117
Tax-free reserves	74.745	75.522	74.745	75.522
Merger reserve	(18.929)	(21.782)	(18.929)	(18.929)
Foreign currency translation reserve	(1.152)	(1.432)	0	0
Total	**68.515**	**65.790**	**67.971**	**68.747**

Legal reserve: Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory financial statements to a legal reserve, until such reserve equals one-third of the outstanding share capital. The above reserve cannot be distributed during the existence of the Company, unless for that part that exceeds the third of the outstanding share capital, which is considered to be discretionary.

Special reserves: Special reserves represent taxed profits whose distribution do not have any restrictions and are constructed according to the designation of the Company's memorandum.

Tax free and specially taxed reserves: Specially taxed reserves represent non distributable incomes which are non taxable based on related provisions of specials laws (assuming that there is sufficient income for their formation). In present the Company has no intention of distributing this reserve and, accordingly, has not provided for deferred income tax.

Merger reserve: The merger of the subsidiaries companies was accounted in the financial statements of the parent company ALAPIS SA by the pooling of interest method, as the merger occurred in an intra-group level thus lacked market value. In accordance with the applied accounting practice in transactions accounted for by the pooling of interest method, the resulting goodwill is recognized directly in the equity of the absorbing company, cost and relevant expenses are recognized in the income statement as reorganization expenses and the commercial transactions realized by the absorbed companies are recognized in account of the acquirer from the beginning date of the year as if the merged companies were a single company.

Foreign currency reserve: The functional currency of the Group's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Accordingly, at each reporting date all balance sheet accounts of these subsidiaries are translated into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the weighted average rate of exchange prevailing during the year. The cumulative difference from the above translation is recognized directly in separate component of equity until the disposal or derecognition of a subsidiary in which case it is transferred to the profit and loss account.

32. REVALUATION RESERVES

Revaluation reserves amounting to € 30.847 represent reserves used to record increases in the fair value of property, plant and equipment.

33. TREASURY SHARES

Treasury shares are presented at cost as a separate component in equity. On the purchase of the treasury shares, the relevant amounts and the result of each act are recognized directly in equity.

On February 4, 2008 the Extraordinary Shareholders Meeting of the Company approved of the purchase of the Company's treasury shares, according to article 16 of C.L. 2190/1920 in order to decrease the share capital of the company and the time frame for the acquisition of the shares will not exceed two (2) years. The Board of Directors has been authorized to amend the article 5 of Company's Articles of Association when the treasury shares will be acquired and to materialize all the aforementioned decisions of the Extraordinary General Meeting, following at the same time the treasury shares acquisition procedure as set by C.L. 2190/1920, combined with the respective provisions of the legal framework of the stock exchange rulebook and the Company's Articles of Association in general.

On December 31, 2010, the Company owned 8.947.342 treasury shares, of € 91.610 (included commissions and expenses).

(All amounts are presented in thousands Euro, except otherwise stated)

34. RETAINED EARNINGS / (LOSSES)

The movement in retained earnings / (losses) is analyzed as follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance at 1.1	**33.896**	**58.402**	**72.667**	**47.005**
Profit / (loss) for the year	(931.385)	52.890	(922.761)	37.504
Dividends	(11.338)	(10.062)	(11.338)	(9.999)
Transfer to reserves	407	(6.272)	777	(5.357)
Disposal of subsidiaries	(2.852)	0	0	0
Merger effect	0	0	0	3.514
Acquisition of non-controlling interest	(162)	(61.063)	0	0
Balance at 31.12	**(911.434)**	**33.896**	**(860.655)**	**72.667**

(All amounts are presented in thousands Euro, except otherwise stated)

35. BORROWINGS

The borrowings are analyzed as follows:

	The Group		The Company	
Non-current borrowings	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
Bank loans	0	0	0	0
Bond loans	0	735.000	0	735.000
Total non-current borrowings	**0**	**735.000**	**0**	**735.000**
Current borrowings	0	0	0	0
Bank loans	24.544	81.187	17.222	76.001
Current portion of non-current borrowings	795.000	65.000	795.000	65.000
Total current borrowings	**819.544**	**146.187**	**812.222**	**141.001**
Total borrowings	**819.544**	**881.187**	**812.222**	**876.001**

On December 28, 2006, the Company signed a contract for the issuing of bond loan maturing on January 8, 2021, amounted in € 60.000 total capital, payable entirely in its maturity, which was covered by DEUTSCHE BANK AG. On September 2008, the Company brought prepayment right and as a result proceeded in prepayment of the loan on January 10, 2011.

On December 21, 2007, the Company signed a contract with a consortium of banks lenders, for a stand by revolving credit facility, for a period of 5 years, up to the amount of € 640.000, Euribor plus 0,75%-1,80% margin, fully repayable at the end of the 5 year period, in order to finance acquisitions of companies as well as to cover other financial needs. There are covenants referring to the maintenance of specific financial figures and ratios for the entire duration of the loan. On December 31, 2010, specific financial terms (covenants) were not within the terms of the contract and as a result this financing reclassified to current borrowings in the line item 'Current portion of non-current borrowings'.

On October 2, 2009, the Company, signed a contract for the issuing of bond loan of seven years maturity, amounted € 100.000 total capital, which is covered by TT HELLENIC POSTBANK SA, in order to finance its capital. The rate defined as fixed equal to five percent (5%) for the first three years, on annual basis, and for the rest years is based in the Euribor rate plus margin. The initial repayment schedule of this loan is as below:

No	Quantity	Serial Number repaid Bonds	Total nominal value	Bonds Maturity Date (in months from issue date)
1	5	1-5	5.000	12
2	5	6-10	5.000	24
3	10	11-20	10.000	36
4	10	21-30	10.000	48
5	20	31-50	20.000	60
6	20	51-70	20.000	72
7	30	71-100	30.000	84

(All amounts are presented in thousands Euro, except otherwise stated)

During the year ended on December 31, 2010, the Company proceeded in the payment of the first tranche of bond loan, amounting € 5.000. There are financial terms (covenants) which are referring to the maintenance of specific financial figures and indicators throughout loan's life. On December 31, 2010, specific financial terms (covenants) were not within the terms of the contract and as a result this financing reclassified to current borrowings in the line item 'Current portion of non-current borrowings'.

The Company is in discussions with financial institutions for the improvement of the structure of the financing, which are taking place in a positive climate. The Management estimates that at the end of the negotiations the Company will reach an entirely compliance with its liabilities which are under these borrowing contracts, securing the appropriate funds for the proper activity continuation of the Company in the future. This should lead to an increase of the current financial cost of the Company.

The Group on December 31, 2010 has short term loans that amount to € 24.544. Purpose of the loans is the financing of the Group and the average rate of interest is 6,08% approximately.

The Company recognizes provision for accrued interest expense and charges the income statement with the relevant expenses in each financial year.

The movement in borrowings is analyzed as follows:

	The Group		**The Company**	
	2010	**2009**	**2010**	**2009**
Balance at 1.1	**881.187**	**872.065**	**876.001**	**800.273**
Acquisition of subsidiaries	261	2.180	0	0
Disposal of subsidiaries	(3.383)	0	0	0
Merger of subsidiaries	0	0	0	51.762
Proceeds from borrowings	5.565	217.239	0	213.557
Payments of borrowings	(64.086)	(210.297)	(63.778)	(189.591)
Exchange differences	0	0	0	0
Balance at 31.12	**819.544**	**881.187**	**812.222**	**876.001**

(All amounts are presented in thousands Euro, except otherwise stated)

The total interest expense of the Group of the non-current borrowings for the years ending December 31, 2010 and December 31, 2009 reached € 23.349 and € 24.905 respectively (€ 23.349 and € 24.859 for the years ending December 31, 2010 and December 31, 2009 for the Company respectively) and is included in the financial expenses of the attached income statement. The total interest expense of the Group of the current borrowings for the years ending December 31, 2010 and December 31, 2009 reached € 2.591 and € 6.150 respectively (€ 2.359 and € 5.557 for the years ending December 31, 2010 and December 31, 2009 for the Company respectively) and is included in the financial expenses of the attached income statement (note 13).

Regarding borrowings the following table shows the future repayments for the Group and the Company as of December 31, 2010 and 2009:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Up to 1 year	819.544	146.187	812.222	141.001
1-5 years	0	685.000	0	685.000
Over 5 yeas	0	50.000	0	50.000
Total	**819.544**	**881.187**	**812.222**	**876.001**

The carrying amounts of the borrowings are denominated in the following currencies:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
in €	819.248	881.187	812.222	876.001
in $	296	0	0	0
Other	0	0	0	0
Total	**819.544**	**881.187**	**812.222**	**876.001**

36. FINANCE LEASE LIABILITIES

(a) On August 31, 2006, the Company committed an agreement of sale and lease back on its office buildings to Aspropirgos of Attica. The result from sale (profit) € 982, was transferred to accruals and deferred account for amortization accordingly to the duration of the contract. With the contract of the agreement the Company was charged with expenses of € 491 which were transferred to prepayments and accrued income account and are amortised accordingly with the duration of the contract. The agreement's duration is 15 years and the Company has the right to buy back its buildings, at the end of the contract's duration at a nominal price. The rent paid per quarter (capital and interest) amounts to € 427 and is adjusted in relation to the Euribor's fluctuations. The average interest for the sale and lease back contract mentioned above for the year ended on the December 31, 2010 amounted to 5,59%.

(b) On December 21, 2000, the subsidiary KP MARINOPOULOS SA committed an agreement of finance lease on its office buildings to Metamorfosi of Attica. The agreement's duration is 10 years and the Company has the right to buy back its buildings, at the end of the contract's duration at a nominal price. During 2010, the company bought back the leased property paying the amount of € 1.282. The rent paid per month (capital and interest) amounts to € 25 and is adjusted in relation to the Euribor's fluctuations. The average interest for the sale and lease back contract mentioned above for the year ended on the December 31, 2010 amounted to 5,45%.

(c) On August 7, 2009, the Company committed an agreement of finance lease on land and buildings to Schimatari of Viotias and to Kryoneri of Attica. The agreements' duration is 20 and 15 years respectively and the Company has the right to buy back its buildings, at the end of the contract's duration at a nominal price. The rent paid per month (capital and interest) amounts to € 56 and € 83 respectively, and is adjusted in relation to the Euribor's fluctuations. The average interest for the sale and lease back contract mentioned above for the year ended on the December 31, 2010 amounted to 5,44% and 5,37% respectively.

(d) During 2010, the Company committed an agreement of finance lease on land and buildings to Goudi of Attica and to Kryoneri of Attica. The agreements' duration is 15 years and the Company has the right to buy back its buildings, at the end of the contract's duration at a nominal price. During 2010, the company bought back the leased property paying the amount of € 10.000. The rent paid per month (capital and interest) amounts to € 13 and € 64 respectively, and is adjusted in relation to the Euribor's fluctuations. The average interest for the sale and lease back contract mentioned above for the year ended on the December 31, 2010 amounted to 4,56%.

(All amounts are presented in thousands Euro, except otherwise stated)

(e) During 2010, the Company committed an agreement of finance lease on land and buildings to Thessaloniki and to Kryoneri of Attica. The agreements' duration is 12 years and the Company has the right to buy back its buildings, at the end of the contract's duration at a nominal price. The rent paid per quarter (capital and interest) of the property in Thessaloniki and the rent paid per month (capital and interest) of the property in Kryoneri of Attica amount to € 36 and € 100 respectively, and are adjusted in relation to the Euribor's fluctuations. The average interest for the sale and lease back contract mentioned above for the year ended on the December 31, 2010 amounted to 5,27% and 4,23% respectively.

(f) The subsidiaries of the Group, KP MARINOPOULOS SA, GEROLPHARM SA, ALAPIS BULGARIA SA and SUMADIJALEK SA, have signed leasing contracts regarding machinery, motor vehicles and other equipment.

Leasing liabilities are analysed as follows:

	The Group		The Company	
	31.12.2010	**31.12.2009**	**31.12.2010**	**31.12.2009**
Finance lease liabilities	46.382	39.356	45.471	34.177
Less: Current portion	2.899	4.046	2.593	1.701
Non-current financial leases	**43.483**	**35.309**	**42.878**	**32.476**

The future minimum payments of the lease contracts in relation to the present value of the net minimum payments for the Group and the Company on December 31, 2010 and 2009 are presented as follows:

	The Group			
	31.12.2010		**31.12.2009**	
	Minimum payment	**Payment present value**	**Minimum payment**	**Payment present value**
Up to 1 year	6.085	2.899	5.987	4.046
1 to 5 years	20.602	14.759	19.690	13.461
Over 5 years	34.631	28.724	27.546	21.848
Total minimum lease payment	**61.317**	**46.382**	**53.223**	**39.356**
Less:				
Finance expenses	(14.935)	0	(13.868)	0
Present value of minimum lease payment	**46.382**	**46.382**	**39.356**	**39.356**

(All amounts are presented in thousands Euro, except otherwise stated)

	The Company			
	31.12.2010		31.12.2009	
	Minimum payment	Payment present value	Minimum payment	Payment present value
Up to 1 year	5.699	2.593	3.382	1.701
1 to 5 years	19.883	14.154	16.338	10.628
Over 5 years	34.631	28.724	27.546	21.848
Total minimum lease payment	**60.212**	**45.471**	**47.266**	**34.177**
Less:				
Finance expenses	(14.741)	0	(13.088)	0
Present value of minimum lease payment	**45.471**	**45.471**	**34.177**	**34.177**

Total interest expense on financial leasing for the years ended December 31, 2010 and 2009 amounted to € 4.008 and € 2.552 for the Group (€ 3.820 and € 2.372 for the Company for the years ended December 31, 2010 and 2009 respectively) and is included in financial expenses in the accompanying income statement (note 13).

(All amounts are presented in thousands Euro, except otherwise stated)

37. RETIREMENT BENEFIT OBLIGATIONS

(a) State pension: The Group's and the Company's contributions to the state pension funds, regarding the continuing operations, for the year ended December 31, 2010, that have been charged to the income statement recorded to expenses amounted to € 7.709 and € 2.700 respectively (€ 6.708 and € 699, for the Group and the Company respectively for the year ended December 31, 2009).

(b) Staff retirement indemnities: Under the labour law of the countries in which the Group operates, employees and workers are entitled to various types of termination payments in the event of dismissal or retirement. In respect with the Greek subsidiaries (that consist the largest part of the Group's activities) the amount of compensation varies according to the salary, the years of services and the manner of termination (dismissal or retirement) of the employee. Employees or workers who resign or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, local practice is that such termination schemes are not funded. In accordance with this practice, the Company does not fund these plans. The Group charges operations for benefits earned in each period with a corresponding increase in the respective actuarial liability. Benefits payments made during each period to retirees are charged against this liability.

The movement in the net liability in the accompanying statement of financial position has as follows:

	The Group		The Company	
	2010	2009	2010	2009
Balance at 1.1	8.264	8.582	4.506	2.456
Acquisition / merger of subsidiaries	0	62	0	2.893
Disposal of subsidiaries / business sector	(3.264)	(90)	(250)	0
Pension and dismissal indemnities paid	(6.922)	(971)	(6.026)	(415)
Expenses/(income) through income statement (note 12)	6.369	681	4.172	(428)
Balance at 31.12	**4.447**	**8.264**	**2.402**	**4.506**

Regarding the discontinuing operations, the provision charged at the results of the Group, in the year ended on December 31, 2010, amounted in € 1.532 (2009: € 523).

(All amounts are presented in thousands Euro, except otherwise stated)

An independent international actuary firm assessed the Group's and the Company's liabilities arising from the obligation to pay termination indemnities. The details and principal assumptions of the actuarial study as at December 31, 2010 and 2009 have as follows:

	The Group	
	31.12.2010	31.12.2009
Present value of unfunded obligations	3.577	6.332
Unrecognised actuarial net loss	871	1.932
Net liability in the statement of financial position	**4.447**	**8.264**
Components of net periodic pension cost:		
Service cost	572	1.254
Interest cost	334	171
Recognition of actuarial loss/(profit)	(218)	(308)
Regular charge to operations	**688**	**1.117**
Additional cost of extra benefits	5.748	137
Curtailment cost of transfer of employees	(68)	(573)
Total charge to operations	**6.369**	**681**

	31.12.2010	31.12.2009
Reconciliation of benefit obligation:		
Net liability at start of period	6.332	7.115
Net liability emerging from acquisition of subsidiaries	0	62
Service cost	572	1.252
Interest cost	334	171
Benefits paid	(1.492)	(1.406)
Actuarial loss	844	(773)
Disposal of subsidiaries	(3.014)	(90)
Present value of obligation at the end of the year	**3.577**	**6.332**

Principal Assumptions:	31.12.2010	31.12.2009
Discount rate	4,40%	6,10%
Rate of compensation increase	4,00%	4,00%
Average annual long-term increase of GDP	3,00%	3,00%
Average annual rate of inflation long-term increase	2,00%	2,00%

(All amounts are presented in thousands Euro, except otherwise stated)

	The Company	
	31.12.2010	31.12.2009
Present value of unfunded obligations	2.215	3.442
Unrecognised actuarial net loss	187	1.064
Net liability in the statement of financial position	**2.402**	**4.506**
Components of net periodic pension cost:		
Service cost	327	423
Interest cost	210	58
Recognition of actuarial loss/(profit)	(123)	(230)
Regular charge to operations	**415**	**251**
Additional cost of extra benefits	5.160	(140)
Curtailment cost/(benefit) of transfer of employees	(1.402)	(538)
Total charge to operations	**4.172**	**(428)**

	31.12.2010	31.12.2009
Reconciliation of benefit obligation:		
Net liability at start of period	3.442	3.941
Service cost	327	423
Interest cost	210	58
Benefits paid	(2.518)	(1.094)
Actuarial loss/(profit)	755	114
Present value of obligation at the end of the year	**2.215**	**3.442**

Principal Assumptions:	31.12.2010	31.12.2009
Discount rate	4,40%	6,10%
Rate of compensation increase	4,00%	4,00%
Average annual long-term increase of GDP	3,00%	3,00%
Average annual rate of inflation long-term increase	2,00%	2,00%
Expected remaining labour's life duration	5,88	5,67

(All amounts are presented in thousands Euro, except otherwise stated)

38. OTHER NON-CURRENT LIABILITIES

The other non-current liabilities refer: (a) to guarantees received from third parties and expected to be paid back after 12 months period amount to € 7 and € 0 for the Group and the Company respectively (December 31, 2009: € 184 and € 0 for the Group and the Company respectively) which are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method and (b) interest rate swaps amount to € 8.333 for the Group and the Company (December 31, 2009: € 3.243 for the Group and the Company).

Interest Rate Swaps: The Company has entered in interest rate swaps which do not qualify for hedge accounting. From measurement of these derivatives at fair values as of December 31, 2010, a loss of € 5.089 was incurred, which was included in the financial income of the year (note 13). The notional amount and the maturity of such derivatives are as follows:

	Notional amount
Within one year	563
Between one and five years	165.000
Over five years	1.606
Total	**167.168**

Above interest rate swaps bear mainly floating interest rate, which according to the respective contract, are adjusted accordingly in connection with the fulfillment or not of specific factor relating to interest rate currency variable and the maintenance or not of interest rate of specific currencies above of below predetermined levels.

(All amounts are presented in thousands Euro, except otherwise stated)

39. TRADE PAYABLES

The trade payables are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Trade suppliers	117.603	205.991	89.895	189.786
Bills payable	0	12.247	0	4.420
Checks payable	34.219	34.022	3.320	765
Total	**151.822**	**252.260**	**93.215**	**194.971**

The trade payables of the Group and the Company are denominated mostly in Euro.

40. OTHER CURRENT LIABILITIES

The other current liabilities are analyzed as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Withholding taxes payable	4.355	3.220	2.113	1.834
Payroll	2.419	112	1.430	15
Social security insurance	3.053	4.652	1.606	2.424
Dividends payable	32	28	32	28
Payable to directors	0	660	0	660
Other creditors	39.235	83.284	36.818	81.894
Accrued income	729	796	729	795
Accrued expenses	14.598	10.575	19.319	23.649
Other liabilities suspense accounts	578	1.654	299	83
Total	**64.999**	**104.981**	**62.347**	**111.381**

41. DIVIDENDS

Under Greek corporate law, companies are required each year to declare from their profits, dividends of at least 35% of after-tax profit, after allowing for legal reserve. With the 70% shareholders' voting rights, a company may not declare any dividend. Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed, which are as follows:

a) No dividends can be distributed to the shareholders as long as the company's net equity, as reflected in the financial statements, is, or after such distribution, will be less than the outstanding capital plus non-distributable reserves and,

b) No dividends can be distributed to the shareholders as long as the unamortized balance of 'Preliminary expenses', as reflected in the financial statements exceeds the aggregate of distributable reserves plus retained earnings.

On March 29, 2011, the Board of Directors of the Company decided to propose a non distribution of dividend in the General Meeting of the Shareholders, due to the loss in the year ended on December 31, 2010.

(All amounts are presented in thousands Euro, except otherwise stated)

42. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Litigation and claims

The Company and its subsidiaries are parties to various lawsuits (as a defendant or as a plaintiff) and arbitration proceedings in the normal course of business. Management and the Company's legal advisors estimate that all of the lawsuits are expected to be settled without any material adverse effect on the Group's or the Company's financial position or results of operations. The amount of the provision for any litigation issues on December 31, 2010 amount to € 22.193 for the Group and € 18.321 for the Company.

(b) Guarantees

The Group had the following contingent liabilities on December 31, 2010:

- It has issued letters of guarantee for good performance for a total amount of € 1.257.
- It has provided guarantees for repayment of bank overdrafts and commercial liabilities of various subsidiaries and associates for a total amount of € 328.
- It has provided guarantees for its participation in various competitions for a total amount of € 1.033.

(c) Operating lease commitments

As of December 31, 2010, the Group has entered into a number of operating lease agreements relating to the rental of buildings and transportation equipment which expire on various dates through 2022.

Lease rentals amounting to € 2.806 (2009: € 3.386) and € 935 (2009: € 123) relating to the lease of property, plant and equipment are included in the income statement of the Group and of the Company respectively.

Future minimum rentals payable under non-cancellable operating leases as at December 31, 2010, are as follows:

	The Group	The Company
Up to 1 year	6.510	3.690
1-5 years	17.241	10.096
Over 5 yeas	17.563	12.716
Total	**41.315**	**26.501**

(d) Guarantees given to financial institutions

The Company has provided guarantees towards financial institutions for the compliance of its subsidiaries with obligations arising from loan agreements and factoring contracts (non-recourse factoring) totaling € 5.500 and € 97.263 respectively.

(All amounts are presented in thousands Euro, except otherwise stated)

43. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of ALAPIS SA and its subsidiaries which are presented in note 3

The Company sales and purchases goods and services and signs financial agreements (borrowings and factoring agreements) to and from certain related companies in the ordinary course of their business. Such related companies consist of associates or companies, which have common ownership and/or management with the Company.

Account balances with related parties as at December 31, 2010 and 2009, are as follows:

	The Group		The Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Trade receivables from subsidiaries	0	0	65.674	180.716
Trade receivables from associates	0	2	0	2
Total	**0**	**2**	**65.674**	**180.718**
Trade payables to subsidiaries	0	0	12.674	51.713
Trade payables to associates	0	6.680	0	3.000
Total	**0**	**6.680**	**12.674**	**54.713**

Transactions with related parties for the years ended December 31, 2010 and 2009 are analyzed as follows:

	The Group		The Company	
	1.1. - 31.12.2010	1.1. - 31.12.2009	1.1. - 31.12.2010	1.1. - 31.12.2009
Sales to subsidiaries	0	0	80.417	176.089
Sales to associates	0	292	0	292
Total	**0**	**292**	**80.417**	**176.381**
Inventory purchases from subsidiaries	0	0	6.678	131.566
Inventory purchases from associates	0	5.754	0	4.823
Total	**0**	**5.754**	**6.678**	**136.389**

Sales, services rendered and other financial agreements to and from related parties are made at normal market prices and common business practice. Outstanding balances at year-end are unsecured and their settlement occurs in cash. No guarantees have been provided or received for the above receivables. For the year ended December 31, 2010, the Group has not formed any provision for doubtful debts regarding amounts owed by related parties.

Key management personnel and members of the BoD fees for the year ended December 31, 2010 as defined in IAS 24 amount to € 2.007. There are no receivables for the Company and the Group as defined in IAS 24 from key management personnel and members of the BoD. On December 31, 2010, the liabilities of the Company and the Group to key management personnel as defined in IAS 24 amount to €55.

(All amounts are presented in thousands Euro, except otherwise stated)

44. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Company, in order to strengthen its capital structure, improve the financial flexibility and adjust its position in the macroeconomic environment of the country, has invited on April 4, 2011 in Extraordinary General Meeting its shareholders to approve, among other matters the increase in share capital of the Company in order to raise an amount of approximately € 98.000 and to authorise the Board of Directors to issue convertible bond loans up to € 300.000 on a non pre-emptive basis under the terms and conditions which will be approved by the Extraordinary General Meeting. The Company’s management believes that the successful completion of the share capital increase and the potential issuing of convertible bond loans will allow the Company to implement its long term business strategy.

The Company, within the frame of restructuring the existing structure of the Group, fully serving the purposes of its activities and creating economies of scale, will merge its 100% subsidiaries PHARMAGORA SA and ALAPIS PHARMAKAPOTHIKI SA, by the absorption of the second from the first, in accordance with the stipulations of the articles of Cod. Law 2190/1920 and Law 2166/1993. According to the decisions as of December 31, 2010, of their Boards of Directors, the foresaid companies announce their intention for merger and the December 31, 2010 is set as the merger statement of financial position date of the absorbed companies.

Besides all the aforementioned, there are no events after the end of the reporting period regarding the Group and the Company that must be disclosed according to the IFRSs.

Athens, March 29, 2011

President of the Board of Directors	Managing Director	Member of the Board of Directors	Chief Accounting Officer
Aristotelis Charalampakis	Stilianos Kimparidis	Nikolaos Karantanis	Kyriakos Soukaras

INFORMATION
(Pursuant to Law 3401/2005, article 10)

The present document contains all the information required by article 10 of the Law 3401/2005 which the Company published during the fiscal year 2010. The full text of the announcements is available at the website of ALAPIS SA at the electronic address www.alapis.eu.

No	Date	Subject of Announcement
1	29/1/2010	Announcement of other important facts
2	25/2/2010	Announcement: Financial Calendar 2010
3	25/2/2010	Announcement of other important facts, acquisition of GEROLYMATOS INC
4	22/3/2010	Consolidated Financial results 2009
5	23/3/2010	Financial Statements under IAS / IFRS 31.12.2009
6	23/3/2010	Financial Statements under IAS / IFRS 31.12.2009
7	23/3/2010	Table of the use of funds raised from the share capital increase
8	6/5/2010	Financial Calendar 2010 correct repetition
9	6/5/2010	Invitation of shareholders to the Ordinary Shareholders Meeting
10	26/5/2010	Announcement of other important facts
11	27/5/2010	Consolidated Financial results Q1 2010
12	27/5/2010	Financial Statements under IAS / IFRS 31.03.2010
13	27/5/2010	Financial Statements under IAS / IFRS 31.03.2010
14	28/5/2010	Announcement of the proposition for the amendment of the company's articles of association at the Ordinary General Meeting
15	31/5/2010	Decisions of the Annual Ordinary Shareholders Meeting
16	2/6/2010	Announcement regarding the windfall tax
17	11/6/2010	Announcement of the sale of non health divisions
18	11/6/2010	Announcement concerning changes in the Board of Directors' composition
19	11/6/2010	Reply to Athens Exchange letter
20	14/6/2010	Decisions of the first repeated Ordinary General Shareholder's Meeting
21	14/6/2010	Invitation to second repeated (Ordinary) Shareholders General Meeting
22	24/6/2010	Announcement regarding: a) the listing of shares, from the Company's stock Reverse Split and b) the change of Company name
23	28/6/2010	Decisions of the second repeat Ordinary General Shareholder's Meeting
24	7/7/2010	Announcement regarding the adjustment of the dividend distribution approval, following the completion of the stock Reverse Split procedure
25	14/7/2010	Dividend payment for the year 2009
26	5/8/2010	Announcement of other important facts
27	6/8/2010	Consolidated Financial results H1 2010
28	6/8/2010	Financial Statements under IAS / IFRS 30.06.2010
29	6/8/2010	Financial Statements under IAS / IFRS 30.06.2010
30	6/8/2010	Announcement concerning changes in the Board of Directors' composition

No.	Date	Subject of Announcement
31	7/8/2010	Table of the use of funds raised from the share capital increase
32	3/9/2010	Announcement of the signing of a memorandum of strategic partnership with Synthetic Genomics Inc
33	24/9/2010	Notification of changes in Senior executives
34	8/10/2010	Announcement regarding the process for the liquidation of fractional balances resulted by the Reverse Split of the shares of ALAPIS SA
35	18/10/2010	Announcement regarding the completion of the process for the liquidation of fractional balances resulted by the recent Reverse Split of the shares of the company
36	22/10/2010	Announcement concerning changes in the Board of Directors' composition
37	11/11/2010	Announcement of other important facts
38	26/11/2010	Announcement of other important facts
39	29/11/2010	Financial Statements under IAS / IFRS 30.09.2010
40	29/11/2010	Financial Statements under IAS / IFRS 30.09.2010
41	29/11/2010	Consolidated Financial Results - Nine Month Period 2010
42	20/12/2010	Announcement regarding the change of participation percentage
43	31/12/2010	Announcement of the merger of subsidiaries PHARMAGORA SA and ALAPIS PHARMAKAPOTHIKI SA

DATA AND INFORMATION

ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL AND CHEMICAL PRODUCTS
(Company's Number in the Register of Societes Anonymes: 8057/06/B/86/11)
REGISTERED ADRESS : 2, AFTOKRATOROS NIKOLAOU STR, P.C. 17671 ATHENS
DATA AND INFORMATION FOR THE YEAR 1 JANUARY 2010 TO 31 DECEMBER 2010
According to L.2190, article 135 for entities published financial statements in accordance with IFRS

The following data and information aim at providing general information on the financial standing and the financial results of ALAPIS SA. We, therefore, recommend the reader, before proceeding to any kind of investment or other transaction with the company, to look to the company's website, where financial statements under IFRS together with the Audit report are presented.

COMPANY DETAILS

Authority :	Ministry of Finance, Competition & Shipping
Website :	www.alapis.eu
Board of Directors :	Aristotelis Charalampakis: President, Mario Al-Jebouri: Vice President, Stilianos Kimparidis: Managing Director, Evridiki Georgakaki: Member, Nikolaos Karantanis: Member
Approval date for issuing by the Board of Directors :	March 29th, 2011
Certified Auditor Accountant :	Vrasidas Damilakos R.N.SOEL (GR) 22791
Audit Company :	BDO CERTIFIED & REGISTERED AUDITORS AE
Type of Report	Unqualified Opinion - emphasis of matter

STATEMENT OF FINANCIAL POSITION (amounts in thousands €)

	The Group		The Company	
ASSETS	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
Property, plant and equipment	1.316.430	1.669.714	1.286.431	1.580.386
Investment properties	46.180	25.544	46.180	25.476
Intangible assets	372.802	879.442	249.599	606.688
Other non current assets	26.451	18.227	275.406	492.904
Inventories	87.695	164.869	23.077	39.922
Trade receivables	147.629	274.983	133.883	351.705
Other current assets	229.551	334.680	163.715	214.889
Non current assets available for sale	0	0	0	0
TOTAL ASSETS	**2.226.739**	**3.367.458**	**2.178.291**	**3.311.971**
EQUITY AND LIABILITIES				
Share capital	588.360	588.360	588.360	588.360
Other equity items	417.205	1.359.809	467.439	1.401.538
Total owners' equity (a)	**1.005.565**	**1.948.169**	**1.055.799**	**1.989.898**
Non controlling interests (b)	(31)	92	0	0
Total equity (c) = (a) + (b)	1.005.534	1.948.261	1.055.799	1.989.898
Long term borrowings	0	735.000	0	735.000
Provisions / other long term liabilities	159.096	153.674	136.633	121.974
Short-term borrowings	819.544	146.187	812.222	141.001
Other short term liabilities	242.564	384.335	173.636	324.098
Non current liabilities available for sale	0	0	0	0
Total liabilities (d)	1.221.205	1.419.197	1.122.491	1.322.072
TOTAL EQUITY AND LIABILITIES (c)+(d)	**2.226.739**	**3.367.458**	**2.178.291**	**3.311.971**

STATEMENT OF COMPREHENSIVE INCOME (amounts in thousands €)

The Group

	1.1. - 31.12.2010			1.1. - 31.12.2009		
	Continuing operations	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Revenue	859.566	87.014	946.580	946.268	286.194	1.232.462
Gross profit/(loss)	181.389	37.915	219.305	259.565	148.967	408.532
Profit before tax, financial and investing results (EBIT)	(848.766)	(11.131)	(859.898)	124.577	18.309	142.887
Profit/(loss) before tax	(902.158)	(20.587)	(922.746)	79.352	8.505	87.856
Profit/(loss) (a)	**(906.604)**	**(24.974)**	**(931.578)**	**50.106**	**2.248**	**52.354**
Owners of the parent	(906.411)	(24.974)	(931.385)	50.642	2.248	52.890
Non-controlling interests	(193)	0	(193)	(536)	0	(536)
Other comprehensive income (net of tax) (b)	289	0	289	(24.160)	0	(24.160)
Total comprehensive income (net of tax) (a) + (b)	(906.315)	(24.974)	(931.289)	25.946	2.248	28.194
Owners of the parent	(906.131)	(24.974)	(931.105)	26.489	2.248	28.737
Non-controlling interests	(184)	0	(184)	(543)	0	(543)
Net profit/(loss) per share - basic (in €)	(3,8374)	(0,1057)	(3,9432)	0,3456	0,0153	0,3609
Profit/(loss) before interest,taxes, depreciation and amortisation (EBITDA)	(671.717)	1.552	(670.166)	255.720	52.422	308.142
Profit/(loss) before interest,taxes, depreciation, amortisation and investing results (EBITDA before investing results)	168.992	9.175	178.168	259.623	82.849	342.472

The Company

	1.1. - 31.12.2010			1.1. - 31.12.2009		
	Continuing operations	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
Revenue	288.083	25.404	313.487	260.393	219.278	479.671
Gross profit/(loss)	123.036	957	123.994	180.159	113.487	293.646
Profit before tax, financial and investing results (EBIT)	(792.494)	(18.410)	(810.904)	129.178	(1.145)	128.032
Profit/(loss) before tax	(890.694)	(29.447)	(920.141)	77.742	(7.803)	69.939
Profit/(loss) (a)	**(893.059)**	**(29.702)**	**(922.761)**	**48.854**	**(11.350)**	**37.504**
Owners of the parent	(893.059)	(29.702)	(922.761)	48.854	(11.350)	37.504
Non-controlling interests	0	0	0	0	0	0
Other comprehensive income (net of tax) (b)	0	0	0	(24.007)	0	(24.007)
Total comprehensive income (net of tax) (a) + (b)	(893.059)	(29.702)	(922.761)	24.848	(11.350)	13.497
Owners of the parent	(893.059)	(29.702)	(922.761)	24.848	(11.350)	13.497
Non-controlling interests	0	0	0	0	0	0
Net profit per share - basic (in €)	(3,7809)	(0,1257)	(3,9066)	0,3334	(0,0775)	0,2559
Dividend per share (in €)	0,0000	0,0000	0,0000	0,0060	0,0000	0,0060
Profit/(loss) before interest,taxes, depreciation and amortisation (EBITDA)	(652.772)	(12.842)	(665.614)	207.344	18.661	226.005
Profit/(loss) before interest,taxes, depreciation, amortisation and investing results (EBITDA before investing results)	138.854	(5.216)	133.638	207.436	49.601	257.037

STATEMENT OF CASH FLOWS (amounts in thousands €)

	The Group		The Company	
	1.1. - 31.12.2010	**1.1. - 31.12.2009**	**1.1. - 31.12.2010**	**1.1. - 31.12.2009**
Operating activities				
Profits before taxes (continuous operation)	**(902.158)**	**79.352**	**(890.694)**	**77.742**
Profits before taxes (discontinuous operation)	**(20.587)**	**8.505**	**(29.447)**	**(7.803)**
Plus/ less adjustments for:				
Depreciation and amortization	177.049	131.142	139.721	78.166
Gain /(Loss) from disposal of tangible assets	6	459	1.950	93
Provisions	(4.059)	(1.065)	(11.177)	(5.435)
Impairment of Property ,Plant, Equipment and Intangible Assets	840.543	3.141	789.537	0
Exchange differences	3.531	(2.914)	(100)	118
Results (income, expenses, gain, loss) from investing activity	2.096	(494)	55.764	6.939
Interest expense	51.296	45.720	42.436	44.497
Plus/less changes in working capital:				
Decrease / (increase) of inventories	20.124	12.376	4.989	(2.863)
Decrease / (increase) of trade receivables	89.912	(163.258)	121.374	(198.767)
Decrease / (increase) of other receivables	(36.261)	18.801	(37.885)	47.603
(Decrease) / Increase of trade liabilities (excluding borrowings)	(72.999)	(9.117)	(51.488)	78.391
(Decrease) / Increase of other liabilities (excluding borrowings)	(51.824)	18.954	(49.034)	28.259
Less:				
Interest paid	(50.278)	(53.213)	(45.158)	(55.229)
Taxes paid	(12.595)	(9.357)	(9.796)	(13.553)
Operating cash flow from discontinued operation	5.804	82.763	27.299	18.907
Net cash flows from operating activities (a)	**39.600**	**161.793**	**58.293**	**97.065**
Investing activities				
Acquisition/(Disposal) of subsidiaries, related, joint ventures and other investments	(67)	(69.342)	(2.790)	(299.723)
Purchase/(Disposal) of tangible and intangible assets	(212.562)	(393.456)	(202.192)	(349.379)
Interest received	444	1.094	256	808
Proceeds from dividends	0	0	0	18.476
Gains / (losses) on disposal of investments	(24)	408	(30)	(4.781)
Proceeds from grants / Guarantees paid	351	(4.934)	(2.249)	(4.793)
Investing cash flow form discontinued operation	124.004	(126.841)	144.105	86.871
Net cash flows from investing activities (b)	**(87.853)**	**(593.071)**	**(62.899)**	**(552.520)**
Financing activities				
Issue of share capital	0	423.063	0	423.063
Proceeds / (Payments) from borrowings	(58.223)	3.941	(63.778)	23.966
Principal repayments of finance lease obligations	(13.920)	16.008	(12.619)	16.167
Dividends paid	(11.333)	(10.061)	(11.333)	(9.998)
(Purchase)of Treasury shares/Gain from disposal of share capital's issue rights	0	4.006	0	4.006
Financing activities from discontinued operation	(1.336)	2.038	0	0
Net cash flows from financing activities (c)	**(84.812)**	**438.997**	**(87.731)**	**457.204**
Net increase in cash and cash equivalents (a)+(b)+(c)	**(133.065)**	**7.718**	**(92.338)**	**1.749**
Cash and cash equivalents at beginning of year	**216.398**	**208.679**	**158.426**	**121.305**
Cash and cash equivalents of mergers	0	0	0	35.372
Cash and cash equivalents at end of year	**83.333**	**216.398**	**66.088**	**158.426**

STATEMENT OF CHANGES IN EQUITY (amounts in thousands €)

	The Group		The Company	
	1.1. - 31.12.2010	**1.1. - 31.12.2009**	**1.1. - 31.12.2010**	**1.1. - 31.12.2009**
Equity balance at the beginning of the year (1.1.2010 and 1.1.2009 respectively)	**1.948.261**	**1.546.377**	**1.989.898**	**1.528.323**
Total comprehensive income (net of tax) (continuing and discontinued operations)	(931.289)	28.194	(922.761)	13.497
Share capital increase / (decrease)	0	451.076	0	451.076
Acquisition of subsidiaries	(100)	(67.324)	0	0
Dividends	(11.338)	(10.062)	(11.338)	(9.999)
Effect of subsidiaries merge	0	0	0	7.001
Equity balance at the end of the year (31.12.2010 and 31.12.2009 respectively)	**1.005.534**	**1.948.261**	**1.055.799**	**1.989.898**

ADDITIONAL DATA AND INFORMATION (amounts in thousands €, except otherwise stated)

1. The matter of emphasis of the Certified Auditor Accountant refers to note 35 of the Annual Financial Report which states the Group is in advanced discussions with financial institutions for the renegotiation of the terms and the duration extension of the current financing of a total amount of € 735 mil., due to the fact that specific covenants were not achieved. These loans are presented in the line item "Short - term borrowings" of the current financial statements.

2. The companies included in the consolidated financial statements, together with their registered addresses, the consolidation method in the financial statements of the Company and their share of participation are analyzed in note 3 of the Annual Financial Report and their tax unaudited FYs are analyzed in note 14 of the Annual Financial Report.

3. During the current year ALAPIS SA proceeded to the following business activities: On February 2010, acquired the 100 % stake of the company GEROLYMATOS INC, which has its headquarters in New York and is mainly activated in the distribution of OTC products and cosmetics in the American market. On June 2010, acquired the remaining 8,80% of the company IPIROFARM SA following which ALAPIS SA now controls 100,00% of the share capital of the company. Also on June 2010, proceeded with the disposal of the companies GEROLYMATOS PRESTIGE SPA'S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEQ SA, ALMEDIA PHARMACEUTICALS SA and KTINIATRIKI – PROMITHEUTIKI SA. Also the Company proceeded in the establishment of the company HSP UNIPESSOAL LDA based in Portugal with core objective the distribution of pharmaceutical products. Finally on December 2010 the Company decided to merge its 100% subsidiaries PHARMAGORA S.A. and ALAPIS PHARMAKAPOTHIKI S.A., by the absorption of the second from the first and December 31, 2010 is set as the merger balance sheet date of the absorbed company.

4. The financial statements of the Company are not included in the consolidated financial statements of any other company.

5. There are no litigation matters which may have material impact on the financial position of the Group and the Company. The amount of provisions for any litigation matters on December 31, 2010 amounts up to € 22.193 for the Group and € 18.321 for the Company. The provisions for tax unaudited FYs on December 31, 2010 amount up to € 8.922 for the Group and € 5.257 for the Company. The Group and the Company have made no other

6. On May 6, 2010, the Greek Government enacted the 'Extraordinary Social Contribution Tax' (Law Nr 3845/2010). According to article 5, the extraordinary contribution, was applied retrospectively on net income for the fiscal year ended December 31, 2009. The amount of such tax applicable to 2009 is € 8.524 and € 6.868 and these amounts are recorded as current tax expense in the income statement of the Group and the Company respectively.

7. The number of employees at the end of current year for the Group and the Company is 1.717 and 741 respectively and for the year ended on December 31, 2009 was 2.994 and 1.364 for the Group and the Company respectively.

8. The accumulated amounts of the transactions and balances on December 31, 2010 between the Company and the associated companies as defined in IAS 24,are as follows:

	GROUP	COMPANY
a) Income	0	80.417
b) Expenses	0	6.678
c) Receivables	0	65.674
d) Liabilities	0	12.674
e) Rewards to Managers and Members of the Board of Directors	2.007	2.007
f) Receivables from Managers and Members of the Board of Directors	0	0
g) Liabilities to Managers and Members of the Board of Directors	55	55

9. In the consolidated financial statements for year ended December 31, 2009 the following companies are not consolidated to the Group: GEROLYMATOS INC and HSP UNIPESSOAL LDA. In the consolidated financial statements for the year ended December 31, 2010 GEROLYMATOS INC and HSP UNIPESSOAL LDA are fully consolidated to the Group for the first time since their acquisition and establishment date respectively. In addition GENESIS ILAC SA, which was consolidated on December 31, 2009 using the equity method, is consolidated to the Group via proportional method. It is noted that within 2010 was concluded the owners' agreement for joint control of GENESIS ILAC SA. In the consolidated financial statements for year ended December 31, 2010 the following companies are not consolidated to the Group: GLIKEIA IGEIA SA, GLIKEIA GEFSI SA, PROIONTA EBIK SA, CERTIFIED ORGANIC PRODUCTS LTD, THERAPEFTIKI SA, EBIK SA, LYD SA, DALL SA, DILACO LTD and SCALONITA LTD which were disposed during the previous year, and the statement of financial position of GEROLYMATOS PRESTIGE SPA S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA,SHISEIDO HELLAS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA, ALMEDIA PHARMACEUTICALS SA, KTINIATRIKI – PROMITHEUTIKI SA which were disposed on June 2010 .

10. On June 10, 2010 the Company implementing its strategy to focus on its core business segment and consequently to strengthen its competitive position in the Pharmaceutical sector, proceeded in the disposal of its non-Human Health activities, namely in Cosmetics and Liquid Detergents, Animal Health and Medical Devices sector. Particularly, the Company proceeded in the disposal of the companies GEROLYMATOS PRESTIGE SPA S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA and KTINIATRIKI – PROMITHEUTIKI SA for a total consideration of €144.700.The profit from the disposal of the companies mentioned above amounted in €4.979 and €1.052 for the Group and the Company respectively.These segments are presented at the current financial statements as discontinued operation according to IFRS 5 and some of the amounts of the previous financial statements were reclassified in order to become comparable to those of the current year. It is noted that there is no significant influence on equity and the activity of the Group due to the disposal of the companies mentioned above.Further analysis is presented in notes 20 & 29 of the Annual Financial

ADDITIONAL DATA AND INFORMATION (continuation) (amounts in thousands €, except otherwise stated)

11. The amounts and the nature of other comprehensive income after tax are analyzed in the following table:

	GROUP		COMPANY	
Other comprehensive income / (expenses)	**1.1-31.12.2010**	**1.1-31.12.2009**	**1.1-31.12.2010**	**1.1-31.12.2009**
Currency translation differences	289	(153)	0	0
Issue of Share Capital Expenses	0	(28.013)	0	(28.013)
Disposal of treasury shares' rights	0	4.006	0	4.006
Other comprehensive income / (expenses) (after tax)	**289**	**(24.160)**	**0**	**(24.007)**

12. At the end of the current fiscal year, the Company performed an impairment test, in accordance with IAS 36 "Impairment of assets", on the Goodwill paid by the company during the acquisition of subsidiaries. This test resulted in a total impairment loss of € 840.543 (in goodwill and other assets of the Group and the Company), as the recoverable amount of the segment (value in use) fell behind the adjusted carrying amount of its goodwill and net assets. The impairment amount was significantly affected by the deterioration of financial conditions such as the discount rate, the market risk premium and the systemic risk premium, which derive from the global financial depression and its effect on the Greek economy. Further analysis is presented in notes 16, 17 & 21 of the Annual Financial Report.

13. The Ordinary General Shareholders meeting dated May 28,2010 approved the increase of the nominal value of each share from € 0,30 to € 2,40 and at the same time the reduction of the total number of existing shares from 1.961.200.440 to 245.150.055 common registered shares (reverse split), with a ratio of 1 new share in replacement of 8 existing shares. Pursuant to the above, the Company's share capital amounts to € 588.360, divided into 245.150.055 shares of nominal value € 2,40 per share. On July 7, 2010 was the first floating date for the new shares with the new nominal value at the Athens Stock Exchange.

14. The Company has proceeded in the purchase of totally 71.578.743 treasury shares of € 91.610 value and of €1,28 per share average cost (included commissions and expenses). On December 31, 2010 after the increase of the nominal value of each share the reduction of the total number of existing shares (reverse split), the Company held 8.947.342 treasury shares. The company, during the current year and until March 29, 2011 approval date of the financial statements, did not operate any transaction regarding treasury shares.

15. The weighted average number of shares in circulation regarding all the years presented, was restated in relation to the financial statements initially reported, in order for earnings per share to become comparable to those of the current year.

16. The company, in order to strengthen its capital structure, improve the financial flexibility and adjust its position in the macroeconomic environment of the country, has invited on April 4, 2011 in Extraordinary General Meeting (EGM) its Shareholders to approve, among other matters the increase in share capital of the Company in order to raise an amount of approximately € 98 mil. and to authorize the Board of Directors to issue convertible bond loans up to € 300 mil. on a non pre-emptive basis under the terms and conditions which will be approved by EGM. The Company's management believes that the successful completion of the share capital increase and the potential issuing of convertible bond loans will allow the Company to implement its long term business strategy. Besides all the aforementioned, there are no events after the end of the reporting period regarding the Group and the Company that must be disclosed according to the IFRSs.