ATHENS MEDICAL CENTER S.A.

ANNUAL FINANCIAL REPORT

(1 January – 31 December 2010)

According to L. 3556/2007 article 4

ATHENS MEDICAL CENTER S.A.
Reg. no. 13782/06/B/86/06
Distomou 5-7 Maroussi

CONTENTS OF ANNUAL FINANCIAL REPORT
(According to L. 3556/2007 article 4 and the relevant decisions of the Capital Market's Board of Directors Commission)

STATEMENTS OF MEMBERS OF THE BOARD
(IN ACCORDANCE WITH ARTICLE 4 PAR. 2 OF LAW. 3556/2007)

The members of the Board of Directors of «ATHENS MEDICAL CENTER S.A.» a) George V. Apostolopoulos, President of the B.O.D. b) Vassilios G. Apostolopoulos, CEO and c) Christos G. Apostolopoulos, Vice President, declare that as far as we know:

a. The annual Financial Statements for year 2010 of parent company and group, which were drawn up in accordance with prevailing Accounting Standards, reflect in a true manner the assets and liabilities, equity and results of «ATHENS MEDICAL CENTER S.A.», as well as of the companies included in the consolidation, taken as a whole, and

b. The annual report of the Board of Directors, presents fairly the development, the performance and the position of «ATHENS MEDICAL CENTER S.A.» as well as of the companies included in the consolidation, taken as a whole, including the description of the main risks and uncertainties encountered.

Maroussi 30/3/2011

THE PRESIDENT OF THE B.O.D.	THE CEO	THE VICE PRESIDENT
G.V. APOSTOLOPOULOS	V.G.APOSTOLOPOULOS	H.G. APOSTOLOPOULOS
ID Σ 100951	ID Ξ 350622	ID P 519481

BOARD OF DIRECTORS MANAGEMENT REPORT
OF ATHENS MEDICAL CENTER SA
FOR THE YEAR 1.1.2010– 31.12.2010
TO THE
ANNUAL SHAREHOLDERS' GENERAL ASSEMBLY

Dear Shareholders,

We are honoured to submit to you for approval the financial statements of the Company and the Group, according to the International Financial Reporting Standards for the year 1.1.2010 to 31.12.2010. We kindly ask you to approve them and release the BoD and the auditors of any responsibility to provide compensation for the above year. The financial statements consist of the Balance Sheet, the Profit & Loss Account, the Cash Flow statement and the Statement of Changes in Equity, as well as the notes to the financial statements.

Athens Medical Group since the beginning of its operations has been engaged in the provision of integrated, high quality primary and secondary health care services. The current financial crisis and the macroeconomic imbalance of the Greek economy create an unstable environment, affecting negatively all sectors of the economy.

The financial year 2010 has been challenging for the private health care sector. The undergoing financial crisis and the continuous adaptation of strict economic measures that led in further reduction of the disposable income have an additional effect on demand.

The financial crisis has not left unaffected the insurance market, a basic client of private health care institutions, resulting in continuous efforts for redefining existing cooperations.

Additionally, policy reforms in health care, mainly in the public sector aiming in cost containment of public expenditure, have created a new environment, affecting considerably the private health care market, especially in clinics with a client base mainly originating from Public Funds, which face sever operational and financial problems.

Moreover, new pricing policies of implant materials and the imposition of VAT (11%) on health services from 01/07/2010, have affected the company's revenue.

Finally, the considerable delays in the compensation from Public Funds, especially in the case of Interbalkan Medical Center, have created additional problems in our cash flow liquidity.

The management of AMC Group, acknowledged the above mentioned difficulties and challenges and revised its strategy, in order to preserve the company's competitive advantage in the health care market.

Amongst others, there has been a coordinated effort on behalf of the Group's Clinics for cost containment, preserving at the same time the quality of services. This was achieved through the improvement of operating efficiency of clinical departments and the introduction of new integrated services. We must note that during 2010, we have introduced reductions in the fees of the Members of the Board of Directors, as well as the salaries of our Management staff.

At the same time, we have reinforced our strategy in order to expend existing partnerships with insurance companies, as well as attracting new ones. Additionally, we have continued our efforts to increase the company's revenues through the expansion of our network of cooperating doctors, as well as the attraction of new private companies and the development of innovative products.

The operation of Gaia Maternity Clinic in cooperation with Henry Dunant hospital was developed strongly in 2010, attracting leading obstetricians and providing high quality innovative services and now Gaia holds an important market share.

The combination of the above mentioned factors has caused a shortfall in the financial results, which are analysed below:

1. FINANCIAL RESULTS

At company level, turnover decreased by 21.11% and reached € 220.4 million. This decrease in revenue was mainly due to the reduction of inpatient revenue by 22.74%, while revenue from outpatients also decreased by 9.98%. However, it is important to notice that the decrease in revenues is mainly the result of the changes in the pricing policy of implant materials and pharmaceuticals, as well as the new legal requirements for prescribing drugs. The decrease in revenues from implants was 38.25%, from pharmaceuticals 31.32% and from other health services 12.19%.

Earnings before interest, taxed, depreciation and amortization (EBITDA) decreased by 59.17% and reached €12.24 million and after tax losses reached € 6.2 million. An additional negative effect on EBITDA was caused by the formation of provision for bad debt, mainly from ASPIS, whose licence has been revoked according to the decision of the Private Insurance Supervisory Committee 156/2, 21/09/2009 (Gazette No. 11292/21-09-2009), pursuant Law 3867/2010.

At consolidated level, turnover decreased by 18.59% against the previous year, reaching € 233.4 million. EBITDA reached € 7.2 million. Finally, losses after taxes and minorities' rights decreased reached € 13.4 million.

2. STATISTICS

During the period 01.01.2010 to 31.12.2010, at a Company level 50.165 patients were admitted, against 55.691 patients during the previous year. Inpatients decreased by 9.92% compared to 2009, whereas outpatients increased by 4.27%.

Assets – Equity and Liabilities

Total assets – equity and liabilities on 31.12.2010 reached € 502.7 million at Company level and € 490.6 million at consolidated level.

Tangible and Intangible assets

Tangible and intangible assets for the year 2010 at Company and Consolidated level were as follows:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Year	Company (figures in million €)	Group (figures in million €)
Acquisition Value	340.1	378.9
Depreciation	(95.6)	(100.5)
Balance	244.5	278.4

Investments for the year 2010

The Company realized significant investments in buildings, machinery and hospital equipment amounting to € 5.63 million. On a consolidated basis, investment reached € 7.8 million.

Cash and cash-equivalent

Cash and cash-equivalent consists of cash as at 31.12.2010 plus deposits with banks as at 31.12.2010. Analysis is as follows:

	Company (figures in million €)	Group (figures in million €)
Cash and cheques receivable	0.36	0.40
Sight and time deposits	16.5	18.4
TOTAL	16.81	18.8

Borrowing

The Company's borrowing amounted to € 173 million refers mainly to a common Bond Loan totaling to € 147 million issued on May 2007. The loan has duration of 8 years and expires on July 2015 and the Company has an option to extend it for two years. It is being serviced normally. The Company's borrowing includes short term bank loans amounting to €18.5million, except the common bond loan which is reported as long term liabilities payable in the next year, finance leases of €3.9million and factoring amounting to €4.3 million. Borrowing at the Company and at a consolidated level is presented in the Notes to the Financial Statements.

Profitability and Capital Adequacy Ratios

Profitability and Capital Adequacy of the Company and the Group are evaluated with the use of ratios.

More specifically, profitability of the Company and the Group is captured by the ratio of Return on Equity, as follows:

	Group	Company
Profit after Taxes & Minority rights / average Equity	-8.19%	-3.52%

Capital structure and capital adequacy of the Company and the Group are captured by the Debt Ratio and the Current ratio, as follows:

	Group	Company
Equity / Debt	47.10%	52.56%
Current Assets / Current Liabilities	69,71%	72.31%

3. RISK MANAGEMENT

The Group's main financial instruments, except the derivatives, are cash and cash equivalents, bank deposits (sight and time), trade accounts receivable, prepayments and other receivables and accounts payable and bank loans (borrowings). Management periodically evaluates and revises the policies and procedures that relate to management of financial risk.

a) Market risk

- **Foreign exchange risk (FX risk)**

The Group holds participations (business operations) in Romania, whose net assets are exposed to FX risk. This kind of FX risk derives from the exchange rate RON / € and it is not hedged as there is no substantial exposure.

(ii) Price risk

The Group is not exposed to securities price risk as it has no limited investments in entities and that are classified in the consolidated balance sheet as financial assets at fair value through income statement.

(iii) Cash flow and fair value interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Depending on the levels of net debt, any change in the base interest rates (**EURIBOR**), has a proportionate impact on the Group's results.

In order to limit the impact of the above mentioned interest rate risk beginning year 2008, the Group entered into structured products for interest risk hedging purposes.
The impact of these tools on financial expense has the reverse direction from that of the interest rate (EURIBOR), so that over time the total variability in the cost of the debt service of the company decreases.

Policy of the Company is to reduce the variability of the financial expense for long-term loans subject to a variable rate.

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and realised transactions. Maximum exposure to credit risk is reflected by the balance of each asset, including derivative financial products. Risk control department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Trade debtors credit limits are set based on internal ratings in accordance with limits set by management.

The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is considered to be limited. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of individual customers.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Regarding prepayments and other receivables as well as cash and cash equivalents credit risk is considered of no significance.

About derivative financial products, the Group monitors its positions, the credit rating of its counterparties and the balance of the contracts outstanding with each one of them.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. Furthermore, the Group has entered into non recourse factoring agreements, aiming to support its working capital.

d) Capital management policies and procedures

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.

Capital is monitored on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less "Cash & cash equivalents". Total capital employed is calculated as "Total Equity" as shown in the consolidated Balance Sheet plus net debt.

	The Group		**The Company**	
(figures in € thousand)	**2010**	**2009**	**2010**	**2009**
Total Borrowing	177,817	163,644	173,379	158,531
Less: Cash and cash equivalents	18,747	28,980	16,814	16,737
Net Debt	**159,070**	**134,664**	**156,565**	**141,794**
Total Equity	157,069	170,644	173,186	179,399
Total	**316,139**	**305,308**	**329,751**	**321,193**
Gearing ratio	**50.32%**	**44.11%**	**47.48%**	**44.15%**

e) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on market conditions existing at each balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values.

Fair values of derivatives are based on marked-to-market valuation. For all derivatives, fair values are confirmed by the credit institutions with which the Group has the relevant contracts.

4. TRANSACTIONS WITH RELATED PARTIES

One party related to the Company with noteworthy transactions within the mentioned period, is IATRIKI TECHNIKI S.A. and is owned 100% by the Company. Its main activity is the trade of Medical and Surgical Tools and all kinds of Sanitary Material and supplies all of the Company's Hospitals.

During 2010, the Company conducted purchases of € 21.35 million from IATRIKI TECHNIKI, and its liabilities towards it amount to € 39.07 million.

Another related party with noteworthy transactions is Eurosite S.A., owned 100% by the Company. Eurosite S.A. will effect the utilization of the real estate of the Company in Paiania, Attica, where it is intended to develop hospital units. The Company has claims of € 3.6 million against Eurosite S.A., of which € 1.548 million was given against future share capital increase.

Finally, the Company's receivables include 10.5 million € from GAIA S.A., of which €10.3 million were for the future increase of the company's share capital.

Also related in the sense of IAS 24 with the Company is the insurance company La Vie Assurance, which has with the Company a contract for provision of medical services to its policyholders. The Company in 2010 had revenues of € 1.6 million from La Vie Assurance, and its receivables on 31.12.2010 amounted to € 2.15 million.

5. EVENTS AFTER THE END OF 2010

In the beginning of 2011, a new partnership for the management of the Dialysis Unit in Dafni Clinic was established.

Athens Medical Group submitted an offer for the acquisition of the Henry Dunant hospital, in an effort to expand its activities. The conclusion of the acquisition is expected to take place within the 1st semester of 2011.

Regarding the common Bond Loan, which is reported as long term liabilities payable in the next year, Management in cooperation with borrowing Banks is in the process of renegotiation of its terms.

6. COMPANY PROSPECTS

According to our expectations FY 2011 will be a more challenging year with the Greek economy showing signs of recession, with low levels of development. This unstable environment and the forthcoming policy reforms in the health care sector, both public and private, will influence the market.

The Company is determined to undertake important business initiatives in order to preserve its role as a market leader, promoting at the same time the long term interests of its shareholders, always being committed in the provision of high quality health care services and the operation of its divisions on the principles of corporate governance.

The Company's strategy for year 2011 will include the following:

- ✓ Increase of revenues through the development of new clinical departments, the provision of innovative services and the change in the case mix.
- ✓ Increase of the patient inflow, through the cooperation with new insurance companies and the attraction of new clients.
- ✓ Changes in the pricing policy, where required, in order to preserve our competitive advantage resulting from the relation between price and quality.
- ✓ Extension of our network of cooperating doctors.
- ✓ Business planning for each unit, in order to take highlight their strengths and weaknesses.

Combined with the above, we expect important benefits from the actions undertaken in 2010 that aimed at containing costs. If necessary, the Company is determined to implement new action plans within 2011.

Additionally, as already mentioned important policy reforms are expected, including the merger of Public Funds, additional changes in the pricing of implant materials and pharmaceuticals, introduction of medical protocols etc. The effects of these changes cannot be predicted. These changes are closely monitored by AMC.

Another important issue is the effect of Gaia Maternity Clinic on the Group's consolidated financial results. As already mentioned, the company has submitted an offer for the acquisition of Henry Dunant Hospital, within which Gaia operates. The procedure is in full progress and in the case of a positive outcome the market of private healthcare services will be significantly altered. The full exploitation of Gaia's capacity will also reinforce the financial results of 2011.

Finally, our main target is the preservation of cash flow liquidity, bearing in mind the significant delays in the payments by Social Insurance Funds and the funding restrictions from financial institutions.

CORPORATE GOVERNMENT DECLARATION

(this Declaration has been compiled according to article 43a, paragraph 3, section d of C.L. 2190/1920, as is valid today after the modification of Law 3873/2010 and is part of the management report of the Board of Directors)

Introduction

Corporate Governance describes a system of guidelines upon which the Company operates and establishes a structure that enhances its transparency towards the investment public, acknowledges and respects the rights of the stakeholders, promotes the interests of its shareholders and allows them to take an active role in its management. It also establishes a framework within which corporate goals are set, major risks are detected, the means for achieving corporate goals are specified, the risk management system is organized and management effectiveness is being monitored.

1. Corporate Governance Code

Disclosure of willing compliance of the Company with the Code of Corporate Governance

The principles of Corporate Governance and the procedures that follow are based on the C.L. 2190/1920, the existing legal framework concerning companies that are listed in the stock market, other principles and decisions of the Athens Stock Exchange, rules of the Hellenic Capital Market Commission and other bodies, but also include voluntary commitments on behalf of the Company that aim at preserving its credibility.

Our company complies fully with the above mentioned legal requirements, which comprise the minimum content of any Code of Corporate Governance. At this point and in ored to comply with the obligations of the Law 3873/2010, our Company declares that we adopt the Code of Corporate Governance issued by the Hellenic Federation of Enterprises (SEV), which is accessible to the public through the website of SEV http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf

Corporate Governance describes a system of guidelines upon which the Company operates and establishes a structure that enhances its transparency towards the investment public, acknowledges and respects the rights of the stakeholders, promotes the interests of its shareholders and allows them to take an active role in its management. It also establishes a framework within which corporate goals are set, major risks are detected, the means for achieving corporate goals are specified, the risk management system is organized and management effectiveness is being monitored.

Deviations from the Code of Governance and justification of the cases of non - compliance

Our Company declares that it conforms to all the obligations of the Greek legal framework (C.L. 2190/1920, L. 3016/2002 and L. 3693/2008). These minimum obligations are embodied in the Code of Corporate Governance of SEV, in which the company voluntary complies. Currently, some deviations exist, especially concerning the specific provisions (additional to the general provisions). These deviations are as follows:

Role and Authority of the BoD

- ✓ The BoD has not created a separate committee, which manages the procedure for applying candidates for the election of the BoD and prepares proposals for election in the BoD concerning the compensation of the members of the BoD given that the policy concerning these compensations is stable and formed.

Size and compensation of the BoD

- ✓ The BoD does not comprise of seven (7) to fifteen (15) members, as the size and the organization of the company do not account for such a numerous BoD.

Role and characteristics of the President of the BoD.

- ✓ The BoD does not appoint an independent Vice President coming from its independent members, but an executive Vice President, as his contribution to the exercise of the executive duties of the President is considered of relative importance.

Duties and Conduct of the members of the BoD.

- ✓ The BoD has not adopted as part of its internal rules, policies to encounter conflict of interests between its members and the Company, since these policies have not been formulated yet.

- ✓ There is no obligation of analytical disclosure of any professional bounds of the BoD before their appointment as members of the BoD

Nominations of candidates for the BoD

- ✓ The maximum service of the members of the BoD is not four years, but longer (six years), so that there is no need for the election of a new BoD in shorter periods, which would mean additional formalities (as for the representation in the presence of third parties etc.)

- ✓ There is no committee for nominating candidate for the BoD, as due to the size and structure of the Company, the existence of this committee is not necessary, at this point.

Operation of the BoD

- ✓ There is no specific set of rules for the organization of the BoD, as the existing articles of the Association are considered to be adequate.

- ✓ The BoD at the beginning of every calendar year does not adopt any calendar of meetings and and 12month action plan, since all its members are able to reach the site of the Company. Amd the convocation of the BoD is possible when the needs of the Company or the Law render it necessary.

- ✓ There is no provision for the support of the BoD by a competent, specialized and experience administrative secretary, since the existing technological infrastructure allows the accurate recording to the BoD concvocations

- ✓ There is no obligation for the President and the non executive members of the BoD to convene on a regular basis, since all the issues are open for discussion in the presence of all the members of the BoD

- ✓ There is no provision for the existence of introductory programs for the new members of the BoD or their constant education since the members that are nominated have adequate experience and managerial skills.
- ✓ There is no provision for granting additional resources to the committees of the BoD for the fulfillment of their duties and for the hiring of external advisors, as such resources are approved by the Company according to existing needs.

Evaluation of the BoD

- ✓ There is no institutional procedure in order to assess the effectiveness of the BoD and the committees, or the President of the BoD during the procedure in which the independent vice president directs. This procedure is not considered necessary based on the organizational structure of the Company.

Internal Control System

- ✓ The audit committee does not convene more than three (3) times per year

- ✓ There is no specific rule for the operation of the audit committee, as the basic obligations and authorities are adequately described in the existing legal framework.

- ✓ No specific funds are granted for the use of external consultants, as the composition fot he audit committee and its specialised knowledge and experience, ensure its efficient operation

Level and structure of compensations

- ✓ there is no committee, comprising exclusively of non executive members of the BoD, independent in their majority, which aims at the compensation of the executive and non executive members of the BoDand thus there are no rules for the frequency of its convocations and other issues concerning its operation. The creation of such a committee has not been deemed necessary.

- ✓ The compensation of every executive and non executive member of the BoD is not approved by the compensation committee as such a committee does not exist.

2. Reference to the corporate governance practices beyond the requirements of the Law

The company states that it conforms to all the legal obligations (L.C. 2190/1920, L. 3016/2002 and L. 3693/2008), which present the minimum obligations embodied in the Code of Corporate Governance of SEV, but it also contains additional provisions (over and above the minimum obligations). Currently there are no deviations from the existing legal requirements.

3. Description of the main characteristics of the Company's Internal Control and Risk Management systems with respect to financial reporting.

- **Audit Committee**

According to L. 3693/2008 and the existing Internal Regulation System, the Company has created an Audit Committee. The Committee's main goal is the support of the Board of Directors in performing its duties, concerning the financial reporting methods, internal audit and the supervision of auditing procedures.

Without undermining or reducing the obligations of the management team, as set by the General Assembly, the responsibilities of the Audit Committee include the following:

- ✓Supervision of the financial reporting system,
- ✓Monitoring the proper and effective implementation of the internal audit system and the risk management system, as well as the supervision of the Company's Internal Audit Department,
- ✓Supervising the obligatory audit of the Company's and Group's financial statements ,
- ✓Monitoring issues relating to the retention of the auditors' independence and objectivity.

In general, the Audit Committee attests the legality, effectiveness and independence of the internal and external audits and preserves the communication between the auditors and the members of the Board of Directors. The Committee operates on behalf of the Company's shareholders and investors towards whom the Committee is responsible.

- **Internal Audit Department**

Internal audit is an independent and objective, confirmatory and consulting activity, designed to add value and improve the processes of the Company. It helps the Company achieve its targets by offering a systematic and structured approach to the evaluation and performs improvement of the efficiency of the control systems, risk management and corporate governance.

The operation of an Internal Audit Department is mandatory for the companies listed in the stock market. Internal audit is performed by a specific company department.

The internal auditors are independent, they do not fall under any organisational hierarchy and are supervised by 1 to 3 non executive members of the BoD.

The internal auditors are appointed by the BoD and are full time employees. Members of the BoD, the Company's management team, or their relatives, are excluded from the position of the internal auditor. The Company informs the Hellenic Capital Market Committee for any changes of the internal auditors or the organization of the Internal Audit department, within ten (10) working days from the time this changes occur.

While performing their duties, the internal auditors have unlimited access to all the necessary books, files, bank accounts and portfolios of the company, as well all of the Company's departments. The members of the BoD are obligated to cooperate and provide all the necessary information and generally facilitate the internal audit. The Company is obligated to provide the internal auditor with all means necessary in order to support them while performing their duties.

- **Responsibilities of the Internal Auditors**

The Internal Audit Department is responsible for the operation of a contemporary and effective auditing mechanism and for its continuous evaluation.

Within this framework, the Internal Auditors have the following responsibilities, which they need to undertake in an objective, independent and confidential way:

1) Supervises the implementation of the Internal Operational Regulation, the articles of Association of the Company and the legislation related to the operation of the Company and generally the obligations that stem from the existing legal framework
2) Reports to the BoD any case of conflict with its members' private interests, or with upper management's private interests, that comes to its attention.
3) Submits to the BoD a written report, at least once per quarter, concerning the ongoing audits and is present in the General Assembly Meetings.
4) Provides, upon the approval of the BoD, any information required by the supervising authorities, and assists them in order to facilitate their supervisional role.

- **Risk management system for the preparation of the Financial Statements**

The Parent Company who has the responsibility for preparing the Financial Statements, both consolidated and stand-alone, uses specific accounting software, in order to secure the accuracy of the figures depicted therein.

The consolidated companies have adopted the same accounting standards and the consolidated statements include their financial statements as approved by their governing bodies.

Finally, in regular intervals throughout the financial year variations of the financial figures and deviations from budget and last year figures of the parent company and its subsidiaries are monitored, in order to be adequately explained.

4. Information required by Article 10, par. 1, under c), d), f), h) and i) of the Directive 2004/25/EC of the European Parliament and Council on April 21st 2004, concerning public bids.

The information required by Article 10(1) of the European Parliament and Council Directive 2004/25/EC, is contained, pursuant to Article 4(7) of Law 3556/2007, in the Supplementary and Explanatory Report of the BoD.

5. General Assembly

- **Competencies of the General Assembly**

The General Assembly is the Company's supreme body and is entitled to decide on all corporate affairs. Its decisions bind the shareholders that are absent or disagree.

The general Assembly is the sole body competent to decide upon:

- ✓ Extension of the effective term or merger or split of the Company.
- ✓ Amendments of the articles if Association.
- ✓ Increases or reductions in the share capital, with the exception of those duly mentioned in the Articles of Association.
- ✓ Issue of bond loans and corporate bonds pursuant the articles 3a, 3b, 3c of L.C. 2190/1920, as valid.
- ✓ Election of members of the Board, apart from cases duly mentioned in the Articles of Association.
- ✓ Election of auditors.
- ✓ Election of liquidators.
- ✓ Approval of the annual Financial Statements.

- ✓ **Convening the General Assembly**

The General Assembly of shareholders, when convened by the Board of Directors, shall meet regularly at the company's registered seat or in the region of another municipality within the prefecture of the seat once a year, always in the first semester after closure of each financial year. The Board of Directors may convene extraordinary General Assemblies as often is it considered necessary.

General Assemblies, except repeat and other similar assemblies, must be noticed at least twenty (20) calendar days prior to the assembly date. It is noted that the date of the publication of the notice and the day on which the General Assembly is held, are not counted.

- **Notice to the General Assembly – Agenda**

The notice to shareholders for the General Assembly shall state the date, time and venue of the assembly and the items on the agenda clearly, shall be posted in a visible location at the Company's offices and is published pursuant current legal obligations.

Ten (10) days before each General Assembly every shareholder may obtain the annual financial statements and accompanying reports of the BoD and the external auditors.

- **Representation**

The shareholders who wish to participate in the General Assembly are required to submit to the Company written certification from the registry of Dematerialised Securities System, according to article 51 of L.2396/1996 or alternatively any other equivalent certification according to par. 4 of article 28a of C.L. 2190/1920. The shareholder's identity must exist on the beginning of the 5th day before the General Assembly meeting (record date) and the relevant written certification must reach the Company at least three (3) days prior to the G.A. meeting. In the repeating Genaral Assembly meeting all shareholders covering the same requirements can participate. The shareholder's identity must exist on the beginning of the 4th day prior to the new Assembly Meeting (Record Date of Repeat General Assemblies) and the relevant certification written or in electronic form must reach the Company, at the latest on the 3rd day before the repeat General Assembly date.

Shareholders who are entitled to participate in the General Assembly may be represented by a legally authorized proxy.

In respect with the Company, right to participate in the General Assembly meeting have only the people who carry the shareholder identity on the relevant record date. The shareholders that do not comply with the provisions may participate in the General Assembly only upon a relevant license of the members that attend the General Assembly.

- **List of Shareholders entitled to vote**

The list of shareholders entitled to vote at the General Assembly, shall be posted in a visible location at the Company's offices forty eight (48) hours prior to the General Assembly. This list must contain all the relevant information required by the Law, such as existing proxies, addresses of the shareholders or their proxies.

From the date of the publication of the invitation to the general Assembly, until the date of the Assembly, the Company is required to publish on its website, at least the following information:

i. The invitation to the General Assembly,
ii. The total number of shares and vote rights on the date of the invitation, including different subtotals of shares, if the company's share capital is divided in various types of shares,
iii. The documents to be submitted at the General Assembly,\
iv. Draft for every decision on the topics to be discussed, or if no decision has been submitted for approval, the comments of the BoD for every matter to be discussed and if available any decision drafts concerning issues to be proposed by the shareholders.

If for technical reasons, access to the above mentioned data is limited, the Company must mention on its website the methods of acquiring the relevant documents and send them to every shareholder upon request.

- **Regular Quorum**

The General Assembly shall be considered to have a quorum when at least twenty percent (20%) of the paid-up share capital is represented therein.

If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held within twenty (20) days from the initial date. The invitation must be sent at least ten (10) days, before the meeting. The General Assembly shall be considered to have a quorum and convene legally on the items of the initial agenda, irrespective of the percentage of paid-up share capital that is represented.

Decisions in the General Assembly shall be made with an absolute majority of the votes represented at the assembly.

- **Extraordinary quorum and General Assembly majority**

In exceptional circumstances, the General Assembly shall be considered to have a quorum and convene legally on the items on the agenda when two thirds (2/3) of the paid-up share capital are attending or represented therein, regarding decisions that belong to the exceptional competency of the General Assembly and which are mentioned below:

- ✓ Extension of the effective term or merger, split, conversion, revival or dissolution of the Company.
- ✓ Change in the nationality of the company
- ✓ Change in the business scope
- ✓ Amendments of the articles if Association.
- ✓ Increases or reductions in the share capital, with the exception of those duly mentioned in the Articles of Association.
- ✓ Issue of bond loans and corporate bonds pursuant the articles 3a, 3b, 3c of L.C. 2190/1920, as valid.
- ✓ Change in the distribution of profits
- ✓ Increase of the shareholders' obligations
- ✓ Every other situation that according to the Law for the General Assembly's decision, the above mentioned quorum is required.

If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held within twenty (20) days from the initial date. The invitation must be sent at least ten (10) days, before the meeting. The General Assembly shall be considered to have a quorum and convene legally on the items of the initial agenda, when at least ½ of the share capital is represented.

If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held within twenty (20) days from the initial date. The invitation must be sent at least ten (10) days, before the meeting. The General Assembly shall be considered to have a quorum and convene legally on the items of the initial agenda, when at least 1/5 of the share capital is represented. A new invitation is not required if in the initial invitation the place and the time of the repeat meetings, according to the existing legal requirements, is mentioned and if there are at least ten (10) days between each cancelled meeting.

The decisions of the general Assembly are taken by a majority of 2/3 of the represented votes.

- **Chairman - Secretary of the General Assembly**

The General Assembly is chaired by the interim Chairman, or if unavailable, his deputy. Secretarial duties are reformed by the person temporarily set by the by the Chairman. Once the list of shareholders entitled to vote is approved, the Assembly proceeds to elect the President and a Secretary to perform the vote collection

- **Topics discussed - Minutes of the General Assembly**

The discussions and decisions of the General Assembly are limited to matters appearing on the agenda. For the issues discussed and decided in the Assembly Minutes shall be signed by the President and Secretary. The copies and extracts certified by the Chairman of the Board or his deputy. It is the responsibility of the BoD to publish on the Company's website the results of the votes, mentioning for every decision the number of valid votes, as well as the number of negative votes and the number of abstinence, within five (5) days the latest from the day of the General Assembly meeting,

- **Discharge of the Members of the Board and Auditors**

Following the approval of the Annual Financial Statements, the General Assembly applying a special vote being carried by roll call decides upon discharge of the Board of Directors and Auditors from any liability for damages.

On the vote for the discharge of the BoD , all its members are allowed to participate with their own shares, or representing another shareholder, if they act as a legal proxy. The same holds for the Company's employees.

The discharge of the Board is powerless in cases of Article 22 of Law 2190/1920

- **Shareholders Rights**

Shareholders exercise their rights with regard to the Management of the Company only through their participation in the General Meeting.

In any Share Capital increase not affected by in the contribution or issuance of convertible bonds, a Preference Right is provided upon the entire new Issue in favour of existing shareholders at the time of the issuance and proportionate to their share holding.

After the expiry of the time period set for the exercise of the preference right, which may not be smaller than one month, shares not bought, according to the above, are disposed by the Board of Directors according to its unconstrained will.

The Invitation for the Exercise of the Preference Right, which must also mention the period in which the right should be exercised, is published in the relevant Issue of the Government Gazette. Notwithstanding paragraphs 6 and 7 of article 13 (Law 2190/1920), the Preference Right may either be limited or waived by resolution of the General Meeting.

As an exception, if all Company's shares are bearer, the invitation for the Preference right exercise may be effected by registered mail to shareholders.

Any Shareholder wherever located, as regards his relation to the Company, is subject to the Greek Laws and is considered to have as residence the Company's Headquarters.

- **Minority Interests**

The rights of minority shareholders, as defined by the CL 2190/1920 and subsequent amendments and as provided for in Articles of Association are as follows:

1. Upon request of shareholders representing one twentieth (1 / 20) of the issued share capital the Board is obliged to call an Extraordinary General Assembly meeting specifying a meeting day, that is not more than forty-five (45) days from the date the notice is a request to the President of the Board. The request must specify the exact item of the agenda. If the BoD does not convene a General Assembly within twenty (20) days from the relevant application, convocation shall be carried out by the applicant shareholders at the company's expense, by decision of the court of first instance of the Company's seat, issued during the provisions measures session. The decision shall specify the venue and the date of the meeting.

2. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the chairman of the General Assembly shall be obliged to postpone decisionmaking in an ordinary or extraordinary General Assembly for once, for all or specific items on the agenda, and shall determine, as the date of continuation of the meeting for decision-making, the date determined in the shareholders' request, which shall be within thirty (30) days of the postponement date. The repeat meeting is considered a continuation of the postponed meeting and does not require th repetition of the invitation publication. In that meeting, new shareholders may participate pursuant the requirements of art. 27, par. 2 and art. 28 and 28a of C.L. 2190/1920.

3. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall include additional items on the agenda of the general assembly convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the general assembly. The application for the inclusion of additional items on the agenda is accompanied by a justification or by a draft decision for approval by the general assembly and the reviewed agenda is published in the same manner as the last agenda, thirteen (13) days prior to the date of the general assembly and at the same time it is made available to the shareholders on the webpage of the company, along with the justification or the draft decision that has been submitted by the shareholders, pursuant art. 27 par. 3 of C.L 2190/1920.

   (a) Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders, at least six (6) days prior to the date of the General Assembly, draft decisions for items that have been included in the initial or the reviewed agenda, if the relevant request comes to the Board of Directors at least seven (7) days prior to the date of the General Assembly.

   (b) The Board of Directors is not obliged to proceed to the entry of items on the agenda or their publication or notification along with a justification and draft decisions submitted by the shareholders according to the aforementioned paragraphs 2 and 2a respectively, if their content is obviously opposed to the law and the moral ethics.

4. Following a request from any shareholder submitted to the company five (5) full days prior to the General assembly, the Board of Directors shall provide the General Assembly with information on corporate matters as requested, to the extent that such information is useful for the real assessment of the items on the agenda. The Board of Directors may uniformly reply to requests of shareholders with the same content. No obligation for the provision of information exists, when the relevant information is already available on the webpage of the Company, particularly in the form of questions and answers. Furthermore, following a request from shareholders representing one twentieth (1/20) of the paidup share capital, the Board of Directors shall be obliged to disclose to the General Assembly of shareholders, provided that it is regular, all amounts paid by company in the last two

years to each member of the Board of Directors or the managers of the company, as well as any other benefit extended to these parties for any reason or any other contract made between them and the company. In all the above cases, the Board of Directors may refuse to provide such information on serious, reasonable grounds, which shall be recorded in the minutes.

5. Following a request from shareholders representing one fifth (1/5) of the paid-up share capital, submitted to the company within the deadline of the previous paragraph, the Board of Directors shall provide the General Assembly with information about the progress of corporate matters and the company's assets. In all the above cases, the Board of Directors may refuse to provide such information on serious, reasonable grounds, which shall be recorded in the minutes.

6. In the cases of par. 4 and 5, any dispute concerning the reasonable grounds of the denial of providing information, shall be resolved by the court of first instance of the Company's seat issued during the provisions measures session.

7. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, decision-making on any item on the agenda of the General Assembly may be implemented by nominal ballot.

8. In all of the above cases, the applicant shareholders shall prove that they are shareholders and the number of shares they hold when exercising the relevant right. Such a proof includes the submission of the certification from the holder of the shares.

9. Shareholders of the Company representing at least one twentieth (1/20) of the paid-up share capital may ask the competent court to perform an audit of the company if non compliance with the decisions of the General Assembly of the shareholders or breach of the law and the Articles of Association of the Company are ascertained. In every case, the audit request must be submitted within three (3) years from the approval of the Financial Statements of the year in question.

10. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital may ask the competent court to audit the company if the progress of company affairs gives rise to suspicions that the company is not being managed prudently. The Court may judge that participation in the BoD pursuant par. 3- 6 of art. 18 of C.L. 2190/1920 does not justify the audit.

11. Shareholders who exercise their right of paragraphs 9 and 10, must produce a certificate from the Central Securities Depository showing that the registered shares that entitle them to this right.

6. Board of Directors

- **Composition and mandate of the Board of Directors**

The Company is managed by the Board consisting of five (5) members, of which three (3) are executive and two (2) are independent non - executive. Executive members are those that deal with everyday issues of management of the Company, while and non – executive are in charge of the promotion of all corporate issues. The status of members as non-executive or executive is appointed by the Board of Directors

The Board members are elected by the General Meeting of shareholders of the Company for six year term and may be re-elected.
The Board of Directors has the following composition:

- Dr. George B Apostolopoulos– President of BOD, executive member
- Christos G. Apostolopoulos – Vice President of BOD, executive member
- Dr. Vassilis G. Apostolopoulos – CEO, Dr. Vassilis G. Apostolopoulos – CEO, executive member
- Jochen Guenter Paul Schmidt, member of BoD, non executive member
- Nicolaos Koritsas, member of BoD, non executive member

Short CV's and information on the members of Board of Directors are disclosed in the company's website: www.iatriko.gr

- **Power – Responsibilities of the Board of Directors**

According to Article 2 of Law 3016/2002 on Corporate Governance the primary concern of the Board of Directors is the pursuance of the growth of the long-term value of the Company and the defence of the general Company interest.

The members of the Board of Directors and any third person entrusted by the Board of Directors with responsibilities belonging to it are not allowed to pursue interests conflicting with those of the Company.

The members of the Board of Directors and any third person entrusted by the Board of Directors with responsibilities belonging to it are obliged to reveal to the other members of the Board of Directors their interests, as well as any conflict of these interests with those of the Company and Companies related to it in the sense of Article 42ε par. 5 of Law 2190/1920, that may arise during the exercise of their duties
Members of the Board of Directors are required to perform their duties with integrity, objectivity and professionalism and to devote sufficient time to perform those tasks.

Based on the Article of Association, the Board of Directors manages the Company's assets and represents it. It decides upon all issues regarding the Company within the framework of its scope, except those under the law or the applicable statute which are the sole responsibility of the General Assembly.

The Board of Director can only in writing, delegate the exercise of all powers and functions (except those that require collective action), as long as and the representing of the Company in one or more persons, members or not, while determining the scope of this award. However, the powers of the Board are subject to articles 10 and 23 of Law 2190/1920, as applicable.

Acts of the Board, even if they are outside its objects, bind the company towards third parties. Only in case it is proved that the third party knew of the excess of its objects or ought to know. The compliance with the formalities of disclosure in the company statutes or amendments does not comprise as proof alone. Restrictions on powers of Board of Directors from the Association of Articles or decisions of the General Assembly, not object to bona fide third parties, even if they have been subjected to disclosure.

Issues relating to any fees paid to executives of the Company, internal auditors and the overall wage policy of the Company, are adopted by the Board of Directors.

- **Establishment of Board of Directors**

After its election the Board of Directors is convened and elects the President and the Vice President. It can elect one or two Chief Executive Officers from its member only, determining in the same time its responsibilities. The president manages the meeting. In case of Presidents' absence the Vice President fully replaces the President. The Vice President is replaced by the Chief Executive Officer only by the Board of Directors' decision.

- **Replacement of Board of Directors Member**

If for any reason, there is a vacancy in the Board of Directors, the remaining Members are obliged, provided that they are at least three (3), to elect a temporary replacement for the rest of the service of the replaced member. The election is submitted to approval by the next General Assembly. The elected members' actions are valid even if its election is not yet approved by the General Assembly

- **Convergence of the Board of Directors**

Board of Directors can meet after the Presidents' invitation, at the Company's registered offices at least once per month. It can also be convened at any time by the President or if two (2) of its members request it.

- **Representing Members - Quantum – Majority**

Any absent Member can be represented by another. Each member can only represent one absent member.
The Board of Directors is in quantum and is valid when half plus one of its members are present or represented. In no case can the number of the present members can be less than three (3)
The decision of the Board of Directors are taken on absolute majority of the present or represented members, besides those that are clearly stated by the current Articles of Association and legislation.

- **Board of Directors Minutes**

For all decisions and meetings of the Board of Directors, minutes are kept. Copies of the minutes are validated by the President or the Vice President

- **Board of Directors Members' Compensation**

Board of Directors members can be compensated by an amount that is stated by the General Assembly. Any other fee or compensation of the members is given on the expense of the Company and only if it is approved by the General Assembly.

Company loans to founders, members of the Board of Directors, General Managers, Managers or persons related to them by blood or marriage are totally prohibited. For any contract between these persons and the Company a permission of the General Assembly is necessary. This also counts for employment contracts or alterations of employment contracts.

- **Prohibition of Competition**

It is prohibited to all Board of Directors members as long as to all managers to act professionally, without the permission of the General Assembly for their own or on behalf of others actions that are part of the Companies scopes. They are also not allowed to participate as partners to companies that are pursuing the same purposes as the Company's. In any violation case the Company has the right to ask for compensation based on the 23rd article of the 2nd paragraph of the L.C. 2190/1920.

7. Committees

- **Scientific Committee**

According to the Operating Manual of each clinic, there is a Scientific Committee which serves as the basic organ of supervision and control of issues relating to the level and quality of offered medical and hospital services.

The tenure of the Scientific Committee is biannual. The President and the members of the Scientific Committee are appointed by the Administrative Director of the clinic.

The Scientific Committee deals with cases concerning the integrity, the scientific adequacy, the behaviour and, in general, concerning the adherence to due process during the actual exercise of the medical practice. Its responsibilities may be summed up as follows:

- ✓ It evaluates the adequacy of the salaried scientific medical staff, based on the performance and the keeping of due process by each and every one, as well as the discharge of their obligations, following a recommendation by the Scientific Director
- ✓ It controls the formal fulfilment of the obligations of the salaried doctors towards the clinic and the hospitalized patients, with regard to keeping medical records, minutes of operations, external offices' logs, etc
- ✓ It controls on a continuous basis the operation and the scientific performance of Medical departments and the Scientific staff, with regard to quality and manner of offering medical services
- ✓ It deals with the task of continuous training of the permanent staff of each Clinic in issues related to quality and manner of offering medical services.

Upon the Scientific Committee's decision one or more of its members can be delegated to deal with specific issues. The members are obliged to inform the committee for the course of their actions during a reasonable timeframe

The Scientific Committee meets whenever issues come up and more specifically on the first and third Tuesday of each month

The issues of each meeting are stated by the Chairman after the suggestions of the Scientific Director. Issues can be stated also by the Chairman or other members of the committee. The members must notify the committee in written, for the proposed issues, at least one week before the meeting. Board of Directors though it's President or the CEO can raise issues in the committee based on its decision. The agenda is communicated to all members in written at least three (3) days before the meeting. Non listed issues may be discussed at the committee only by the majority's approval. Quorum is defined as the half plus one of the members.

Decisions are taken based on majority of present members. In cases of tie, the Chairman's vote preponderates.
In the committee's meeting the secretary keeps the meeting's minutes which are signed by all present members.

- **Morals and Due Process Committee**

The Morals and Due Process Committee is consulted on issues of morals and due process by the Board of Directors of the Company, and supervises the observance of the rules of medical morals and due process.

Acting Chairman of this Committee is the Scientific Director of each Clinic.

- **Nosocomial Infections Committee**

It meets upon Board of Directors decision. It is comprised, as by the law, by all coordinating Doctors of the unit. It controls all departments of the unit and proposes to the Board of Directors measures to avoid any possible Nosocomial Infections. Moreover it monitors the implementation of all above mentioned measures in order to reassure patients' protection. President of the Committee is the Clinical Director of each unit

- **Executive Committee**

The Committee meets once every month to monitor all Group activities, to plan all future Group actions, to assign duties, to determine Groups strategy, to evaluate Groups financial results and finally to cope with all issues that refer to the operation of each one of the Group's units.
Executive Committee is composed of

- Board of Directors President
- Chief Executive Officer
- Vice President
- Chief Operations Officer
- Chief Financial Officer
- Management's Consultants
- Unit Managers and other Executives based on the issues discussed

- **Administrative Committees**

Each Administrative Committee meets every two months and deals with all operational and organizational issues of each unit, evaluates units financial results and plans all units activities.
Administrative Committee is composed of

- Groups Executive Committee,
- Unit Manages
- Clinical Director
- Nursing Director
- Financial Manager
- And head of departments based on the issues discussed

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

SUPPLEMENTARY AND EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

Information regarding issues pertaining to paragraph 8 of article 4 of Law 3556/2007

SOURCES AND USES OF FUNDS

During year 2010, the total investments of the Athens Medical Group S.A. amounted to approx. € 7.8 million.

In 2010, the Group's borrowing increased by approx. € 14.0 million.

On 31/12/2010, the Group's aggregate net borrowing amounted to approx. € 159.07 million, i.e. the sum of short term and long term loans of € 177.82 million less cash & cash equivalent of € 18.75 million.

The Group's net cash flow for the year amounted to approximately € (10.233) million.

Net Borrowing: Total of short term and long term debt less cash and cash equivalent

The relative ratio of net borrowing ratio to group's own equity is as follows:

Ratio	**31/12/2010**	**31/12/2009**
Net Debt to Equity	101.27%	78.92%

INFORMATION ACCORDING TO ARTICLE 4 PARAGRAPHS 7,8 OF LAW 3556/2007

(a) Share Capital Structure

On December 31st, 2010, the Company's Share Capital amounted to € 26,888,153.80, divided in 86,735,980 common bearer shares with a nominal value of 0.31 € each.

Based on the Share Registry as at December 31st, 2010, shareholders with holdings exceeding 2% were as follows:

Shareholder	**Number of Shares**	**Holding percentage on 31/12/2010**
G.Apostolopoulos Holdings SA	27,833,843	32.09%
Asklepios International GMBH	26,649,532	30.73%
Eurofinanciere d' Investissement Monaco	2,585,057	2.98%
Credit Suisse – AG	4,665,556	5.38%
Free float <2%	25,001,992	28.82%
	86,735,980	**100.00%**

The total of the Company's shares (100%) are Common Bearer shares. There exist no special categories of shares. Rights and obligations derived thereof are those foreseen by law 2190/1920.

(b) Constraints on Share Transfers

According to the Company's Statutes, there are not any.

(c) Significant direct and indirect participations in the sense of articles 9 to 11 of Law 3556/2007:

On December 31st, 2010, G.Apostolopoulos Holdings held a percentage of 32.09% and

Asklepios International GmbH held a percentage of 30.73%.

(d) Shareholders of shares affording special controlling rights

There are no company shares affording special controlling rights

(e) Voting rights' constraints – time period for the exercise of related rights

There are no constraints on voting rights other than those foreseen by Law 2190/1920.

(f) Rules on appointment / replacement of members of the Board of Directors and on amending the Company's Statutes provided they differ from those foreseen by Law 2190/1920.

There are not any.

(g) Power of the Board of Directors for issuance of new shares / purchase of own shares according to the Article 16 of Law 2190/1920.

Notwithstanding paragraph 17 of this Article, it is hereby assigned that during the first five-year period from the company's constitution and following the Shareholder's General Meeting resolution dated 20.07.1993 by which the above mentioned power of the BoD was renewed for a period of five years, the BoD can issue new shares to increase all or part of the Company's Share Capital, with a 2/3 majority decision of its members.
The increase can not exceed the total of the capital already paid down.
The above mentioned power of the Board of Directors may be renewed by the General Meeting for a period not exceeding five years for each renewal.

No renewal of this power has been decided by the General Meeting.
(i) Compensation agreements in the event of resignation / redundancy with no well-founded reason or tenure termination for members of the Board of Directors or personnel.

There are not any.

(j) Agreements among shareholders, known to the Company, resulting into restrictions on share transfers or on voting rights.
There are not any.

(k) Any important agreement the Company has contracted and is being put in force, modified or expires, in the event of a change in Management following a Public Offering and the results thereof; unless, due to the agreement's nature, its publication would cause serious damage to the company.

There are not any.

(l) Any agreement the Company has contracted with either members of the BoD or its personnel that foresees compensation in the event of resignation or redundancy with no well-founded reason or tenure termination due to a Public Offering.

There are not any.

Finally, the basic rights and obligations deriving from share ownership according to the Company's Statutes and Law 2190/1920 are as follows:

i. Shareholders' Rights

Shareholders exercise their rights with regard to the Management of the Company only through their participation in the General Meeting.

In any Share Capital increase not affected by in the contribution or issuance of convertible bonds, a Preference Right is provided upon the entire new Issue in favour of existing shareholders at the time of the issuance and proportionate to their share holding.

After the expiry of the time period set for the exercise of the preference right, which may not be smaller than one month, shares not bought, according to the above, are disposed by the Board of Directors according to its unconstrained will.

The Invitation for the Exercise of the Preference Right, which must also mention the period in which the right should be exercised, is published in the relevant Issue of the Government Gazette. Notwithstanding paragraphs 6 and 7 of article 13 (Law 2190/1920), the Preference Right may either be limited or waived by resolution of the General Meeting.

As an exception, if all Company's shares are bearer, the invitation for the Preference right exercise may be effected by registered mail to shareholders.
Any Shareholder wherever located, as regards his relation to the Company, is subject to the Greek Laws and is considered to have as residence the Company's Headquarters.

ii. Minority Interests

The rights of minority shareholders, as defined by the CL 2190/1920 and subsequent amendments and as provided for in Articles of Association are as follows:

1. Upon request of shareholders representing one twentieth (1 / 20) of the issued share capital the Board is obliged to call an Extraordinary General Assembly meeting specifying a meeting day, that is not more than forty-five (45) days from the date the notice is a request to the President of the Board. The request must specify the exact item of the agenda. If the BoD does not convene a General Assembly within twenty (20) days from the relevant application, convocation shall be carried out by the applicant shareholders at the company's expense, by decision of the court of first instance of the Company's seat, issued during the provisions measures session. The decision shall specify the venue and the date of the meeting.

2. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the chairman of the General Assembly shall be obliged to postpone decisionmaking in an ordinary or extraordinary General Assembly for once, for all or specific items on the agenda, and shall determine, as the date of continuation of the meeting for decision-making, the date determined in the shareholders' request, which shall be within thirty (30) days of the postponement date. The repeat meeting is considered a continuation of the postponed meeting and does not require th repetition of the invitation publication. In that meeting, new shareholders may participate pursuant the requirements of art. 27, par. 2 and art. 28 and 28a of C.L. 2190/1920.

3. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall include additional items on the agenda of the general assembly convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the general assembly. The application for the inclusion of additional items on the agenda is accompanied by a justification or by a draft decision for approval by the general assembly and the reviewed agenda is published in the same manner as the last agenda, thirteen (13) days prior to the date of the general assembly and at the same time it is made available to the shareholders on the webpage of the company, along with the justification or the draft decision that has been submitted by the shareholders, pursuant art. 27 par. 3 of C.L 2190/1920.

    i. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders, at least six (6) days prior to the date of the General Assembly, draft decisions for items that have been included in the initial or the reviewed agenda, if the relevant request comes to the Board of Directors at least seven (7) days prior to the date of the General Assembly.
    ii. The Board of Directors is not obliged to proceed to the entry of items on the agenda or their publication or notification along with a justification and draft decisions submitted by the shareholders according to the aforementioned paragraphs 2 and 2a respectively, if their content is obviously opposed to the law and the moral ethics.

4. Following a request from any shareholder submitted to the company five (5) full days prior to the General assembly, the Board of Directors shall provide the General Assembly with information on corporate matters as requested, to the extent that such information is useful for the real assessment of the items on the agenda. The Board of Directors may uniformly reply to requests of shareholders with the same content. No obligation for the provision of information exists, when the relevant information is already available on the webpage of the Company, particularly in the form of questions and answers. Furthermore, following a request from shareholders representing one twentieth (1/20) of the paidup share capital, the Board of Directors shall be obliged to disclose to the General Assembly of shareholders, provided that it is regular, all amounts paid by company in the last two

years to each member of the Board of Directors or the managers of the company, as well as any other benefit extended to these parties for any reason or any other contract made between them and the company. In all the above cases, the Board of Directors may refuse to provide such information on serious, reasonable grounds, which shall be recorded in the minutes.

5. Following a request from shareholders representing one fifth (1/5) of the paid-up share capital, submitted to the company within the deadline of the previous paragraph, the Board of Directors shall provide the General Assembly with information about the progress of corporate matters and the company's assets. In all the above cases, the Board of Directors may refuse to provide such information on serious, reasonable grounds, which shall be recorded in the minutes.

6. In the cases of par. 4 and 5, any dispute concerning the reasonable grounds of the denial of providing information, shall be resolved by the court of first instance of the Company's seat issued during the provisions measures session.

7. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, decision-making on any item on the agenda of the General Assembly may be implemented by nominal ballot.

8. In all of the above cases, the applicant shareholders shall prove that they are shareholders and the number of shares they hold when exercising the relevant right. Such a proof includes the submission of the certification from the holder of the shares.

9. Shareholders of the Company representing at least one twentieth (1/20) of the paid-up share capital may ask the competent court to perform an audit of the company if non compliance with the decisions of the General Assembly of the shareholders or breach of the law and the Articles of Association of the Company are ascertained. In every case, the audit request must be submitted within three (3) years from the approval of the Financial Statements of the year in question.

10. Shareholders of the Company representing one fifth (1/5) of the paid-up share capital may ask the competent court to audit the company if the progress of company affairs gives rise to suspicions that the company is not being managed prudently. The Court may judge that participation in the BoD pursuant par. 3- 6 of art. 18 of C.L. 2190/1920 does not justify the audit.

11. Shareholders who exercise their right of paragraphs 9 and 10, must produce a certificate from the Central Securities Depository showing that the registered shares that entitle them to this right.

Maroussi, 30/03/2011
THE BOARD OF DIRECTORS

GEORGIOS V.APOSTOLOPOULOS
PRESIDENT OF THE BOD

INDEPENDENT AUDITOR'S REPORT

To the shareholders of «ATHENS MEDICAL CENTER S.A.»

Report on the separate and consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of «ATHENS MEDICAL CENTER S.A.» (the «Company») and its subsidiaries (the «Group»), which comprise the separate and consolidated statement of financial position as at December 31, 2010, the separate and consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and
other explanatory information.

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 «ATHENS MEDICAL CENTER S.A.» and its subsidiaries as at 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 opinion, we draw attention to Note 25 to the attached financial statements which refers to the fact that the Group, due to non-compliance with established credit terms (covenants) of existing bank loans totalling to € 146.656 th. at 31.12.2010, is in the process of negotiating the redefinition of the terms of these borrowing liabilities with financial institutions. In relation to this fact, there is to be noted the uncertainty regarding contingent liabilities arising for the Group under redefinition of the credit terms.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We confirm that the information given in the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.

Athens, March 30, 2011
The Certified and Registered

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

Triantafillos Dim. Kotsalas
S.O.E.L. Registration Number 21361

ATHENS MEDICAL CENTER S.A.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

It is certified that the attached annual consolidated and separate Financial Statements are those approved by the board of directors of "ATHENS MEDICAL CENTER S.A." in March 30th 2011 and they are uploaded to the internet address: www.iatriko.gr. The records and information published to the press aim at providing to the reader some general financial records and information, but they do not provide the whole picture of the financial condition and the results of Group and the Parent Company, according to the International Financial Reporting Standards.

Georgios Apostolopoulos
President of the Board of Directors
ATHENS MEDICAL CENTER S.A.

CONTENTS OF ANNUAL FINANCIAL STATEMENTS

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010 AND 2009

		The Group		The Company	
		1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	Notes	2010	2009	2010	2009
INCOME:					
Revenue		233.365	286.650	220.417	279.397
Cost of sales	8	(205.706)	(234.245)	(191.247)	(235.779)
Gross Profit		**27.659**	**52.405**	**29.171**	**43.618**
Administrative expenses and Distribution Costs	9	(35.908)	(34.668)	(31.501)	(29.307)
Other income/ (expenses)	10	3.210	2.680	3.800	3.791
Net financial income/ (costs)	11	(7.883)	(14.282)	(7.051)	(9.841)
PROFIT / (LOSS) BEFORE TAX		**(12.922)**	**6.135**	**(5.581)**	**8.261**
Income Tax Expense	12	(454)	(4.215)	(632)	(3.007)
PROFIT / (LOSS) FOR THE YEAR		**(13.376)**	**1.920**	**(6.213)**	**5.254**
Attributable to:					
Equity holders of the parent company		(13.427)	1.904	(6.213)	5.254
Non controlling Interests		52	16		
		(13.376)	**1.920**	**(6.213)**	**5.254**
Earnings / (losses) per Share (in Euro)					
Basic	13	(0,15)	0,02	(0,07)	0,06
Weighted average number of shares					
Basic	13	86.735.980	86.735.980	86.735.980	86.735.980

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010 AND 2009

		The Group		The Company	
		1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	Notes	2010	2009	2010	2009
Profit / (loss) for the period:		**(13.376)**	**1.920**	**(6.213)**	**5.254**
Other comprehensive income:					
Exchange differences		(110)	(76)	0	0
Other comprehensive income after tax:		**(110)**	**(76)**	**0**	**0**
Other comprehensive income / (loss) after tax:		**(13.486)**	**1.844**	**(6.213)**	**5.254**
Attributable to:					
Owners of the parent		(13.537)	1.828	(6.213)	5.254
Non controlling interests		52	16		

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION OF 31 DECEMBER 2010 AND 31 DECEMBER 2009

		The Group		The Company	
	Notes	31 December 2010	31 December 2009	31 December 2010	31 December 2009
ASSETS					
Non current assets :					
Property, plant and equipment	14	275.934	284.087	244.252	252.130
Goodwill	15	1.979	1.979	-	-
Intangible assets	15	474	364	256	294
Investments in subsidiaries	16	-	-	40.792	34.927
Investments in associates consolidated by the equity method	17	335	364	-	-
Other long term debtors		412	547	408	543
Deferred tax assets	12	7.616	4.767	5.583	4.106
Total non current assets		**286.750**	**292.108**	**291.291**	**292.001**
Current Assets:					
Inventories	18	4.876	6.329	4.389	5.728
Trade accounts receivable	19	163.417	161.637	160.983	159.314
Prepayments and other receivables	20	15.167	21.702	27.639	28.289
Derivatives	21	1.596	1.752	1.596	1.752
Cash and cash equivalents	22	18.747	28.980	16.814	16.737
Total current assets		**203.802**	**220.400**	**211.421**	**211.820**
TOTAL ASSETS		**490.551**	**512.508**	**502.712**	**503.821**
Liabilities					
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	23	26.888	26.888	26.888	26.888
Share premium	23	19.777	19.777	19.777	19.777
Retained Earnings		29.639	47.504	46.164	56.720
Legal, tax free and special reserves	24	80.572	76.245	80.356	76.014
		156.877	**170.414**	**173.186**	**179.399**
Non controlling interests		191	230		
Total equity		**157.068**	**170.644**	**173.186**	**179.399**
Non-current liabilities:					
Long term loans/borrowings	25	4.357	151.596	2.758	149.339
Government Grants	26	22	22	-	1
Deferred tax Liabilities	12	19.346	18.258	17.235	16.230
Provision for retirement indemnities	27	17.309	15.040	17.047	14.848
Other long term liabilities	28	113	1.507	113	1.346
Total non-current liabilities		**41.147**	**186.423**	**37.153**	**181.764**
Current liabilities:					
Trade accounts payable	29	83.214	106.462	90.044	99.927
Short term loans/borrowings	25	26.804	9.048	23.965	6.192
Long term liabilities payable in the next year	25	146.656	3.000	146.656	3.000
Current tax payable		5.718	7.003	4.080	4.880
Derivatives	21	9.585	11.004	9.585	11.004
Accrued and other current liabilities	30	20.359	18.923	18.042	17.655
Total current liabilities		**292.336**	**155.441**	**292.372**	**142.658**
TOTAL EQUITY AND LIABILITIES		**490.551**	**512.508**	**502.712**	**503.821**

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2009

The Group

	Attributable to equity holders of the parent company					Non controlling Interest	Total Equity
	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total		
Balance, 1 January 2009	**26.888**	**19.777**	**76.058**	**50.200**	**172.924**	**304**	**173.228**
Total comprehensive income / (loss)			(76)	1.904	1.827	16	**1.843**
Attribution of profits to reserves			263	(263)	0		**0**
Dividends of parent				(4.337)	(4.337)		**(4.337)**
Dividends paid to non controlling interests					0	(91)	**(91)**
Balance, 31 December 2009	**26.888**	**19.777**	**76.245**	**47.504**	**170.414**	**230**	**170.644**

The Company

	Share capital	Share Premium	Legal Tax-free, and special Reserves	Retained earnings	Total Equity
Balance, 1 January 2009	**26.888**	**19.777**	**75.751**	**56.065**	**178.481**
Total comprehensive income / (loss)				5.254	**5.254**
Attribution of profits to reserves			263	(263)	**0**
Dividends				(4.337)	**(4.337)**
Balance, 31 December 2009	**26.888**	**19.777**	**76.014**	**56.720**	**179.399**

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2010

The Group

	Attributable to equity holders of the parent company					Non controlling Interest	Total Equity
	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total		
Balance, 1 January 2010	**26.888**	**19.777**	**76.245**	**47.504**	**170.414**	**230**	**170.644**
Total comprehensive income / (loss)			(110)	(13.427)	(13.537)	52	**(13.486)**
Attribution of profits to reserves			4.437	(4.437)	0		**0**
Dividends of parent					0		**0**
Dividends paid to controlling interests						(90)	**(90)**
Balance, 31 December 2010	**26.888**	**19.777**	**80.572**	**29.639**	**156.877**	**191**	**157.068**

The Company

	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total Equity
Balance, 1 January 2010	**26.888**	**19.777**	**76.014**	**56.720**	**179.399**
Total comprehensive income / (loss)				(6.213)	**(6.213)**
Attribution of profits to reserves			4.343	(4.343)	**0**
Dividends					**0**
Balance, 31 December 2010	**26.888**	**19.777**	**80.356**	**46.164**	**173.186**

The accompanied notes and appendixes are inseparable part of the financial statements

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

CASH FLOW STATEMENT FOR THE YEARS 2010 AND 2009

	The Group		The Company	
	31 December 2010	**31 December 2009**	**31 December 2010**	**31 December 2009**
Cash flows from operating activities				
Period's profit / (loss) before taxation	(12.922)	6.135	(5.581)	8.261
Adjustments for operational activities				
Depreciation	12.409	12.284	10.975	11.575
Depreciation of grants	(1)	0	(1)	0
Provision for retirement indemnities	2.269	(970)	2.199	(1.055)
Allowance for doubtful accounts receivable	3.155	145	3.155	145
Other provisions and extraordinaty results	(218)	(3)	(217)	(3)
(Gains)/losses due to fixed assets sale	(204)	301	(204)	303
Impairment expenses of current assets	0	208	0	0
Dividends from subsidiaries	(76)	(94)	(355)	(4.343)
(Gains) /Losses from group's associates	29	(10)	0	0
Reversal of impairment in associate's participation	(135)	0	(135)	0
Interest and financial income	(2.427)	(1.436)	(2.360)	(1.331)
Interest and other financial expenses	10.492	15.821	9.901	15.515
Exchange differences due to consolidation of subsidiaries abroad	(69)	45	0	0
Operational profit before changes in working capital variations	**12.302**	**32.426**	**17.377**	**29.067**
(Increase)/ Decrease in:				
Inventories	1.454	1.003	1.339	909
Short and long term accounts receivable	1.773	(18.529)	(3.728)	(22.806)
Increase/ (Decrease) in:				
Short and long term liabilities	(23.224)	14.152	(10.729)	490
Interest charges and related expenses paid	(10.335)	(10.459)	(9.744)	(10.153)
Paid taxes	(615)	(5.742)	298	(3.126)
Net Cash from operating activities	**(18.645)**	**12.851**	**(5.187)**	**(5.619)**
Cash flows from investing activities				
Purchase of tangible and intangible fixed assets	(8.133)	(17.236)	(5.709)	(10.704)
Sale of tangible assets	4	21	4	18
Interest and related income received	1.008	953	941	848
Received dividends from subsidiaries	0	0	44	4.300
Received dividends from other companies	76	94	0	0
Guarantees paid	0	1	0	0
Grants received	0	21	0	0
Purchase of long and short term investments	0	0	(5.865)	(60)
Collection due to group's associate decrease of share capital	135		135	
Sales of long and short term investments	0	30	0	30
Net Cash flows used in investing activities	**(6.910)**	**(16.116)**	**(10.450)**	**(5.568)**
Cash flows from financing activities				
Issuance of Shares	0	0	0	0
Dividends paid of parent company	0	(4.338)	0	(4.338)
Net variation of short term borrowings	17.994	2.693	17.980	5.074
Net variation of long term debt/borrowings	(406)	5.706	(666)	3.754
Payment of finance lease liabilities	(2.178)	(980)	(1.601)	(870)
Dividends paid to non controlling interests	(90)	(91)	0	0
Net Cash flows used in financing activities	**15.320**	**2.990**	**15.713**	**3.620**
Net increase/ (decrease) in cash and cash equivalents	**(10.234)**	**(276)**	**76**	**(7.567)**
Cash and cash equivalents at the beginning of the year	**28.980**	**29.255**	**16.738**	**24.305**
Cash and cash equivalents at the end of the year	**18.746**	**28.980**	**16.814**	**16.738**

The accompanied notes and appendixes are inseparable part of the financial statements

Company details:

Board of directors:	Dr. George B. Apostolopoulos– President of BOD Dr. Vassilios G. Apostolopoulos – CEO Christos G. Apostolopoulos – Vice President of BOD Jochen Guenter Paul Schmidt – Member of BOD Nikolaos Koritsas – Member of BOD
Company's head offices:	5-7 Distomou Str, 15125 Maroussi
Company's number in the registry of Societes Anonymes:	13782/06/B/86/06
Auditors:	**BDO Certified and Registered Auditors A.E.** 81, Patission & 8-10, Heyden 104 34, Athens Greece

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

2. CORPORATE INFORMATION:

The Company " ATHENS MEDICAL SOCIETE ANONYME" with the distinctive title "ATHENS MEDICAL CENTER S.A." (hereafter the "Company" or the "Parent Company") and its subsidiaries (hereafter the "Group") are involved in the area of health care services with the organization and operation of hospital units. The Company's and the Group's head offices are located in the Municipality of Amarousion Attica in 5-7 Distomou Street and employ 2,494 and 2,944 employees respectively.

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

The companies, which were included in the attached consolidated financial statements of the Group, together with the related ownership interests are described in table below:

Company's name	Company's location country	Activity	% Group's participation 2010	% Group's participation 2009
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	100.00%	100.00%
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51.00%	51.00%
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50.50%	50.50%
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33.00%	33.00%
HOSPITAL AFFILIATES INTERNATIONAL	GREECE	Organization & Administration of Hospitals and Clinics.	68.89%	68.89%
MEDSANA BMC	ROMANIA	Diagnostic Center	100.00%	100.00%
BIOAXIS SRL (former MEDSANA SRL)	ROMANIA	Diagnostic Center	78.90%	78.90%
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics	100.00%	100.00%
ORTELIA HOLDINGS	CYPRUS	Establishment, Organization & Operation of Hospitals and Clinics	99.99%	99.99%
MEDICAFE S.A.	GREECE	Pastry shop-buffet	55.00%	55.00%
MATERNITY CLINIC GAIA	GREECE	Maternity and gynaecology clinic	100,00%	100,00%
INTEROPTICS S.A.	GREECE	Trade & services of publication and electronic information & information systems	27.33%	27.33%

3a. PREPARATION BASE OF FINANCIAL STATEMENTS:

(a) Basis of Preparation of the Consolidated Financial Statements: The accompanying consolidated financial statements that constitute the Group's consolidated financial statements (hereinafter referred to as "the financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted by the European Union. There are no standards applied in advance of their effective date. The financial statements have been prepared under the historical cost convention, except for derivative financial instruments which are measured at fair value.
The annual financial statement are presented in thousands of euro. It is noted that any deviations are due to roundings.

(b) Statutory Financial Statements: The Company and its domestic (Greek) subsidiaries maintain their accounting books and prepare financial statements in accordance to the Greek Company Law 2190/1920 and the applicable tax legislation. The foreign subsidiaries of the Company maintain their accounting records and prepare financial statements in accordance to the applicable laws and regulations of the countries in which they operate. For the preparation of the consolidated financial statements of the parent company, the financial statements of the foreign subsidiaries are adjusted in accordance to the provisions of the Greek Company Law 2190/1920. The accompanying consolidated financial statements have been based on the above-mentioned statutory consolidated financial statements appropriately adjusted and reclassified by certain out-of-book adjustments in order to comply with IFRS.

© ***Approval of Financial Statements*****:** The Board of Directors of Athens Medical S.A. approved the annual financial statements for the year ended in December 31st, 2010, in March 30, 2011.

(d) Use of Estimates: The preparation of financial statements in conformity with the IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results may ultimately differ from those estimates.

3b. PRINCIPAL ACCOUNTING POLICIES

The main principal accounting policies adopted in the preparation of the accompanying financial statements are the following:

(a) Basis of Consolidation : The Company's accompanying consolidated financial statements include the financial statements of the parent Company, as well as of all the subsidiaries that are controlled by the Parent Company. Control is presumed to exist when direct or indirect ownership retains the majority of voting interest or has the power to control the Subsidiaries' Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the company and cease to be consolidated from the date in which control ceases to exist.

The consolidated financial statements include the financial statements of a subsidiary (Physiotherapy Center S.A.), in which although the direct parent company holds less than 50% of the voting rights, controls it through the ability of appointing the majority of members of the Board of Directors.

In the consolidated financial statements, Medicafe S.A. is also included using the equity method, although, Group holds 55% of the company's voting rights, due to a management's transfer to third parties. As a result such ownership does not consist control according to IAS 27 **« Consolidated and Separate Financial Statements »**, paragraph 13.

Maternity clinic GAIA was formed during the first quarter of year 2009 and was included in the Group's annual consolidated financial statements of year 1/1-31/12/2009 for the first time, with participation percentage of 100%.

The Group's subsidiaries Ereuna S.A. and Axoniki ereuna S.A., according to their General Assemblies' decisions, have entered a liquidation procedure, since 1/7/2006. Before that and during the year 2006, the above mentioned companies have transferred together with all their productive assets – mechanical equipment, their operations to parent company and as a qonsequence their Balance Sheets do not include non current assets. As a result the liquidation of the above mentioned companies is not considered to be a discontinued operation according to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", that requires distinctive reporting regarding the companies' results and fixed assets.

All intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements. Where necessary, accounting policies of the subsidiaries have been revised to ensure consistency with the policies adopted by the Group. All the subsidiaries, included in the consolidation, prepare their financials statements for the same reporting period and the same date (31 December) as the parent company, with the exemption of the subsidiaries Ereuna S.A. and Axoniki ereuna S.A., which prepare their financial statements for period 1/7-30/6. For consolidation purposes financials statements for these companies were prepared, concerning the same reporting period (1/1/2010-31/12/2010) as the parent company, which were included in the consolidation.

Group follows an accounting policy according to which, transactions with non controlling interest shareholders are accounted the same way transactions with basic shareholders are.

(b) Investments in Subsidiaries (separate financial statements): The investments of the parent Company in its consolidated subsidiaries are measured at acquisition cost less any cumulative impairment losses.

(c) Investments in Associates:

i) Consolidated financial statements: The Company's investments in other entities in which parent exercises significant influence and are not subsidiaries or joint-ventures are accounted for using the equity method. Under this method the investment in associates is recognized at cost in addition to the changes in the percentage of the Company in the associate's equity after the initial date of acquisition less possible provisions for impairment in value. The consolidated statement of income reflects the Company's share of the results of operations of the associate. All the associates, included in the consolidation, prepare their financials statements for the same reporting period and the same date (31 December) as the parent company.

ii) Separate financial statements of parent: Investments in associates in the stand-alone financial statements are measured at acquisition cost less any cumulative impairment losses.

(d) **Investments in joint ventures (jointly controlled entities):** The Group has no interests in joint ventures which are jointly controlled entities. Jointly controlled entities are included in the consolidated financial statements with the equity consolidation method according to paragraph 38 of IAS 31 **« Interests in Joint Ventures »** until the date on which the Group ceases to have joint control over the jointly controlled entities.

(e) Conversion of foreign currencies: The base currency of the Company and of its Greek subsidiaries is Euro. The transactions involving other currencies are converted into Euro using the exchange rates that were in effect at the time of the transactions. At the balance sheet date monetary assets and liabilities which are denominated in other currencies are adjusted in order to reflect the current exchange rates.

Gains and losses resulting from year end FX adjustments of monetary assets and liabilities are reflected in the accompanying income statement. Gains and losses resulting from transactions are reflected in the accompanying statement of income also.

The base currency of the Group's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Thereafter, at each reporting date all balance sheet accounts of these subsidiaries are converted into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are converted based on the weighted average rate of exchange that prevailed during the year.

The accumulated difference resulting from such translation is recognized directly in consolidated equity until the disposal, write off or de-recognition of a subsidiary, when it is transferred to the consolidated income statement.

(f) Intangible Assets: Intangible assets are mainly consisted of software and commercial rights. These are amortized over their estimated useful lives which are set to five years. Software includes their acquisition cost and any expenditure realized in order for it to operate, reduced by the amount of accumulated amortization and any possible impairment losses.

(g) Research and Product Development Cost: Research costs are expensed as incurred. Development expenditure is mainly incurred for the development of new products. Costs incurred for the development of an individual project are recognized as an intangible asset only when the requirements of **IAS 38** "**Intangible Assets**» are met.

(j) Revenue recognition: Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following particular recognition criteria must also be met as revenue is recognized.

Sale of Services
The Sale of Services revenue is accounted according to the extent of service completion.

Sale of goods
The sale of goods revenue, net of trade discounts sale, incentives and the related VAT, is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interests
The interest revenue is recognized on the accrual basis of accounting.

Dividends
Revenue from dividends is recognized when the Group's right on such dividends is approved by the respective bodies of the companies' that declare them.

(ja) Property, Plant and Equipment: Land and buildings are valued at historical cost (deemed cost based on the provisions of IFRS 1), less accumulated depreciation and any impairment in value. Machinery, transportation equipment, as well as the furniture and the rest of the equipment are measured at historical cost less the accumulated depreciation and any impairment in value.

The Company and the Group proceeded to a fair valuation of its land, buildings, as at January 1, 2004 and these fair values were used as deemed cost on the date of transition to the IFRS. The resulted revaluation surplus was credited to retained earnings.

Repairs and maintenance are charged to expenses as incurred. Major improvements are capitalized to the cost of the asset to which they relate when they extend the useful life, increase the earnings capacity or improve the efficiency of the respective assets.

An item of property and plant is derecognized upon sale or disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset, is included in the consolidated statement of income in the year the item is derecognized.

(jb) Depreciation: Depreciation is calculated based on the straight-line method at rates, which approximately reflect the average useful lives of relative assets. The rates used are the following:

Classification	**Annual rate**
Buildings	2%
Machinery and Equipment	6.67%- 10%
Equipment of Transportation	6%-10%
Furniture and rest of Equipment	10%- 20%

The residual values and the useful life of tangible assets are tested at every reporting date of Balance Sheet.

(jc) Goodwill: Business combinations are accounted for using the acquisition accounting method. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities) of the acquired business at fair value at acquisition date. Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at transaction date. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortized, but it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. At the acquisition date (or at the date of completion of the relative purchase price allocation) any goodwill acquired is allocated to each of the cash-generating units related to goodwill.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount and the relevant goodwill, an impairment loss is recognized.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of, in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill resulting from acquisitions or business combinations has been allocated to the main cash generating units in group level.
The cash generating units have been defined in accordance with the provisions of **IAS 36** "**Impairment of Assets**". The Group, in order to decide whether an impairment of goodwill exists, performed the related impairment tests in the cash generating units in which goodwill was allocated, and based on those tests no impairment issue occurred.

When the Group increases its participation interest to existing subsidiaries (acquisition of minority interests) the total difference between the purchase price and the portion of the minority interests acquired (goodwill or negative goodwill) is transferred directly to equity as it is considered as a transaction among the shareholders (entity concept method). Similarly, when minority interests are sold (without losing control of the subsidiary) then the related gains or losses are recognized directly to equity.

(jd) Impairment of Assets: With the exception of goodwill and intangibles with indefinite life, which are reviewed for impairment at least annually, the carrying value of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount a respective impairment loss is recognized in the consolidated statement of income. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from the revenue due to its disposal at the end of its estimated useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(je) De-recognition of Financial Assets and Liabilities

(i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

• the rights to receive cash flows from the asset have expired;
• the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
• the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase (including a cash-settled option or similar provision), except that in the case of a written put option on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(jf) Inventories: Inventories are reported at the lower value between the cost and the net realizable value. Cost of finished and semi-finished products includes all costs incurred in bringing inventories to their current location and state of manufacture and comprises raw materials, labour, an applicable amount of production overhead (based on normal operating capacity, but excluding borrowing costs) and packaging. The cost of raw materials and finished goods is determined based on the weighted average basis. Net realizable value for 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. Especially medication supply is measured in a different way, that is at the last acquisition value, due to existing state of tariff, according to **I.A.S. 2 «inventories»**, paragraph 25.

(jh) Accounts Receivable and Credit Policy: Short-term receivables are presented at their nominal value, net of provisions for potential non collectible accounts, while long-term receivables (balances that deviate from normal credit terms) are reported at the amortized cost based on the actual interest rate method. At each Balance Sheet date all past due or doubtfull debtors are assessed by management in order to determine the necessity for relevant provision, with criteria such as the customer's ability to pay and the aging of his balance. The balance of such allowance for doubtful accounts is appropriately adjusted at each balance sheet date in order to reflect all possible risks. Any amount written–off with respect to customer account balances is charged against the existing allowance for doubtful accounts. It is the Group's policy not to write-off an account until all possible legal action has been exhausted.

(jg) Credit Risk Concentration: The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is considered to be limited. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors.

(k) Cash and Cash Equivalents: The Company considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statements, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(ka) Share capital: Share capital represents the value of the Parent company's shares issued and in circulation. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as the "share premium" in equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

(kb) Long-term Liabilities: All long-term liabilities are initially recognized at cost. After initial recognition loans and borrowings denominated in foreign currency are reported using the spot rate at each reporting date. The interest costs are recognized on the accrual basis of accounting.

(kc) Borrowing Costs: Borrowing Costs are recognized as an expense in the period in which they are incurred.

(kd) Provision for Retirement Indemnities: 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 throughout the expected working period. Retirement obligations mentioned above are calculated on the basis of financial and actuarial assumptions and are determined using the Projected Unit credit actuarial valuation Method. Net pension costs for the period are included in payroll in the accompanying income statement 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 and any additional pension charges. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested.

Unrecognized actuarial gains or losses are recognized over the average remaining service period of active employees and are included as a component of net pension cost for a year if, as of the beginning of the year, it exceeds 10% of the future projected benefit obligation. The retirement benefit obligations are not funded.

(ke) State Pension: The Company's personnel is covered by several State sponsored pension funds for private sector employees, (I.K.A., T.S.A.Y.) covering post-retirement pensions, and healthcare benefits. Each employee is required to contribute a portion of its monthly salary to the fund, with the company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. At such, the company has no legal or constructive obligation to pay future benefits under this plan.

(aa) Borrowings: All borrowings are initially recognized at acquisition cost, which reflects the fair value of amounts collected, net of any relevant transaction costs incurred. After initial recognition, they are measured at amortised cost, based on the effective interest rate. Gains or losses arising from differences of amortised cost are recognised in the income statement, as well as differences due to the de-recognition (repayment) of the borrowings. Borrowing costs are recognised as expenses in the period incurred.

(ab) Income Taxes (Current and Deferred): Current and deferred income taxes are computed based on the stand alone financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which foreign subsidiaries operate. Income tax expense is computed based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from tax audits by the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income tax is computed, using the liability method, on all temporary differences at the balance sheet date between the tax bases and the carrying amounts of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences:

- Except cases, where the deferred income tax liability arises from goodwill impairment or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

- Deferred tax assets are recognized for all discounted temporary differences and transferred tax assets and losses, to the extent where it is possible that taxable profit will be available which will be used against the discounted temporary differences and the transferred unused taxable assets and losses.

- Except cases where the deferred tax asset regarding the discounted temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, an income deferred tax is recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

The deferred tax assets are reviewed at each balance sheet date and reduced to the extent, where it is not considered as possible that enough taxable profits will be presented against which, a part or the total deferred tax assets can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates (and the laws) that have been enacted or substantively enacted at the balance sheet date.

The income tax relating to items recognized directly in equity, is recognized in equity and not in the income statement.

(ac) Financial Leases: Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to income. Capitalized leased assets are depreciated over estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on the straight line basis over the lease term.

(ad) Provisions and Contingencies: Provisions are recognized when the Company has a present legal or presumed/imputed 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 balance sheet date and are adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. If 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 consolidated financial statements but they 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.

(ae) Earnings per share: Basic earnings per share are computed by dividing net income attributed to the equity owners of parent by the weighted average number of ordinary shares outstanding during each year, excluding any treasury shares outstanding during the year. Diluted earnings per share are computed by dividing net income attributed to equity owners of Group (after deducting the impact on the convertible recognized preference shares) by the weighted average number of ordinary shares outstanding during the year (after deducting the impact on the convertible recognized preference shares).

(af) Operating Segment reporting : The group reports financial and descriptive information about its operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by management, in deciding how to allocate resources and in assessing performance.

The operating segment performance assessment is based on revenue, operating results and EBITDA (results before taxes, financing, investing activity and depreciation). The group for measuring the segment operating results, applies the same accounting policies as the ones adopted for preparing the financial statements.

The transactions between operating segments are realized within the normal operating framework of the group to a way similar to the one used between related parties. Intersegment sales are eliminated in consolidated financial statements.

(ba) Derivative Financial Instruments and hedging activities: Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing 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 documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

In February 2008, the Group has entered financial intrument contracts and more specifically, simple interest rate swaps, or interest rate collars designated as cash flow hedges. These contracts were joined due to obligations deriving from the Common Bond Loan contract, issued by the Group in July and November of 2007. According to the Common Bond Loan contract's provisions, the Group would proceed in financial instrument agreements, which would limit interest rate risk exposure, at least for half of the Common Bond Loan amount. The financial instrument contracts the Group has entered correspond with precision to the dates of interest expense charge and capital repayment of the Common Bond Loan.

The effective portion of changes in the fair value of these derivatives is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediatelly in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (when the forecast transaction being hedged takes place).

The derivatives that are not designated as hedges and do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss.

(bb) Investments and other (non derivative) financial assets:

Financial assets in the scope of IAS 39 are classified as either

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments,
- available-for-sale financial assets, as appropriate.

When financial assets are recognized initially, they are measured at fair value, plus, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation periodically.

(i) Financial assets at fair value through profit or loss :

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognized in income.

(ii) Loans and receivables :

Such assets, derived by the company's activity (that is beyond the Group's ordinary credit limits), are carried at amortised cost using the effective interest method. Gains and losses are recognized in the income statement when the loans and receivables are de-recognized or impaired, as well as through the amortization process.

(iii) Held-to-maturity investments :

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, after initial recognition are subsequently measured at amortised cost, using the effective interest method. For investments carried at amortised cost, gains and losses are recognized in income when the investments are de-recognized or impaired, as well as through the amortization process.

(iv) Available-for-sale financial assets :

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for sale or are not classified in any of the three preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is sold, de-recognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

(bc) Government Grants: Government grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to the income statement, in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(bd) Dividend distribution: The obligatory, according to law, dividend distribution to the Group's shareholders is recognized as an obligation to the financial statements in the year, in which the distribution is approved by the General Assembly of the Shareholders.

(be) Where necessary comparative figures were reclassified to match with changes in closing year's figures presentation, without any effect in equity, turn over and results after taxes and non controlling interests of previous year for Group and Company.

(bf) New Standards and Interpretations, amendments of valid Standards: The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations or have amended valid standards, whose application is mandatory for the periods beginning January 1, 2009 onwards (except if mentioned otherwise below). The Group's and Company's management's assessment regarding the effect of these new standards and interpretations is as follows:

IFRS 8 Operating Segments: (valid since January 1, 2009)
IFRS 8 replaces IAS 14 **(Segment Reporting)** and adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and for allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide expanations and reconciliations of potential differences. The Group applies IFRS 8 from January 1, 2009.

IAS 23 (Amendment) Borrowing cost: (valid since January 1, 2009)
In the revised IAS 23 **(Borrowing cost),** the previous benchmark treatment of recognizing borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisistion, construction or production of qualifying assets form part of the costs of the asset. The Group applies the revised IAS 23 from January 1, 2009.

IAS 1 (Amendment) Presentation of Financial Statements: (valid since January 1, 2009)
The standard was revised to require statement of changes in equity to include only transactions with shareholders. A new statement of comprehensive income is introduced and dividends to equity holders are shown only in the statement of changes in equity or notes to the financial statements. The Group applies the revised IAS 1 from January 1, 2009.

IFRS 2 (Amendment) Share based payment: vesting conditions and cancellations: (valid since January 1, 2009)
The amendment clarifies two issues: The definition of « vesting condition », introducing the term « non vesting condition » for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group estimates that these amendments have no effect on its financial statements.

IFRS 7 (Amendment) Financial instruments – Disclosures (valid since January 1, 2009)
The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by a three level of a fair value measurement hierarchy. The Group applies the revised IFRS 7 from January 1, 2009.

IFRS 3 (Amendments) Business Combinations and IAS 27 Consolidated and separate Financial Statements: (valid since July 1, 2009)
IFRS 3 will apply to business combinations occurring in those periods and its scope has been revised to include combinations of mutual control entities and combinations without consideration (dual listed shares). IFRS 3 and IAS 27, inter alia, require greater use of fair value through the income statement and cement the economic entity concept of the reporting entity. Furthermore, these standards also introduce the following requirements (i) to remeasure interests to fair value when control is obtained or lost, (ii) recognising directly in equity the impact of all transactions between controlling and non controlling shareholders where control is not lost and, (iii) focuses on what is given to the vendor as consideration rather than what is spent to achieve the acquisition. More specifically, items such as acquisition-related costs, changes in the value of the contigent consideration, share-based payments and the settlement of pre-existing contracts will generally be accounted for separately from the business combination and will often affect the income statement. The Group estimates that these amendments have no effect on its financial statements.

IAS 32 and IAS 1 (Amendment) Puttable Financial Instruments: (valid since January 1, 2009)
The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group estimates that these amendments have no effect on its financial statements.

IAS 39 (Amendment) Financial Instruments: Recognition and Measurement: Eligible hedged items (valid since 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. An entity can designate the changes in fair value or cash flows related to one sided risk as the hedged item in an effective hedge relationship. The Group estimates that these amendments have no effect on its financial statements.

IAS 39 (Amendment) Financial Instruments: Recognition and Measurement: (valid since January 1, 2009)
The amendment clarifies that economic entities should no longer apply hedge accounting for transactions among operating segments in their separate financial statements. The Group estimates that this amendment has no effect on its financial statements.

Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements": (valid since January 1, 2009)
The amendments to IFRS 1 allow an entity to determine the 'cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognized in the income statement in the separate financial statement. The revision to IAS 27 will have to be applied prospectively. The Group estimates that these amendments have no effect on its financial statements.

IFRS 9 "Financial Instruments" (valid since January 1, 2013)
IFRS 9, which is expected to replace IAS 39, 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 depends 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 recognized and unrecognized 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 recognized 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 in the process of studying this standard.

IAS 12 (Amendment) Income Taxes: (valid since January 1, 2012)
The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "**Investment Property**". Under IAS 12, the measurement of deferred tax depends on whether an entity expects to recover an asset through use or through sale. However, it is often difficult and subjective to determine the expected manner of recovery with respect to investment property measured at fair value in terms of IAS 40. To provide a practical approach in such cases, the amendments introduce a presumption that an investment property is recoverd entirely through sale.This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The presumption cannot be rebutted for freehold land that is an investment property, because land can only be recoverd through sale. The Group is in the process of studying this standard.

IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards" (valid since January 1, 2010)
This amendment provides additional clarifications for first-time adopters of IFRSs 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. The Group estimates that these amendments have no effect on its financial statements.

IFRS 2 (Amendment) "Share-based Payment" (valid since January 1, 2010)
The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash settled share-based payment transactions in the consolidated or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. The Group estimates that these amendments have no effect on its financial statements.

IAS 24 (Amendment) "Related Party Disclosures" (valid since 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 is in the process of studying these amendments.

IAS 32 (Amendment) "Financial Instruments: Presentation" (valid since 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. The Group estimates that these amendments have no effect on its financial statements.

IFRIC 12 "Service Concession Arrangements" (valid since March 30, 2009)
This interpretation applies to companies that participate in service concession arrangements. Is not applicable to the Group and will not affect the financial statements.

IFRIC 15. Agreements for the construction of real estate (Valid since 1 January 2009)
The interpretation will standardise accounting practise across jurisdictions for the recognition of revenue among real estate developers for sales of units, such as apartments or houses, "off plan", before construction is complete. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 **'Construction Contracts'** or IAS 18 **'Revenue'** and, accordingly, when revenue from such construction should be recognised. Is not applicable to the Group and will not affect the financial statements.

IFRIC 16. Hedges of a net investment in a foreign operation (Valid since 1 July 2009)
This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. Is not applicable to the Group and will not affect the financial statements.

IFRIC 17, "Distributions of Non-cash Assets to Owners": (Valid since 1 July 2009)
IFRIC 17 clarifies the following issues, namely:
- a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
- an entity should measure the dividend payable at the fair value of the net assets to be distributed;
- an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss; and
- an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation.

IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions. The Group estimates that these amendments have no effect on its financial statements.

IFRIC 18, "Transfers of Assets from Customers" : (Valid since 1 July 2009)
This Interpretation is of particular relevance for the utility sector as it clarifies the accounting for agreements where an entity receives an item of PP&E (or cash to construct such an item) from a customer and this equipment in turn is used to connect a customer to the network or to provide ongoing access to supply of goods/services. The Group estimates that these amendments have no effect on its financial statements.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (Valid since 1 July 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. The Group estimates that these amendments have no effect on its financial statements.

In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording in terms of the annual improvement project. These amendments are effective for periods beginning on or after January 1, 2009, except if mentioned otherwise.

IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" (Amended) : (Valid since 1 July 2009)
The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any investments in subsidiaries classified as held for sale since IFRS 5 was applied will need to be re-evaluated. Early application is permitted. If early adopted, IAS 27 (as amended in January 2008) must also be adopted from that date. The Group estimates that these amendments have no effect on its financial statements.

IFRS 7, "Financial Instruments: Disclosures" (Amended) : (Valid since 1 January 2009)
This amendment removes the reference to 'total interest income' as a component of finance costs. The Group applies the revised IFRS 7 from January 1, 2009.

IAS 1, "Presentation of Financial Statements" (Amended), : (Valid since 1 January 2009)
This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 "**Financial Instruments: Recognition and Measurement"** are not automatically classified as current in the balance sheet. To be applied retrospectively. Early application is permitted. The Group applies the revised IAS 1 from January 1, 2009.

IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" (Amended), : (Valid since 1 January 2009)
This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies. The Group applies the revised IAS 8 from January 1, 2009.

IAS 10, "Events after the Reporting Period" (Amended), : (Valid since 1 January 2009)
This amendment clarifies that dividends declared after the end of the reporting period are not obligations. The Group applies the revised IAS 10 from January 1, 2009.

IAS 16, "Property, Plant and Equipment" (Amended), : (Valid since 1 January 2009)
- Replaces the term 'net selling price' with 'fair value less costs to sell', regarding the recoverable amount, to be consistent with IFRS 5 and IAS 36.
- Items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 **"Statement of cash flows"** is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities. The Group applies the revised IAS 16 from January 1, 2009.

IAS 18, "Revenue" (Amended), : (Valid since 1 January 2009)
This amendment replaces the term 'direct costs' with 'transaction costs' as defined in IAS 39. The Group applies the revised IAS 18 from January 1, 2009.

IAS 19, "Employee Benefits" (Amended), : (Valid since 1 January 2009)
- Revises the definition of 'past service costs' to include reductions in benefits related to past services 'negative past service costs' and to exclude reductions in benefits related to future services that arise from plan amendments. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. To be applied prospectively – to changes to benefits occurring on or after January 1, 2009. Early application is permitted.
- Revises the definition of 'return on plan assets' to exclude plan administration costs if they have already been included in the actuarial assumptions used to measure the defined benefit obligation. To be applied retrospectively. Early application is permitted.
- Revises the definition of 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled. To be applied retrospectively. Early application is permitted.
- Deletes the reference to the recognition of contingent liabilities to ensure consistency with IAS 37 **"Provisions, Contingent Liabilities and Contingent Assets"**. IAS 37 does not allow for the recognition of contingent liabilities. To be applied retrospectively. Early application is permitted. The Group applies the revised IAS 19 from January 1, 2009.

IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance" (Amended), : (Valid since 1 January 2009)
Loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after January 1, 2009. Early application is permitted. However, IFRS 1 "**First-time Adoption"** of IFRS has not been revised for first-time adopters; hence they will be required to impute interest on all such loans outstanding at the date of transition. The Group estimates that these amendments have no effect on its financial statements.

IAS 23, "Borrowing Costs" (Amended), : (Valid since 1 January 2009)
The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method as described in IAS 39. To be applied retrospectively. Early application is permitted. The Group applies the revised IAS 23 from January 1, 2009.

IAS 27 "Consolidated and Separate Financial Statements" (Amended), : (Valid since 1 January 2009)
When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any subsidiaries classified as held for sale since IFRS 5 was adopted will need to be re-evaluated. Early application is permitted. The Group estimates that these amendments have no effect on its financial statements.

IAS 28, "Investment in Associates" (Amended), : (Valid since 1 January 2009)
- If an associate is accounted for at fair value in accordance with IAS 39 (as it is exempt from the requirements of IAS 28), only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. To be applied retrospectively, although an entity is permitted to apply it prospectively. Early application is permitted. If early adopted, an entity must also adopt the amendment below, and the amendments to paragraph 3 of IFRS 7 **"Financial Instruments: Disclosures"**, paragraph 1 of IAS 31 **"Joint Ventures"** and paragraph 4 of IAS 32 **"Financial Instruments Presentation"** at the same time.
- An investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance. Any impairment is reversed if the recoverable amount of the associate increases. If early adopted, an entity must also adopt the amendment above, and the amendments to paragraph 3 of IFRS 7 **"Financial Instruments: Disclosures",** paragraph 1 of IAS 31 **"Joint Ventures"** and paragraph 4 of IAS 32 **"Financial Instruments: Presentation"** at the same time. The Group applies the revised IAS 28 from January 1, 2009.

IAS 29, "Financial Reporting in Hyperinflationary Economies" (Amended), : (Valid since 1 January 2009)
This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. No specific transition requirements have been stated as it is a clarification of the references rather than a change. The Group estimates that these amendments have no effect on its financial statements.

IAS 31, "Interest in Joint ventures" (Amended), : (Valid since 1 January 2009)
This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 (as it is exempt from the requirements of IAS 31), only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply. Early application is permitted. If early adopted, an entity must also adopt the amendments to paragraph 3 of IFRS 7 **"Financial Instruments: Disclosures",** IAS 28 **"Investments in Associates"** and paragraph 4 of IAS 32 **"Financial Instruments: Presentation"** at the same time. The Group estimates that these amendments have no effect on its financial statements.

IAS 34, "Interim Financial Reporting" (Amended), : (Valid since 1 January 2009)
This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33. The Group applies the revised IAS 34 from January 1, 2009.

IAS 36, "Impairment of assets" (Amended), : (Valid since 1 January 2009)
This amendment clarifies that when discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'. To be applied retrospectively. Early application is permitted. The Group applies the revised IAS 36 from January 1, 2009.

IAS 38, "Intangible Assets" (Amended), : (Valid since 1 January 2009)
- Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services. To be applied retrospectively. Early application is permitted.
- Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method. To be applied retrospectively. Early application is permitted.
- A prepayment may only be recognised in the event that payment has been made in advance to obtaining right of access to goods or receipt of services. The Group applies the revised IAS 38 from January 1, 2009.

IAS 39, "Financial instruments recognition and measurement" (Amended), : (Valid since 1 January 2009)
- Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 "**Insurance Contracts"**, this is a change in circumstance, not a reclassification. To be applied retrospectively. Early application is permitted.
- Removes the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. To be applied retrospectively. Early application is permitted.
- Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting. To be applied retrospectively. Early application is permitted. The Group estimates that these amendments have no effect on its financial statements.

IAS 40, "Investment property" (Amended), : (Valid since 1 January 2009)
- Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. To be applied prospectively. Early application is permitted. An entity is permitted to apply the amendments to investment properties under construction from any date before January 1, 2009 provided that the fair values of investment properties under construction were determined at those dates.
- Revises the conditions for a voluntary change in accounting policy to be consistent with IAS 8.
- Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability. The Group applies the revised IAS 40 from January 1, 2009.

IAS 41, "Agriculture" (Amended), : (Valid since 1 January 2009)
- Replaces the term 'point-of-sale costs' with 'costs to sell'. Revises the example of produce from trees in a plantation forest from 'logs' to 'felled trees'.
- Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.
- Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the 'most relevant market' are taken into account. To be applied prospectively. Early application is permitted. The Group estimates that these amendments have no effect on its financial statements.

IFRS 2 (Amendment) "Share based payment": (valid since January 1, 2010)
This amendment clarifies the accounting treatment of transactions which depend on the value of shares among companies of the same group conducted in cash. It also recalls IFRIC 8 and 11. The Group estimates that these amendments have no effect on its financial statements.

In April 2009 the IASB has made a number of amendments in the accounting standards in order to remove inconsistencies and to provide clarifications. The following amendments, if not stated differently, are valid for annual accounting periods, beginning at or after July 1st , 2010.

IFRS 2 "Share-based Payment": (valid since or after July 1, 2009)
This amendment clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2. The Group estimates that these amendments have no effect on its financial statements.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
This amendment clarifies the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations. The Group estimates that these amendments have no effect on its financial statements.

IFRS 8 “Operating Segment Information”
This amendment provides clarifications about disclosures regarding the assets of an operating sector. The Group applies the revised IFRS 8 from July 1, 2010.

IAS 1 “Presentation of Financial Statements”
This amendment clarifies that the terms of a liability, that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty, do not affect its classification as a current or a non current element. The Group estimates that these amendments have no effect on its financial statements.

IAS 7 “Statement of Cash Flows”
This amendment states that only expenditure that results in recognizing an asset, in the statement of financial position, can be classified as a cash flow from investing activities. The Group applies the revised IAS 7 from July 1, 2010.

IAS 17 “Leases”
The amendment provides clarifications regarding the classification of land and building leases as financial or operating leases. The Group applies the revised IAS 7 from July 1st , 2010.

IAS 18 “Revenue”
The amendment provides additional guidance to determine whether an economic entity is acting as a principal or as an agent. The Group estimates that these amendments have no effect on its financial statements.

IAS 36 “Impairment of Assets”
The amendment clarifies that the largest unit permitted for allocating goodwill, for impairment test purposes, is the operating segment as defined in IFRS 8 paragraph 5 (that is before aggregation for reporting purposes). The Group applies the revised IAS 36 from July 1st , 2010.

IAS 38 “Intangible Assets”
The amendment clarifies (a) the requirements according to IFRS 3 (revised) regarding the accounting treatment of intangible assets acquired in a business combination (b) the presentation of the valuation techniques vastly applied by entities for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets. The Group estimates that these amendments have no effect on its financial statements.

IAS 39 “Financial Instruments: Recognition and Measurement”
The amendments refer to: (a) clarifications regarding the dealing with fines, due to early loan payment as derivatives closely related to the main contract (b) the scope exemption for contracts between an acquirer and a vendor in a business combination and (c) clarifications that gains and losses on cash flow hedges of a forecast transaction should be reclassified from equity to profit or loss in the period that the hedged forecast cash flows affects profit or loss. The Group estimates that these amendments have no effect on its financial statements.

IFRIC 9 “Reassessment of Embedded Derivatives”: (valid since or after July 1, 2009)
The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or businesses under common control. The Group estimates that these amendments have no effect on its financial statements.

IFRIC 14 “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” (Amended),: (valid since or after 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 16 “Hedges of a Net Investment in a Foreign Operation”: (valid since or after July 1, 2009)
The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group, including the foreign operation itself, as long as specific requirements are satisfied. The Group estimates that these amendments have no effect on its financial statements.

IFRS 1 (Amendment) "First time adoption of International Financial Reporting Standards"- Limited exemptions on comparative information of IFRS 7 Disclosures: (valid since July 1, 2010)
The amendment provides exceptions for companies applying IFRS for the first time since the requirement to provide comparative information in relation to the disclosures required by IFRS 7 **"Financial Instruments: Disclosures ".** The Group estimates that these amendments have no effect on its financial statements.

Improvements on International Financial Reporting Standards have been issued as well in May 2010. The dates of application of these improvements differ depending on the standard, but for the majority the application date begins in January 1, 2011.

IFRS 1 "First time adoption of International Financial Reporting Standards": (Amended)
The amendments relate to: (a) additional disclosure requirements if an entity changes its accounting policies or its use of IFRS 1 exemptions after it has published a set of IAS 34 interim financial information, (b) exemptions when the revaluation basis is used for the purposes of "deemed cost" and (c) exemptions for entities that are subject to rate regulation to use previous carrying amounts for property, plant and equipment or intangible assets as "deemed cost".

IFRS 3 "Business Combinations": (Amended)
The amendments provide additional guidance with respect to: (a) contigent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008) (b) measuring non controlling interests and (c) accounting for share based payment transactions that are part of a business combination, including un replaced and voluntarily replaced share based payment awards.

IFRS 7 "Financial Instruments: Disclosures": (Amended)
The amendmends include multiple clarifications related to the disclosure of financial instruments.

IAS 1 "Presentation of Financial Statements": (Amended)
The amendmendt clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 "Consolidated and Separate Financial Statements": (Amended)
The amendmendt clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 (2008) are to be applied prospectively.

IAS 34 "Interim Financial Reporting": (Amended)
The amendmendt places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 "Customer Loyalty Programmes": (Amended)
The amendmendt clarifies the meaning of the term "fair value" in the context of measuring award credits under customer loyalty programmes.

The Group is in the procedure of studying the above mentioned amendments.

On October 2010, the following amendment has been issued, which is applicable for annual financial statements at or after July 1st 2011.

IFRS 7 "Financial Instruments: Disclosures": (Amended)
Offbalance disclosures as a part of a whole review of activities.

IFRS 7 "Financial Instruments: Disclosures – transfers of financial assets ": (Amended)
This amendment sets out disclosure requirements for transferred financial assets not derecognized in their entirety as well as on transferred financial assets derecognized in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements.

The Group is in the procedure of studying the above mentioned amendments.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

4. RISK MANAGEMENT

The main activities of the Group are influenced by a variety of financial risks, for example, the risks resulted from changes in foreign currency exchange rates and interest rates. The overall financial risk management program seeks to minimize potential adverse effects in the Group's financial position as a whole.

The Group's main financial instruments, except for derivatives, are cash and cash equivalents, bank deposits (sight and time), trade accounts receivable, prepayments and other receivables and accounts payable, bank loans (borrowings). Management periodically evaluates and revises the policies and procedures that relate to management of financial risk, which are described below:

a) Market risk

(i) Foreign exchange translation risk (FX translation risk)

The Group holds participations (business operations) in Romania, whose net assets are exposed to FX translation risk. This kind of FX translation risk derives from the exchange rate RON / € and it is not hedged as there is no substantial exposure. Group's management constantly monitors FX translation risks, that might arise and evaluates the need to take relative actions.

Presume that there is a change (depreciation/appreciation) at 31st of December 2010 concerning the exchange rate of RON/€ at a level of 1,5% (respectively at a level of 1,5% for year 2009). The effect on Group's results for the year as well as on Group's equity, due to the translation of the results of company MEDSANA BMC from its functional currency to Euro, is disposed in the table below:

Appreciation / (Depreciation)	**2010 1,5%**	**2009 1,5%**	**2010 (1,5%)**	**2009 (1,5%)**
Net profit gain /(loss)	(1)	3	1	(3)
Equity gain /(loss)	(1)	3	1	(3)

This percentage of 1,5% depreciation/appreciation was based on the average volatility in the exchange rates market for a twelve-month period for 2010.

Foreign exchange rate

Exchange rate for year 2009	**Balance Sheet**	**Profit and Loss**
1€=RON	4.2282	4.0459
Exchange rate for year 2010	**Balance Sheet**	**Profit and Loss**
1€=RON	4,28770	4,24308

(ii) Price risk

The Group is not exposed to securities price risk due to its no investment in entities classified, in the consolidated balance sheet, as financial assets at fair value through income statement.

(iii) Cash flow and fair value interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Depending on the levels of net debt, any change in the base interest rates (**EURIBOR**), has a proportionate impact on the Group's results. For diminishing the effect of the above mentioned interest rate risk beginning from year 2008 Group entered financial contracts for interest rate risk hedging purposes. These financial instruments, are measured at fair value and are recognized as assets or liabilities in the financial statement.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

The Group policy is to minimize its exposure to interest rate cash flows risk with regard to long term financing issued at variable rates, to maintain its borrowings at low levels but at the same time make sure of the funding by cooperative banks that satisfy, by all means, the planned growth of the Group.

A detailed report of Company's and Group's loans is found in Note 25.

The table below presents the effect on Group's and Company's results for year 2010 and 2009 as well as on Group's and Company's equity at 31st December 2010 and 2009 (**sensitivity analysis**) at a rate volatility (increase/decrease) of **EURIBOR** by 0,5%.

	The Group				**The Company**			
	2010		**2009**		**2010**		**2009**	
	+0,5%	***-0,5%***	***+0,5%***	***-0,5%***	***+0,5%***	***-0,5%***	***+0,5%***	***-0,5%***
Net profit gain /(loss)	(884)	884	(1.803)	1.803	(862)	862	(1.743)	1.743
Equity gain /(loss)	(884)	884	(1.803)	1.803	(862)	862	(1.743)	1.743

The above table does not include the positive effect of interest received from bank deposits.

Also it is presented the effect on Group's and Company's results for year 2010 and 2009 as well as on Group's and Company's equity at 31st December 2010 and 31st December 2009 (**sensitivity analysis**) at a rate volatility (increase/decrease) of **EURIBOR** by 0,5%, relating to the income / expense from derivatives (See Note 11 and 21).

	The Group				**The Company**			
	2010		**2009**		**2010**		**2009**	
	+0,5%	***-0,5%***	***+0,5%***	***-0,5%***	***+0,5%***	***-0,5%***	***+0,5%***	***-0,5%***
Net profit gain /(loss)	(500)	500	(500)	500	(500)	500	(500)	500
Equity gain /(loss)	(500)	500	(500)	500	(500)	500	(500)	500

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and conducted transactions. The maximum exposure to credit risk is represented by the carrying amount of each asset, including derivative financial instruments, Risk control department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Trade debtors credit limits are set based on internal ratings in accordance with limits set by management.

	The Group		**The Company**	
	2010	**2009**	**2010**	**2009**
Cash and cash equivalents	18.747	28.980	16.814	16.737
Trade accounts receivable	163.417	161.637	160.983	159.314
Prepayments and other receivables	15.167	21.702	27.639	28.289
TOTAL	**197.331**	**212.319**	**205.436**	**204.340**

The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is considered to be limited. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors. (See Note 19).

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Regarding prepayments and other receivables as well as cash and cash equivalents credit risk is considered of no significance.

With respect to derivative financial instruments, the Group monitors its positions, the credit ratings of counter parties (See Note 21) and the level of contracts it enters into with any counter party.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. Furthermore, the Group has entered into factoring, transaction, aiming to support its working capital (see note 25).

The following table depicts Group's and Company's financial liabilties classified in groups by the time period, estimated from the end of year 2010 to the date payable.

Group at 31.12.2010

	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	173.460	4.357	-
Trade accounts payable and other liabilities	103.573	113	-
Total	**277.033**	**4.470**	**-**

Group at 31.12.2009

	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	12.048	50.054	101.542
Trade accounts payable and other liabilities	125.385	1.507	-
Total	**137.433**	**51.561**	**101.542**

Company at 31.12.2010

	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	170.621	2.758	-
Trade accounts payable and other liabilities	108.086	113	-
Total	**278.707**	**2.871**	**-**

Company at 31.12.2009

	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	9.192	47.797	101.542
Trade accounts payable and other liabilities	117.582	1.346	-
Total	**126.774**	**49.143**	**101.542**

In the financial liabilities of Group and Company the derivatives are included, in which the Group monitors its positions, and the level of contracts it enters into, with any counter party. A detailed report is found in Note 21.

d) Capital management policies and procedures

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.

Capital is monitored on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less "Cash & cash equivalents". Total capital employed is calculated as "Total Equity" as shown in the consolidated balance sheet plus net debt.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
	2010	**2009**	**2010**	**2009**
Total Borrowing	177.817	163.644	173.379	158.531
Less: Cash and cash equivalents	18.747	28.980	16.814	16.737
Net Debt	**159.070**	**134.664**	**156.565**	**141.794**
Total Equity	157.068	170.644	173.186	179.399
Total Capital employed	**316.138**	**305.308**	**329.751**	**321.193**
Gearing ratio	**50,32%**	**44,11%**	**47,48%**	**44,15%**

The gearing ratio for year 2010 has increased compared to the previous year 2009 in terms of Group and Company.

The Group also monitors the ratio "Net Debt to EBITDA" (see note 25) in order to ensure an acceptable credit rating. More specifically this ratio is as follows :

	The Group	
	2010	**2009**
Net Debt	159.070	134.664
Profit before taxes, financing, investing activity and depreciation (Note 13)	7.166	33.001
Net Debt to EBITDA	**22,20**	**4,08**

e) Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on market conditions existing at each balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values.

Since January 1 2009, Group applies the amendment of IFRS 7, which requires the disclosure of financial assets measured at fair value according to a hierarchy of 3 levels.

• Published purchase prices (not revised or adjusted) for financial assets that are traded in active capital markets **(level 1)**
• Valuation tecniques based directly on published purchase prices or computed indirectly from published purchase prices of similar instruments **(level 2)**
• Valuation tecniques which are not based on available information from current transactions in active capital markets **(level 3)**

In the table below financial assets and liabilities, which are measured at fair value at 31st December 2010 and 31st December 2009, are shown:

Group 2010

	Level 1	Level 2	Level 3	Total
Financial assets				
(Interest rate swaps)		1.596		1.596
Finacial liabilities				
(Interest rate swaps)		9.585		9.585

Group 2009

	Level 1	Level 2	Level 3	Total
Financial assets				
(Interest rate swaps)		1.752		1.752
Finacial liabilities				
(Interest rate swaps)		11.004		11.004

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Company 2010

	Level 1	Level 2	Level 3	Total
Financial assets (Interest rate swaps)		1.596		1.596
Finacial liabilities (Interest rate swaps)		9.585		9.585

Company 2009

	Level 1	Level 2	Level 3	Total
Financial assets (Interest rate swaps)		1.752		1.752
Finacial liabilities (Interest rate swaps)		11.004		11.004

The derivatives' fair value is based on market to market assessment. For all derivatives, fair values are confirmed from financial institutions with which the group has entered relevant contracts (See Note 21).

During the year no reclass took place among levels 1, 2, 3 relevant to fair value measurement.

The fair value of financial assets, which are not traded in active capitalmarkets, (for example derivatives over the counter) is measured by using valuation techniques, based mainly on available information about transactions that take place in active markets while using the least possible entity's estimations. These financial instruments are included in level 2.

Comparison by category between carrying amount and fair value

	The Group				The Company			
	carrying amount		fair value		carrying amount		fair value	
Financial assets	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Other long term debtors	412	547	412	547	408	543	408	543
Trade accounts receivable	163.417	161.637	163.417	161.637	160.983	159.314	160.983	159.314
Prepayments and other receivables	15.167	21.702	15.167	21.702	27.639	28.289	27.639	28.289
Derivatives	1.596	1.752	1.596	1.752	1.596	1.752	1.596	1.752
Cash and cash equivalents	18.747	28.980	18.747	28.980	16.814	16.737	16.814	16.737
Financial liabilities								
Long term loans/borrowings	4.357	151.596	4.357	151.596	2.758	149.339	2.758	149.339
Other long term liabilities	113	1.507	113	1.507	113	1.346	113	1.346
Trade accounts payable	83.214	106.462	83.214	106.462	90.044	99.927	90.044	99.927
Short term loans/borrowings	173.460	12.048	173.460	12.048	170.621	9.192	170.621	9.192
Derivatives	9.585	11.004	9.585	11.004	9.585	11.004	9.585	11.004
Accrued and other current liabilities	20.359	18.923	20.359	18.923	18.042	17.655	18.042	17.655

5. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group proceeds to judgments and estimates in order to apply the most representative accounting methods and policies or in connection with the future development of transactions and events. Such judgments and estimates are periodically reviewed by management in order to reflect current condition and correspond to anticipation of current risks and are based on prior management's experience in conjunction to the volume / level of such transactions and events.

The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming twelve months period are as follows:

Significant accounting estimates and relative uncertainty:

a) Goodwill impairment test
The Group determines 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 flows.

As it is explained in note 15 of the financial statements, the goodwill arose from the purchase of minority's percentage of Group's subsidiary's "IATRIKI TEHNIKI S.A.". Management has received two valuation reports from two independent appraisals regarding the business value of "IATRIKI TEHNIKI S.A.", which are based in its estimated future cash flows. Considering the significant profitablility of "IATRIKI TEHNIKI S.A."assessed by the company's results of years 2005, 2006, 2007, 2008, 2009 and closing year 2010 as a whole, also greater by the estimations of valuations, management trusts that the company's operational profits will maintain in the near future and there is no reason for excercising impairment loss.

b) Provisions for income taxes
Income (current) tax liabilities according to IAS 12 for the current and prior periods are measured at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted by the balance sheet date. (Provision for 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 open tax years). Accordingly, the financial settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. Further details are provided in Note 12.

c) Provision for retirement indemnities
The cost for the staff leaving indemnities is determined based on actuarial valuations. The actuarial valuation requires management making assumptions about future salary increases, discount rates. Management, at each balance sheet date when the provision is re-examined, tries to give its best estimate regarding the above mentioned parameters.

d) Impairment of debtors
The group impairs the value of trade receivables when there is evidence or indications that the collection of each receivable in whole or up to a percentage is not feasible. The Management of the Group proceeds to temporary revaluation of the formulated provision for douptful debts in relation with the credit policy and data from the Group's Law Department, which arises from processing past data and recent developments of each case.

e) Other provisions
The Company is involved (in its capacity as defendant and as plaintiff) in various lawsuits and legal amperages in the framework of its normal operation. The determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations.

f) Useful life of depreciated assets
Management examines the useful life of the depreciable assets each year. At the 31st of December 2010, management estimates that the useful lives represent the predictable usefulness of the assets.

g) Deferred tax assets recoverability: Deferred tax assets recognition includes estimates as regards their recoverability. More specifically, the recognition of deferred tax assets on carried forward tax losses requires management estimates to the extent that it is propable that taxable profit will be available against which the losses can be utilized in each tax regime in which the Company and the subsidiaries of the Group operate.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

In the annual Financial Statements of 31st December of 2010, the basic accounting principles applied are consistent with those applied for the annual Financial Statements of 31st December 2009.

6. PAYROLL COST:

The Payroll cost that is included in the accompanying financial statements is analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Wages and Salaries	72.443	73.147	65.671	69.988
Social security costs	18.650	18.396	16.772	17.568
Compensations and Provision for retirement indemnities	3.232	2.282	3.154	2.111
Management fees and other staff expenses	3.532	4.649	3.341	3.917
Total payroll	**97.857**	**98.474**	**88.938**	**93.584**
Less: amounts charged to cost of sales (Note 8)	(78.362)	(74.890)	(71.712)	(73.768)
Administrative and distribution cost (Note 9)	**19.495**	**23.584**	**17.226**	**19.816**

7. DEPRECIATION AND AMORTISATION:

Depreciation and amortization accounted in the accompanying financial statements is analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Depreciation of property plant and equipment (Note 14)	12.237	12.159	10.870	11.472
Amortization of intangible assets (Note 15)	172	125	105	103
	12.409	**12.284**	**10.975**	**11.575**
Less: depreciation and amortization charged to cost of sales (Note 8)	(11.415)	(11.448)	(10.289)	(10.882)
Administrative and distribution cost (Note 9)	**994**	**836**	**686**	**693**

8. COST OF SALES :

The cost of sales that is presented in the accompanying financial statements is analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Payroll cost (Note 6)	78.362	74.890	71.712	73.768
Third party fees	23.838	17.165	15.895	16.036
Depreciation and amortization (Note 7)	11.415	11.448	10.289	10.882
Other third party expenses	14.644	15.085	12.707	13.377
Taxes and duties	352	405	352	405
Other expenses	5.556	5.852	5.437	5.725
Health care materials, medicine and other consumables and special materials	71.539	109.400	74.855	115.586
Total	**205.706**	**234.245**	**191.247**	**235.779**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

9. ADMINISTRATIVE EXPENSES AND DISTRIBUTION COSTS:

The administrative expenses and distribution costs that are presented in the accompanying financial statements are analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Payroll cost (Note 6)	19.495	23.584	17.226	19.816
Third party fees	3.080	1.661	2.338	1.270
Depreciation and amortization (Note 7)	994	836	686	693
Third party services	3.494	3.497	3.257	3.192
Taxes and duties	891	433	889	431
Other expenses	4.269	3.727	3.485	3.261
Deletion of receivables	137	295	135	87
Allowances for doubtfull debtors (Impairment)	3.155	145	3.155	145
Healthcare material, medicine, consumable materials and special materials	393	490	330	412
Total	**35.908**	**34.668**	**31.501**	**29.307**

10. OTHER INCOME / (EXPENSES):

The other income / (expenses) that are presented in the accompanying financial statements are analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Income from rentals/other services	1.890	1.358	2.590	2.514
Government Grants, special tax returns	156	456	134	453
Other income	934	1.128	851	1.105
Profit /(loss)on disposals of fixed assets	204	(301)	204	(303)
Income from prior years	26	39	21	22
Total	**3.210**	**2.680**	**3.800**	**3.791**

11. FINANCIAL INCOME/(COSTS):

The financial income/ (costs) that are presented in the accompanying financial statements are analyzed as follows:

The Group

	31/12/2010	31/12/2009
Interest on non-current loans/borrowings	(3.663)	(5.098)
Interest on current loans/borrowings & relevant expenses	(2.097)	(1.203)
Financial expenses from derivatives	(4.128)	(3.365)
Factoring commissions	(186)	(646)
Finance lease interest	(261)	(147)
Derivative valuation at fair value	(157)	(5.362)
Losses from exchange differences	(0)	(0)
Total financial costs	**(10.492)**	**(15.821)**
Gains / (losses) from associates	(29)	10
Dividends from investments in companies	76	94
Interest on deposits and relevant income	258	378
Income from derivatives	750	574
Derivative valuation at fair value	1.419	483
Reversal of impairment in participation in associate	135	0
Gains from exchange differences	0	0
Total financial income	**2.609**	**1.539**
Financial income/(costs)	**(7.883)**	**(14.282)**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

The Company

	31/12/2010	31/12/2009
Interest on non-current loans/borrowings	(3.663)	(5.098)
Interest on current loans/borrowings & relevant expenses	(1.594)	(929)
Financial expenses from derivatives	(4.128)	(3.365)
Factoring commissions	(186)	(646)
Finance lease interest	(174)	(115)
Derivative valuation at fair value	(157)	(5.362)
Total financial costs	**(9.902)**	**(15.515)**
Interest on deposits and relevant expenses	191	273
Income from derivatives	750	574
Derivative valuation at fair value	1.419	483
Reversal of impairment in participation in associate	135	0
Dividends from investments in companies	356	4.343
Total financial income	**2.851**	**5.673**
Financial income/(costs)	**(7.051)**	**(9.842)**

12. INCOME TAXES:

According to the tax legislation, the tax rate applicable in companies for the year of 2010 is 24%. (25 % the 31st of December 2009).

The tax rate of 25% will gradually lower by one percent each year beginning from year 2010 and up to year 2014. In year 2014 the interim tax rate will amount to 20% according to article 14 of Law 3697/2008. This gradual change of tax rate was taken into account for the measurement of deferred tax assets and liabilities according to **IAS 12** paragraph 47.

The provision for income taxes presented in the accompanying financial statements is analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Current income taxes:				
Current income tax charge (and other taxes not included in the operating cost)	885	2.737	204	1.320
Additional tax L.3845/2010 & L.3808/2009	1.114	847	700	491
Prior years' taxes	216	1.143	200	1.076
Deferred income taxes	(1.761)	(512)	(472)	120
Total provision for income taxes	**454**	**4.215**	**632**	**3.007**

The amount of additional tax (article 5, Law 3845/2010), of euro 1.114 for Group and of euro 700 for the Company, was included in current income taxes of Group and Company respectively, as it can be considered as income tax, according to the announcement of ELTE 0002/10.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

The reconciliation of the provision for income taxes to the amount determined by the application of the Greek statutory tax rate to pretax income is summarized as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Profit / (loss) before income taxes	**(12.922)**	**6.135**	**(5.581)**	**8.261**
Income taxes calculated at the nominal applicable tax rate 24% (25% for year 2009)	(3.101)	1.534	(1.340)	2.066
Additional tax assessments (Prior years' taxes)	216	1.143	200	1.076
Tax effects of non-taxable income	(15)	(35)	(85)	(1.086)
Expenses not deductible for tax purposes	1.097	856	1.009	724
Additional tax L.3845/2010 & L.3808/2009	1.114	847	700	491
Tax effects of losses from subsidiaries for which no deferred tax asset was recognized	666	60		
Tax effects of profits from subsidiaries abroad taxed at different rates	7	(18)		
Tax effects of deferred tax from change in statutory tax rate	470	(172)	148	(264)
Income taxes reported in the statements of income	**454**	**4.215**	**632**	**3.007**
Effective tax rate	**(3,52%)**	**68,70%**	**(11,33%)**	**36,40%**

Greek tax laws and related regulations are subject to interpretations by the tax authorities. Tax returns are filed 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.

In a future tax audit of the related unaudited years, additional taxes and penalties may be assessed to the Company and to its subsidiaries. The Group regards that the outcome of the tax audits and the amount of the possible added taxes and fines, is possible to estimate and, thus, a relevant provision has been made in the consolidated financial statements related to this subject, amounted to euro 860 of which euro 800 refer to the parent company. Parent company has been audited by tax authorities up to 31st December 2008.

Regarding its subsidiaries, the tax authorities have not audited their books and their elements for the years mentioned in table below:.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Company's name	Company's location country	Activity	Participation (%)	Tax unaudited years
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	100.00%	2009-2010
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51.00%	2007-2010
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50.50%	2007-2010
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33.00%	2010
HOSPITAL AFFILIATES INTERNATIONAL	GREECE	Organization & Administration of Hospitals and Clinics.	68.89%	2007-2010
MEDSANA BMC	ROMANIA	Diagnostic Center	100.00%	1997-2010
BIOAXIS SRL (ex MEDSANA SRL)	ROMANIA	Diagnostic Center	78.90%	1997-2010
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics	100.00%	2010
ORTELIA HOLDINGS	CYPRUS	Establishment, Organization & Operation of Hospitals and Clinics	99.99%	1998-2010
MEDICAFE S.A.	GREECE	Pastry shop-buffet	55%	2007-2010
MATERNITY CLINIC GAIA	GREECE	Maternity and gynaecology clinic	100.00%	2009-2010
INTEROPTICS S.A.	GREECE	Trade & services of publication and electronic information & information systems	27.33%	2010

The deferred income taxes related to the temporary differences between the book values and the tax bases of assets and liabilities are calculated using the applicable statutory income tax rate.

	The Group	The Company
Opening balance, January 1st 2010	(13.491)	(12.124)
Charged directly to equity		
Charged to the statement of income	1.761	472
Closing balance, December, 31st 2010	**(11.730)**	**(11.652)**

	The Group	The Company
Opening balance, January 1st 2009	(14.003)	(12.004)
Charged directly to equity		
Charged to the statement of income	512	(120)
Closing balance, December, 31st 2009	**(13.491)**	**(12.124)**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
	31st December 2010	31st December 2009	31st December 2010	31st December 2009
Deferred income tax Liabilities				
- Property plant and equipment	(19.361)	(18.491)	(17.298)	(16.468)
- Leases	(1.543)	(1.581)	(1.495)	(1.577)
- Other	1.558	1.814	1.558	1.815
	(19.346)	**(18.258)**	**(17.235)**	**(16.230)**
Deferred income tax Assets				
- Accounts receivable	1.272	641	1.273	641
- Tax losses	2.537	619	571	0
- Deferred expenses	391	545	376	540
- Provision for retirement indemnities	3.462	3.008	3.409	2.970
- Other	(46)	(46)	(46)	(46)
	7.616	**4.767**	**5.583**	**4.105**
Net deferred income tax liabilities	**(11.730)**	**(13.491)**	**(11.652)**	**(12.124)**

The effect of the deferred taxes in debits/(credits) of the income statement is the following:

	The Group		The Company	
	31st December 2010	31st December 2009	31st December 2010	31st December 2009
Deferred income tax Liabilities				
- Property plant and equipment	(870)	(1.224)	(831)	(1.224)
- Leases	39	241	83	246
- Other	(257)	1.198	(257)	1.198
	(1.088)	**216**	**(1.005)**	**220**
Deferred income tax Assets				
- Accounts receivable	631	29	631	29
- Tax losses	1.918	619	571	0
- Deferred expenses	(154)	(157)	(165)	(158)
- Provision for retirement indemnities	454	(194)	440	(211)
- Other	0	0	0	0
	2.849	**297**	**1.477**	**(340)**
Debit of deferred income tax	**1.761**	**512**	**472**	**(120)**

Group has formed deferred tax asset, for accumulated tax losses of companies included in the consolidation amounted to euro 2.537.

13. EARNINGS PER SHARE:

The calculation of basic earnings per share in the 31st of December 2010 and 2009 is the following:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
	31st December 2010	31st December 2009	31st December 2010	31st December 2009
Net profit / (loss) attributable to equity holders of the parent	(13.427)	1.903	(6.213)	5.254
Weighted average number of shares outstanding	86.735.980	86.735.980	86.735.980	86.735.980
Basic earnings / (losses) per share				
Net profit / (loss) per share attributable to equity holders of the parent	**(0,15)**	**0,02**	**(0,07)**	**0,06**

The diluted earnings per share are not presented, as they do not differ from basic earnings per share mentioned above.

Profit before taxes, financing and investing activity and profit before taxes, financing, investing activity and depreciation of Group and Company, for the years 1/1-31/12/2010 and 1/1-31/12/2009 are, for purposes of decision 34/24.1.2008 of Capital Market's Board of Directors Commission as following :

	The Group		The Company	
	31st December 2010	31st December 2009	31st December 2010	31st December 2009
Profit before taxes, financing and investing activity	(5.243)	20.717	1.265	18.405
Profit before taxes, financing,investing activity and depreciation	7.166	33.001	12.240	29.980

14 PROPERTY PLANT AND EQUIPMENT:
Property, plant and equipment is analyzed as follows:

Movement for year 2010 – Group

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 01.01.2010	**67.837**	**181.701**	**76.656**	**2.781**	**32.252**	**12.190**	**373.417**
Exchange Differences	0	(13)	(23)	(3)	(2)	(1)	(41)
Additions	0	627	3.963	6	751	2.469	7.815
Sales/Deletions	0	(288)	(707)	(1)	(552)	0	(1.548)
Adjustments	0	(813)	(2.264)	(21)	(582)	(416)	(4.095)
Transfers from fixed assets under constructions	0	6.947	20	0	0	(6.967)	0
Transitions and reclassifications	0	0	(40)	20	(4)	(26)	(50)
Balance 31.12.2010	**67.837**	**188.160**	**77.606**	**2.782**	**31.863**	**7.250**	**375.498**
Depreciation							
Balance 01.01.2010	**0**	**(20.205)**	**(43.052)**	**(2.051)**	**(24.021)**	**0**	**(89.330)**
Exchange Differences	0	1	13	1	1	0	16
Year's Additions	0	(3.785)	(6.445)	(217)	(1.790)	0	(12.237)
Sales/Deletions	0	288	750	107	603	0	1.748
Adjustments	0	14	136	1	65		216
Transitions and reclassifications	0	5	1	(5)	22	0	23
Period total	**0**	**(3.477)**	**(5.545)**	**(113)**	**(1.100)**	**0**	**(10.234)**
Balance 31.12.2010	**0**	**(23.682)**	**(48.598)**	**(2.163)**	**(25.121)**	**0**	**(99.564)**
Net Book Value	**67.837**	**164.479**	**29.008**	**619**	**6.743**	**7.250**	**275.934**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Movement for year 2009 – Group

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement	**67.841**	**178.760**	**68.219**	**2.760**	**30.046**	**10.136**	**357.762**
Balance 01.01.2009							
Exchange Differences	(24)	(43)	(91)	(13)	(8)	(1)	(179)
Additions	20	641	9.347	161	2.252	4.635	17.055
Sales/Deletions	0	(73)	(897)	(128)	(165)	0	(1.264)
Transfers from fixed assets under constructions	0	2.416	95	0	95	(2.606)	0
Transitions and reclassifications	0	0	(16)	0	33	26	43
Balance 31.12.2009	**67.837**	**181.701**	**76.657**	**2.780**	**32.253**	**12.190**	**373.417**
Depreciation							
Balance 01.01.2009	**0**	**(16.424)**	**(37.765)**	**(1.959)**	**(22.008)**	**0**	**(78.158)**
Exchange Differences	0	9	43	3	4	0	58
Year's Additions	0	(3.867)	(5.923)	(222)	(2.148)	0	(12.159)
Sales/Deletions	0	73	598	127	154	0	952
Transitions and reclassifications	0	4	(5)	0	(22)	0	(23)
Period total	**0**	**(3.781)**	**(5.287)**	**(92)**	**(2.012)**	**0**	**(11.172)**
Balance 31.12.2009	**0**	**(20.205)**	**(43.052)**	**(2.051)**	**(24.021)**	**0**	**(89.330)**
Net Book Value 31.12.2009	**67.837**	**161.496**	**33.604**	**729**	**8.232**	**12.190**	**284.087**

Movement for year 2010 – Company

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 01.01.2010	**51.308**	**179.765**	**68.646**	**2.323**	**30.142**	**5.743**	**337.926**
Additions	0	421	3.029	5	459	1.721	5.634
Sales –Deletions	0	(288)	(669)	(1)	(527)	0	(1.484)
Adjustments	0	(452)	(1.792)	(21)	(374)	(416)	(3.055)
Transfers from fixed assets under constructions	0	4.182	0	0	0	(4.182)	0
Transitions and reclassifications	0	0	(21)	0	(4)	0	(24)
Balance 31.12.2010	**51.308**	**183.627**	**69.194**	**2.306**	**29.696**	**2.866**	**338.997**
Depreciation							
Balance 01.01.2010	**0**	**(19.953)**	**(40.606)**	**(1.808)**	**(23.428)**	**0**	**(85.796)**
Year's Additions	0	(3.578)	(5.598)	(121)	(1.573)	0	(10.870)
Sales –Deletions	0	288	712	107	578	0	1.685
Adjustments		14	136	1	61		213
Transitions and reclassifications	0	4	1	(5)	22	0	23
Period Total	**0**	**(3.271)**	**(4.749)**	**(18)**	**(912)**	**0**	**(8.949)**
Balance 31.12.2010	**0**	**(23.224)**	**(45.355)**	**(1.826)**	**(24.340)**	**0**	**(94.745)**
Net Book Value 31.12.2010	**51.308**	**160.403**	**23.838**	**480**	**5.356**	**2.866**	**244.252**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Movement for year 2009– Company

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 01.01.2009	**51.308**	**176.771**	**63.035**	**2.275**	**29.305**	**5.756**	**328.450**
Additions	0	578	6.518	152	969	2.403	10.620
Sales -Deletions	0	0	(891)	(105)	(165)	0	(1.161)
Transitions and reclassifications	0	0	(16)	0	33	0	17
Transfers from fixed assets under constructions	0	2.416	0	0	0	(2.416)	0
Balance 31.12.2009	**51.308**	**179.765**	**68.646**	**2.323**	**30.142**	**5.743**	**337.926**
Depreciation							
Balance 01.01.2009	**0**	**(16.138)**	**(35.744)**	**(1.773)**	**(21.492)**	**0**	**(75.146)**
Year's Additions	0	(3.816)	(5.450)	(138)	(2.068)	0	(11.472)
Sales/Deletions	0	0	593	103	154	0	850
Transitions and reclassifications	0	0	(5)	0	(22)	0	(28)
Period total	**0**	**(3.816)**	**(4.862)**	**(35)**	**(1.936)**	**0**	**(10.650)**
Balance 31.12.2009	**0**	**(19.954)**	**(40.606)**	**(1.808)**	**(23.428)**	**0**	**(85.796)**
Net Book Value 31.12.2009	**51.308**	**159.811**	**28.040**	**514**	**6.714**	**5.743**	**252.130**

There are no restrictions on title or transfer or other encumbrances on the Group's land and buildings. In addition, no item of land, building and machinery equipment has been pledged as security for liabilities.

The amounts that have been deducted from the acquisition value of the tangible assets and specifically 4.095 euros regarding group and 3.055 euros regarding company (see adjustments) refer to corresponding V.A.T., which according to relevant legislation, the opportunity is given to offset it as incoming V.A.T. with the outcoming V.A.T., as well as V.A.T. of tangible assets acquired with financial leasing (See note 25), as since 1 July 2010 the Hospital and Medical treatment are subject to.VA.T. state.

15. INTANGIBLE ASSETS

The Group

	Goodwill	Rights/Licenses	Other (Software)	Total
Cost				
Balance 01.01.2010	1.979	66	1.117	3.161
Exchange Differences	0	0	(1)	(1)
Additions	0	0	318	318
Sales/Deletions			(78)	(78)
Adjustments			(40)	(40)
Transitions	0	0	26	26
Balance 31.12.2010	1.979	66	1.341	3.386
Accumulated amortization				
Balance 01.01.2010	0	0	(819)	(819)
Exchange Differences	0	0	1	1
Additions	0	0	(172)	(172)
Adjustments			5	5
Transitions	0	0	52	52
Balance 31.12.2010	0	0	(933)	(933)
Net Book Value 31.12.2010	**1.979**	**66**	**408**	**2.453**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	Goodwill	Rights/Licenses	Other (Software)	Total
Cost				
Balance 01.01.2009	1.979	66	965	3.010
Exchange Differences	0	0	(3)	(3)
Additions	0	0	182	182
Sales / Deletions	0	0	(1)	(1)
Transitions / Reclassifications	0	0	(26)	(26)
Balance 31.12.2009	1.979	66	1.117	3.161
Accumulated amortization				
Balance 01.01.2009	0	0	(698)	(698)
Exchange Differences	0	0	3	3
Additions	0	0	(125)	(125)
Sales/deletions	0	0	1	1
Balance 31.12.2009	0	0	(819)	(819)
Net Book Value 31.12.2009	**1.979**	**66**	**298**	**2.342**

The goodwill amounted to € 1.979 resulted from the acquisition of a further 5% of the subsidiary's share capital IATRIKI TECHNIKI S.A., a company that is operating in Greece in the sector of medical and surgical instrument production and trading, as well as of all kinds of sanitary/health equipment. The buying-out of the further 5% that was typically completed in the third quarter of 2005, has been recognized according to the buy-out method and represents the difference between the paid up price and the fair value of the assets that were purchased as they were valuated at the respective transaction dates. From the progress of activities until now, no indications have arisen showing that the possibility of an impairment test must be examined.

The group in the b' quarter of 2006 acquired the rest 44% percentage and now owns 100% of the subsidiary's Iatriki Tehniki Share Capital. The amount required, for the acquisition of the 44%, of € 21.282, was not recognized as additional goodwill due to purchase method, but it reduced equally the consolidated Equity, as it arose from subsidiary purchase in which the group had already control.

The Company

	Rights/Licenses	Other (Software)	Total
Cost			
Balance 01.01.2010	66	986	1.052
Additions	0	74	74
Adjustments		(12)	(12)
Balance 31.12.2010	66	1.048	1.114
Accumulated amortization			
Balance 01.01.2010	0	(758)	(758)
Additions	0	(105)	(105)
Adjustments	0	5	5
Balance 31.12.2010	0	(858)	(858)
Net Book Value 31.12.2010	**66**	**190**	**256**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	Rights/Licenses	Other (Software)	Total
Cost			
Balance 01.01.2009	66	903	969
Additions	0	84	84
Sales/deletions	0	(1)	(1)
Balance 31.12.2009	66	986	1.052
Accumulated amortization			
Balance 01.01.2009	0	(656)	(656)
Additions	0	(103)	(103)
Sales/deletions	0	1	1
Balance 31.12.2009	0	(758)	(758)
Net Book Value 31.12.2009	**66**	**228**	**294**

16. INVESTMENTS OF PARENT COMPANY IN SUBSIDIARIES

The investments of the Company in subsidiaries at the 31st December 2010 are analyzed as follows:

	Participation	Acquisition cost in 31/12/2010	Acquisition cost in 31/12/2009
Iatriki Techniki S.A.	*100,00%*	25.421	25.421
Physiotherapy center S.A	*33,00%*	19	19
Axoniki Erevna S.A.	*50,50%*	545	545
Erevna S.A	*51,00%*	503	503
Hospital Affiliates International	*68,89%*	91	91
Eurosite S.A	*100,00%*	8.335	8.335
Ortelia Holdings	*99,99%*	1.039	1.039
Medsana Buch	*100,00%*	33	33
BIOAXIS SRL (former Medsana Srl)	*78,90%*	517	517
Athens Paediatrics Center	*58,30%*	169	169
Maternity clinic Gaia SA	*100,00%*	5.925	60
		42.597	**36.732**
Impairment loss		(1.805)	(1.805)
Balance		**40.792**	**34.927**

The above-mentioned subsidiaries are consolidated, except from Athens Pediatrics Center SA, which is under liquidation procedure and its acquisition cost is totally deleted in the Company's retained earnings. The operation of this company was interrupted before the transition date, the assets and liabilities of its balance sheets are of minor significance and the liquidation procedure does not entail significant costs for the Company. Until the reporting date of the accompanying financial statements no final judicial decision has been issued for its dissolution and its final deletion from the S.A. register.

During year 2010, a share capital increase of subsidiary company Maternity clinic Gaia SA of amount 5.865 euro, has been completed, which was deposited exclusively by parent company.

The acquisition cost in Ortelia Holdings SA and in BIOAXIS SRL (former Medsana Srl) has been completely deleted in the stand alone financial statements of the Company, according to the provisions of **IAS 27** and **38**. These companies, do not present any operation and their accounting value is greater of their recoverable amount. At the transition date in IFRS, an impairment test took place in the above mentioned investments, during which, it was attributed in Company's cash generating units. The recoverable amount, which in this case was the value of use, was lower than the carrying amount and the impairment loss arose and amounted to € 1,805, was charged against the retained earnings of 1st of January 2004.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

The dividends of subsidiaries for year 2010, are the following:

	Income from dividends
Iatriki Techniki S.A.	0
Medsana Buch	312
Physiotherapy center S.A	44
TOTAL	**356**

The dividends of subsidiaries for year 2009, are the following:

	Income from dividends
Iatriki Techniki S.A.	4.300
Physiotherapy center S.A	43
TOTAL	**4.343**

There are no dividends from subsidiaries that have been sold during year 2010.

17. INVESTMENTS IN ASSOCIATES CONSOLIDATED BY THE EQUITY METHOD

These concern Company's investments in the capital share of the following companies in a percentage between 20% and 50% and in which no important influence is exercised.

The Company

	Percentage	Acquisition cost in 31/12/2010	Acquisition cost in 31/12/2009
Medisoft S.A.	45,00%	132	132
Interoptics S.A.(ex-In Health S.A.)	27,33%	205	340
Aggiologiki Dierevnisi Ltd	20,00%	2	2
Herodikos Ltd	20,00%	19	19
		358	**493**
Impairment loss		(358)	(493)
Net carrying amount		**0**	**0**

The carrying amount of the above companies is deleted in the Company's Equity at a time prior to the transition date and the same classification is preserved since the 1st January 2004.

It is noted that company In Health S.A. was merged through absorbtion from company Interoptics S.A. at 15 March 2005 and as a result group obtains a percentage of 27.33% on the capital of Interoptics S.A. instead of 30.37% that was obtained on the capital of the absorbed company In Health S.A. Management for the preparation of the financial statements of year 2010, reversed part of the impairment loss recognised on the acquisition cost of the investment on Interoptics S.A. .(ex-In Health S.A.) in the company's stand alone financial statements, according to **IAS 39** § 66 and included it in its consolidated financial statements using the equity method according to **IAS 28.**

Impairment loss in 31.12.2009	**(493)**
Reversal of impairment loss in participation of associate company (see note 11)	135
Impairment loss in 31.12.2010	**(358)**

During year 2010 a return of deposited Share Capital has been completed, amounted to 135 euro, due to associate company Interoptics S.A. General Assembly's decision. As a result of this Share Capital decrease the company's cost of participation in parent's books has been decreased, while equal income has been recognized due to impairment loss reversal (See note 11).

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

The Group

	31/12/2010	31/12/2009
Percentage in equity at the beginning of the year	**364**	**384**
Sale of Eurohospital S.A. shares	-	(30)
Gain from associates – Interoptics S.A., Medicafe SA and gain from Eurohospital S.A. shares sale	47	104
Recognized income from dividends of company Medicafe SA (Note 11)	(76)	(94)
Total	**335**	**364**

The total amount of loss from associates of € 29 (€ 47 minus € 76) has been included in the financial income (Note 11).

The dividends of associates for year 2010 are the following:

	Income from dividends
Medicafe S.A.	76

The dividends of associates for year 2009 are the following:

	Income from dividends
Medicafe S.A.	94

There are no dividends from associates that have been sold during year 2010.

Summary financial information of companies Interoptics S.A. and Medicafe S.A. 2010

Company	Assets	Liabilities	Income	Gains / (Losses)	Group's percentage
Interoptics S.A.	1.584	1.195	2.973	(6)	(2)
Medicafe S.A.	467	181	1.152	89	49
Total					**47**

Summary financial information of companies Interoptics S.A. and Medicafe S.A. 2009

Company	Assets	Liabilities	Income	Gains / (Losses)	Group's percentage
Interoptics S.A.	1.889	999	3.049	89	24
Medicafe S.A.	496	160	1.245	137	76
Gain from Eurohospital S.A. shares sale					4
Total					**104**

18. INVENTORIES:

The inventories are analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Merchandise	19	202		
Raw materials and consumable materials	4.857	6.082	4.389	5.728
Finished and semi-finished products	0	45		
	4.876	**6.329**	**4.389**	**5.728**

No item of inventories of Group and Company has been pledged as security for liabilities.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

19. TRADE ACCOUNTS RECEIVABLE:

The trade accounts receivable are analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Trade debtors – open balances	146.979	139.836	144.720	139.155
Checks receivable (postdated) & bills receivable	21.433	23.756	21.263	22.121
Doubtfull debtors	1.185	1.069	1.180	1.062
Less: Provision for impairment (trade debtors)	(5.867)	-	(5.867)	-
Less: Provision for impairment (trade accounts receivable)	(313)	(3.024)	(313)	(3.024)
	163.417	**161.637**	**160.983**	**159.314**

These short term financial assets' fair value is not fixed independenly because it is considered that book value approaches their fair value.

The major part of trade debtors comes from public insurance organizations and private insurance companies, whose credit risk is considered to be limited. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors.

The group impairs the value of trade receivables when there is evidence or indications that the collection of each receivable in whole or up to a percentage is not feasible. The Management of the Group proceeds to temporary revaluation of the formulated provision for douptful debts in relation with the credit policy and data from the Group's Law Department, which arises from processing past data and recent developments of each case.

For all Group receivables, indications for their probable impairment have been assessed. In year 2010 an additional impairment has been formed for doubtfull debtors of euro 3.155 (see note 9), while an amount of euro 137 (euro 295 for year 2009) trade debtors has been erased, charging this years' results. In addition, some of the non impaired receivables are in delay.

Specifically the impairment account has as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Beginning balance	3.024	2.879	3.024	2.879
Debtors impairment that charged the results (see note 9)	3.155	145	3.155	145
Ending balance	**6.180**	**3.024**	**6.180**	**3.024**

Maturity of trade accounts receivable is presented in the following table.

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Trade debtors (<365 days) - non past due	58.713	73.752	56.930	73.545
Checks receivable (postdated) & bills receivable (<365 days) -non past due	13.654	18.202	13.518	16.602
Trade debtors (>365 days) – Past due & impaired up to the amount of impairment	88.266	66.084	87.790	65.611
Checks receivable (postdated) & bills receivable (>365 days) - Past due	7.779	5.554	7.745	5.519
doubtfull debtors past due & impaired	1.185	1.069	1.180	1.062
Less: Provision for impairment (trade debtors)	(6.180)	(3.024)	(6.180)	(3.024)
	163.417	**161.637**	**160.983**	**159.314**

Specifically the maturity of trade debtors – open balances is presented in the following table:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Trade debtors (<30 days)	10.375	9.305	8.766	9.271
Trade debtors (30-60 days)	6.224	8.628	6.142	8.565
Trade debtors (60-90 days)	5.202	7.839	5.169	7.793
Trade debtors (90-180 days)	11.362	18.832	11.323	18.786
Trade debtors (181-365 days)	25.550	29.148	25.530	29.129
Trade debtors (>365 days)	88.266	66.084	87.790	65.611
	146.979	**139.836**	**144.720**	**139.155**

Group's trade accounts receivable mainly consist of receivables in euro.

20. PREPAYMENTS AND OTHER RECEIVABLES:

The prepayments and other receivables are analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Advance payments for purchases	1	1	0	0
Advances to third parties	735	686	691	683
Other accounts receivable	12.284	20.070	10.131	15.197
Short-term receivables from associates	17	17	16.279	11.551
Prepaid expenses and other debtors	2.130	928	538	858
	15.167	**21.702**	**27.639**	**28.289**

In other accounts receivable in 31st December 2010, retained and advanced income taxes are included, amounted to € 7.112 for Group and € 5.987 for the Company.

21. DERIVATIVES:

	The Group Assets Fair value		The Company Assets Fair value	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Interest rate Derivatives. (Swaps) (Contracts' nominal value 25.000.000 euro)-(25.000.000 euro at 31/12/2009)	1.596	1.752	1.596	1.752
	1.596	**1.752**	**1.596**	**1.752**

	The Group Total Equity and liabilities Fair value		The Company Total Equity and liabilities Fair value	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Interest rate Derivatives. (Swaps) (Contracts' nominal value 175.000.000 euro)-(175.000.000 euro at 31/12/2009)	9.585	11.004	9.585	11.004
	9.585	**11.004**	**9.585**	**11.004**

The derivatives' fair value is based on market to market assessment. For all swap contracts, fair values are confirmed from financial institutions with which the group has entered relevant contracts.

The financial income from derivatives for year 2010 is mentioned in detail in note 11.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

SWAPS

Swaps in 31st December 2010 and 31st December 2009 were as following:

		Interest Swaps	
Bank	**Maturity**	**Collections (based)**	**Payments (based)**
National Bank of Greece	7/2015	Euribor 6month	fixed
Eurobank	7/2011	Euribor 6month	Euribor 6month
Alpha Bank	7/2015	Euribor 6month	Libor 6month
Unicredit	7/2015	fixed	Euribor 6month
Unicredit	7/2013	Euribor 6month	fixed

22. 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 in hand	396	317	361	299
Deposits (sight and time)	18.351	28.663	16.453	16.438
	18.747	**28.980**	**16.814**	**16.737**

The bank deposits are lent at interest with floating interest rates based on the monthly interest rates of bank deposits and mainly refer to deposits in euro. Group's bank deposits in other currencies in 31st December 2010 amount to € 788 (Group's bank deposits in other currencies in 31st December 2009 amounted to € 754). The income from sight and time bank deposits interest is recognized in accrual basis of accounting. (See note 11).

23. SHARE CAPITAL:

The share capital of the Company in 31st December 2010, consists of 86.735.980 common nominal shares, with nominal value € 0,31 each.

The Company's shares are publicly traded on the Athens Stock Exchange.

According to the Shareholders Record of the Company, in the 31st of December 2010, the shareholders with holding a percentage in the Company greater than 2 % were the following:

	Number of shares acquired	**% 31st December 2010**
G. Apostolopoulos Holdings S.A.	27.833.843	32,09%
Asklepios International Gmbh	26.649.532	30,73%
Eurofinanciere D Invetsissement Monaco	2.585.057	2,98%
Credit Suisse-Zurich	4.665.556	5,38%
Free float < 2%	25.001.992	28,82%
	86.735.980	**100,00%**

The share premium of the Company resulted from the period of 1991 until the period of 2007, with a total amount of € 19.777 by the issuing of shares against cash, in value greater than their nominal value.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

24. LEGAL, TAX FREE AND SPECIAL RESERVES:

The legal, tax free and special reserves are analyzed as follows:

The Group

	31/12/2010	31/12/2009
Legal reserve	5.537	5.537
Tax free and specially taxed reserves	75.086	70.649
Other	(50)	59
	80.572	**76.245**

The Company

	31/12/2010	31/12/2009
Legal reserve	5.026	5.026
Tax free and specially taxed reserves	74.891	70.548
Other	440	440
	80.356	**76.014**

Legal Reserve: According to the Greek Company law, the companies are obliged to form at least 5% of their annual net profits, as they are represented in the accounting books, in legal reserve, until the accumulated amount of the legal reserve reaches at least the 1/3 of the capital share. The above-mentioned reserve cannot be distributed during the operation of the Company.

Tax free and Specially Taxed Reserves: The untaxed and specially taxed reserves represent interest income, which are tax free or taxed by 10% at their source. The particular income is not taxable under the condition that adequate profits exist, from which respective untaxed reserves can be formed. According to the Greek tax legislation, this reserve is excluded from income tax, under the condition that it will not be distributed to the shareholders. The Company does not intend to distribute the particular reserve and thus it has not proceeded to the estimation of deferred income tax that would have been necessary in the case of reserve distribution.

Special Reserves: The special reserves have been formed based on the decisions of the shareholders' General Assemblies. The Company does not intend to distribute the particular reserves.

The special reserve, at 31st December 2010 amounted to euro 4.343 in Company and euro 4.437, in Group, was formed according to the provisions of L. 3697/2008. The tax liability which will accumulate due to the distribution of this special reserve is estimated, at 31st December 2010 in 869 euro for the Company and 887 euro for the Group and will be recognized, if only its distribution takes place.

25. LOANS:

	The Group		The Company	
Non-current loans	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Common bond loan	-	146.542	-	146.542
Finance leases	4.357	5.054	2.758	2.797
	4.357	**151.596**	**2.758**	**149.339**
Current loans				
Bank loans	20.793	7.250	18.543	5.000
Non-current loans payable within the next 12 months	146.656	3.000	146.656	3.000
Factoring	4.323	-	4.323	-
Finance leases	1.688	1.798	1.099	1.192
	173.640	**12.048**	**170.621**	**9.192**
Total of loans due	**177.817**	**163.644**	**173.379**	**158.531**

	The Group		The Company	
Maturity of non-current loans	**31/12/2010**	**31/12/2009**	**31/12/2010**	**31/12/2009**
Up to 1 year	146.656	3.000	146.656	3.000
Between 1 & 5 years	-	45.000	-	45.000
Over 5 years	-	101.542	-	101.542
	146.656	**149.542**	**146.656**	**149.542**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

The fair value of borrowings approaches their book value, as Group's and Company's borrowings are mainly based on floating rates.

The Group's borrowing mainly concerns the Common Bond Loan, with initial amount of € 149.357 (Amount of borrowing € 120.000.00 plus € 30.000.00 in the third quarter of year 2007, minus transaction costs directly attributable to loan acquisition in accordance to **I.A.S. 39** § 43), according to the Common Bond Loan issuance contract from the 24/5/2007, with the Bank "**ALPHA BANK**" as a manager and lender Banks the following: **NATIONAL BANK of GREECE**, **EFG EUROBANK ERGASIAS** and **ALPHA BANK**. According to the contract, the purpose of this loan was the refunding of existing borrowing as well as the funding of company's general purposes. The loan's duration is eight years. The loan's repayment in full, will be conducted in 11 six-month installments. The first installment will be deposited in 19/7/2010, after a three year of grace and the final installment will be deposited in 19/7/2015. The interests concerning the above-mentioned loan are estimated according to the six month Euribor interest rate plus a margin, which will be defined according to a financial ratio of "**Net borrowings to EBITDA**" on a consolidated basis, and will be between 1,15% (valid) and 1,50%.

In terms of the Common Bond Loan agreement the company has entered, it is obliged to maintain satisfactory capital adequacy, profitability and liquidity as defined by the following ratios, calculated on six month basis on the audited consolidated financial statements of the company.

a) The ratio «Net Debt to EBITDA with no extraordinary results and minority interests included », to maintain during Common Bond Loan duration less or equal to 5,50.
b) The ratio «EBITDA with no extraordinary results and minority interests included to the total amount of interest expenses less interest income », to maintain during Common Bond Loan duration greater or or equal to 3,50
c) The ratio « Total loans/borrowings to total loans/borrowings plus equity » to maintain during Common Bond Loan duration less or equal to 0,75

For year 2010 rates (a) and (b) were not satisfied. Indicativelly rate (a) is as follows:

	The Group	
	2010	**2009**
Net Debt	159.070	134.664
Profit before taxes, financing, investing activity, depreciation and minority interest	7.114	32.985
Net Debt to EBITDA	22,36	4,08

At the end of the closing year, applying IAS 1 "Presentation of Financial Statements" the Group and Company proceeded to the reclassification of borrowings amounted to € 146.656, from Statement of Financial Position's line "long term borrowings" to "long term liabilities payable in the next year" line. The reclassification refers to borrowings whose contracts include covenants, some of them not being satisfied at 31 December 2010. Management in cooperation with borrowing Banks is in the process of renegotiation of their terms.

The current bank loans, except the common Bond Loan, have been received by the Company and its subsidiaries for serving their needs in working capital.

The relevant weighted average interest margins at the financial statements date are as follows:

31/12/2009

	The Group	**The Company**
Short term borrowing	3,799%	3,698%
Long term borrowing	3,003%	3,002%

31/12/2010

	The Group	**The Company**
Short term borrowing	4,624%	4,717%
Long term borrowing	2,349%	2,331%

The loan cost has charged the year's results according to accrual basis principle (Note 11).

The liabilities that result from leases concern the leasing of mechanical – hospital equipment. The liabilities to the lessor are analyzed as follows:

Leasing Liabilities - Minimum payments of leases:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Until one year	1.876	1.989	1.205	1.305
Between 1 & 5 years	4.565	5.355	2.869	2.967
After 5 years	0	0	0	0
Total	**6.441**	**7.344**	**4.074**	**4.273**
Future finance charges on finance leases	(396)	(493)	(217)	(284)
Present value of lease liability	**6.045**	**6.851**	**3.857**	**3.989**

The present value of the leasing liabilities is the following:

	The Group		The Company	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Up one year	1.688	1.798	1.099	1.192
From 1 to 5 years	4.357	5.054	2.758	2.797
After 5 years	0	0	0	0
	6.045	**6.851**	**3.857**	**3.989**

The currency break down of Company's and Group's loans at 31/12/2009 has as follows:

	The Group	**The Company**
Euro	163.365	158.531
RON	279	-
Total	**163.644**	**158.531**

The currency break down of Company's and Group's loans at 31/12/2010 has as follows:

	The Group	**The Company**
Euro	177.558	173.379
RON	259	-
Total	**177.817**	**173.379**

Over the leased assets ownership retention exists, which will stay in force until the ending of the leasing period and the payment in full of the leases.

There are no other guaranties and commitments of ownership or use over the fixed assets and the other assets of the Group.

From the leasing liabilities an amount of euro 1.237 has been deducted regarding the group and of euro 865 regarding the company, which refer to corresponding V.A.T. of fixed assets acquired with financial leasing. According to article 62, par. 2 of L. 3842/2010, Hospital and Medical treatment has been subject to V.A.T. state. As a result V.A.T. of fixed assets acquired with financial leasing is not a liability.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

26. GOVERNMENT GRANTS:

The movement in the government grants during the year ended in 31st December 2010 and the year ended in 31st December 2009 was the following:

	The Group	The Company
Balance 01.01.2010	**22**	**1**
Additions	0	0
Depreciation	(1)	(1)
Balance 31.12.2010	**22**	**0**

	The Group	The Company
Balance 01.01.2009	**4**	**4**
Additions	21	0
Depreciation	(3)	(3)
Balance 31.12.2009	**22**	**1**

27. PROVISION FOR RETIREMENT INDEMNITIES:

(a) Government Insurance Programs: The contributions of the Company and the Group to the insurance funds for the year ended in 31st December 2010, were recognized as expenses and amounted to € 16.772 and € 18.650 respectively.

(b) Provision for retirement indemnities: According to the Greek employment legislation, the employees entitled to receive compensation in case of dismissal or retirement, the amount of which varies depending on the salary, the years of service and the type of retirement (dismissal or pensioning) of the employee. Employees that resign or get dismissed with a justification are not entitled to receive compensation. The payable compensation in case of retirement equals the 40% of the compensation that would have been payable in case of an unjustified dismissal. In Greece, according to the local practice, these programs are not granted. The Company debits to the results for the accrued benefits in every period with a relevant rise of the pensioning liability. The payments of the benefits performed to the pensioners every period are charged against this liability.

The movement of the net liability in the accompanying balance sheets of the Company and the Group is the following:

The Company	31st December 2010	31st December 2009
Net liability at the beginning of the year	14.848	15.903
Actual benefits paid by the Company	(955)	(1.107)
Deposit of formed provision	0	(2.059)
Expense recognized in the income statement (Note 6)	3.154	2.111
Net liability at the end of the year	**17.047**	**14.848**

The Group	31st December 2010	31st December 2009
Net liability at the beginning of the year	15.040	16.010
Actual benefits paid by the Company	(963)	(1.154)
Deposit of formed provision	0	(2.098)
Expense recognized in the income statement (Note 6)	3.232	2.282
Net liability at the end of the year	**17.309**	**15.040**

An international firm of independent analogists/actuaries evaluated the Company's liabilities arising from the obligation to pay retirement indemnities.

The details and principal assumptions of the actuarial study as at 31st of December 2010 and 31st of December 2009 is the following:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	The Group		The Company	
	31st December 2010	31st December 2009	31st December 2010	31st December 2009
Present Value of un funded obligations	16.600	16.782	16.353	16.590
Unrecognized actuarial net loss	709	(1.742)	694	(1.742)
Net liability in Balance Sheet	**17.309**	**15.040**	**17.047**	**14.848**
Components of net periodic pension cost:				
Service cost	1.604	1.520	1.543	1.349
Interest cost	763	788	758	788
Actuarial losses	96	65	96	65
Employment termination cost	392	0	400	0
Regular charge to operations/results	**2.855**	**2.373**	**2.797**	**2.202**
Additional cost (benefit) of extra benefits	377	(91)	357	(91)
Total charge to operations/results	**3.232**	**2.282**	**3.154**	**2.111**
Reconciliation of benefit obligation:				
Net liability at beginning of period	15.040	16.010	14.848	15.903
Service cost	1.604	1.520	1.543	1.349
Interest cost	763	788	758	788
Benefits paid	(963)	(3.252)	(955)	(3.166)
Additional cost (benefit) of extra benefits and employement termination cost	769	(91)	757	(91)
Actuarial losses	96	65	96	65
Present value of obligation at the end of the period	**17.309**	**15.040**	**17.047**	**14.848**

GROUP

Principal assumptions:	**2010**	**2009**
Discount rate	5.25%	5.09%
Rate of compensation increase	4.2%	4.2%
Increase in consumer price index	2.5%	2.5%

COMPANY

Principal assumptions:	**2010**	**2009**
Discount rate	5.01%	5.09%
Rate of compensation increase	4.2%	4.2%
Increase in consumer price index	2.5%	2.5%

The additional cost of extra benefits relates to benefits paid to employees, who became redundant. Most of these benefits were not expected within the terms of this plan and accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charge.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

28. OTHER LONG TERM LIABILITIES:

Other long term liabilities refer to long term bills and are analyzed as following:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Up one year	120	1.495	120	1.323
From 1 to 5 years	0	120	0	120
After 5 years	0	0	0	0
Total	**120**	**1.615**	**120**	**1.443**
Future finance charges	(7)	(108)	(7)	(97)
Present value of liability	**113**	**1.507**	**113**	**1.346**

29. TRADE ACCOUNTS PAYABLE:

The trade accounts payable are analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Suppliers	73.069	86.038	83.288	83.696
Checks outstanding and bills payable (postdated)	10.145	20.424	6.756	16.231
	83.214	**106.462**	**90.044**	**99.927**

30. ACCRUED AND OTHER CURRENT LIABILITIES:

The amount represented in the accompanying consolidated balance sheet is analyzed as follows:

	The Group		The Company	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Customers' advances	0	4	0	4
Obligations to associates	34	34	34	34
Sundry creditors	9.590	8.066	8.636	7.462
Insurance and pension contributions payable	4.825	4.712	4.153	4.336
Accrued expenses	5.068	4.223	4.589	4.171
Dividends payable	20	20	20	20
Other provisions	210	208	0	0
Other	612	1.656	610	1.628
	20.359	**18.923**	**18.042**	**17.655**

31. OPERATING SEGMENT REPORTING:

The group in year 2009 replaces IAS 14 «Segment reporting » with I.F.R.S. 8 «Operating segment reporting». According to I.F.R.S. 8 the definition of operating segments is based on «management approach» while the standard requires the report of group's information based on internal organizational and managerial structures, related to operating segments.

The operating segment performance assessment is based on revenue, operating results and EBITDA. (results before taxes, financing, investing activity and depreciation), while intersegment sales are eliminated in consolidated financial statements.

Hence the group's operating segments are the following: a) Domestic healthcare service, b) Healthcare service provided abroad (Romania) and c) Sale of medical tools & sanitary/health equipment.

The sales and results of group's operating segments for periods 1/1-31/12/2010 and 1/1-31/12/2009 are the following:

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Year 2009

	Domestic healthcare service	Healthcare service provided abroad	Sale of medical tools & sanitary/health equipment	Other	Eliminations	Total
Sales						
To customers	279.676	5.888	1.086	0	-	**286.650**
Intersegment	394		41.349	0	(41.743)	**0**
Total	**280.070**	**5.888**	**42.435**	**0**	**(41.743)**	**286.650**
Results						
Profit before taxes, financing and investing activity and depreciation	27.373	550	5.312	(234)	-	**33.001**
Financial income	5.677	74	121	-	(4.333)	**1.539**
Financial expenses	(15.533)	(46)	(242)	-	-	**(15.821)**
Gains / (losses) from associates	28	-	(18)	-	-	**10**
Profit before taxes	5.555	223	4.924	(234)	(4.333)	**6.135**
Taxes	(2.422)	(28)	(1.760)	(5)	-	**(4.215)**
Profit after taxes	3.133	193	3.165	(238)	(4.333)	**1.920**
Depreciation/Amortization	(11.660)	(357)	(267)	-	-	**(12.284)**

Year 2010

	Domestic healthcare service	Healthcare service provided abroad	Sale of medical tools & sanitary/health equipment	Other	Eliminations	Total
Sales						
To customers	226.844	5.115	1.406	0	-	**233.365**
Intersegment	324	0	21.351	0	(21.675)	**0**
Total	**227.168**	**5.115**	**22.757**	**0**	**(21.675)**	**233.365**
Results						
Profit before taxes, financing and investing activity and depreciation	3.574	347	3.269	(24)	-	**7.166**
Financial income	2.853	46	95	-	(385)	**2.609**
Financial expenses	(9.976)	(42)	(474)	-	-	**10.492**
Gains from associates	(2)	-	(27)	-	-	**(29)**
Profit before taxes	(14.936)	(29)	2.451	(23)	(385)	**(12.922)**
Taxes	601	(4)	(1.041)	(10)	-	**(454)**
Profit after taxes	(14.335)	(33)	1.410	(33)	(385)	**13.376**
Depreciation/Amortization	(11.590)	(380)	(439)	-	-	**(12.409)**

It is noted that in domestic healthcare service sector, part of revenues amounted to a percentage of 32% of sales to customers, refers mainly to public insurance funds that are included in the broader public sector.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Group's operating segment assets and liabilities for periods 1/1-31/12/2010 and 1/1-31/12/2009 are the following:

	Domestic healthcare service	Healthcare service provided abroad	Sale of medical tools & sanitary/health equipment	Other	Eliminations	Total
Assets in						
31st December 2009	513.639	2.973	50.008	20.980	(75.092)	**512.508**
31st December 2010	514.829	2.760	46.183	20.974	(94.195)	**490.551**
Liabilities in						
31st December 2009	330.054	781	39.631	6.484	(35.086)	**341.864**
31st December 2010	335.423	1.031	34.396	6.512	(43.879)	**333.483**

32. RELATED PARTY DISCLOSURES:

The Company and its subsidiaries are related to the following legal and natural persons:

- due to the majority of shares acquisition in its capital with Mr. Georgios Apostolopoulos and the legal persons or other business activities he is related with
- with its subsidiaries including their main shareholders and the members of their Boards of Directors
- with the members of the Company's Board of Directors.

The transactions with its subsidiaries are mainly concerning the provision of commercial services, as well as the purchasing and selling of goods. The transactions are realized within the normal operating framework of the Company.

The relative balances receivable from associates are not covered by securities, mortgages and their payment in full is conducted by cash payment within the time limits agreed between the companies in question. The Management of the Company does not regard that a provision/allowance for a possible non-collection of its subsidiaries related receivables is needed, hence no provision/allowance for doubtful debtors against these receivables is formed.

The balances receivable/(payable) of the related party accounts of the Group are as follows:

Year 2010

	Company *Receivables*	*Liabilities*	*Income*	*Purchases*
ATHENS MEDICAL CENTER S.A.	0	0	0	0
IATRIKI TECHNIKI S.A.	0	39.066	1.071	21.351
EREVNA S.A.	0	31	0	0
AXONIKI EREVNA S.A.	0	0	0	0
PHYSIOTHERAPY CENTER S.A.	0	3	116	324
MEDSANA BUCHAREST MEDICAL CENTER	0	0	0	0
BIOAXIS SRL (ex MEDSANA SRL)	0	0	0	0
ORTELIA HOLDINGS	1.721	0	0	0
EUROSITE	3.640	0	0	0
GAIA	10.498	0	2	0
HOSPITAL AFFILLIATES INTERNATIONAL S.A.	355	0	0	0
TOTAL	**16.214**	**39.100**	**1.189**	**21.675**

Part of company's receivables from subsidiaries Eurosite S.A. and Gaia S.A.and specifically receivables amounted to euro 1.548 and euro 10.291 respectively, refer to deposits of parent company for the purpose of future share capital increase of these subsidiaries. The rest of the receivables of the above mentioned companies, as well as the receivables from Ortelia refer to financial facilitation.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

	Company	
	Receivables from dividends	***Income from dividends***
IATRIKI TECHNIKI S.A.	-	-
MEDSANA BUCHAREST MEDICAL CENTER	312	312
PHYSIOTHERAPY CENTER S.A.	-	44
TOTAL	**312**	**356**

Other

	The Group				The Company			
	Receivables	*Liabilities*	*Income*	*Purchases*	*Receivables*	*Liabilities*	*Income*	*Purchases*
G. APOSTOLOPOULOS Holdings	1	0	1	0	0	0	0	0
IKODOMIKI EKMETALEFTIKI S.A.	4	0	0	0	3	0	0	0
LA VIE Assurance	2.152	24	1.610	52	2.152	24	1.610	52
SYCHRONI ECHODIAGNOSI	0	27	0	0	0	27	0	0
PROSTATE INSTITUTE	0	0	0	0	0	0	0	0
KORINTHIAKOS RYTHMOS	4	138	1	341	3	50	0	252
HERODIKOS Ltd	34	0	0	0	34	0	0	0
QUS ATH. CENTER OF ENVIRONMENT	0	0	0	0	0	0	0	0
TRADOR A.E.	26	0	0	0	26	0	0	0
AGGEIOLOGIKI DIEREVNISI S.A.	0	7	0	0	0	7	0	0
ATHENS PAEDIATRICS CENTER	18	0	0	0	18	0	0	0
ELECTRONYSTAGMOGRAFIKI S.A.	0	0	0	0	0	0	0	0
NEVROLITOURGIKI S.A.	0	0	0	0	0	0	0	0
MEDISOFT	190	0	0	0	190	0	0	0
MEDICAFE CATERING SERVICES S.A.	22	0	99	0	22	0	99	0
DOMINION INSURANCE BROKERAGE S.A.	0	24	0	35	0	23	0	35
INTEROPTICS SA	0	0	0	0	0	0	0	0
Total	**2.451**	**220**	**1.711**	**428**	**2.448**	**131**	**1.709**	**339**

	The Group		The Company	
	Receivables from dividends	***Income from dividends***	***Receivables from dividends***	***Income from dividends***
MEDICAFE CATERING SERVICES S.A.	-	76	-	-

	The Group	The Company
Compensations of executives and members of the Board	**7.064**	**6.460**

	The Group	The Company
Receivables from executives and members of the Board	**1**	**-**
Liabilities to executives and members of the Board	**1.372**	**1.366**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Year 2009

	Company *Receivables*	*Liabilities*	*Income*	*Purchases*
ATHENS MEDICAL CENTER S.A.	0	0	0	0
IATRIKI TECHNIKI S.A.	0	30.743	1.020	41.349
EREVNA S.A.	0	31	0	0
AXONIKI EREVNA S.A.	0	0	0	0
PHYSIOTHERAPY CENTER S.A.	0	29	149	394
MEDSANA BUCHAREST MEDICAL CENTER	0	0	0	0
BIOAXIS SRL (ex MEDSANA SRL)	0	0	0	0
ORTELIA HOLDINGS	1.704	0	0	0
EUROSITE	3.633	0	1	0
GAIA SA	5.889		0	
HOSPITAL AFFILLIATES INTERNATIONAL S.A.	351	0	0	0
TOTAL	**11.577**	**30.803**	**1.170**	**41.743**

Part of company's receivables from subsidiaries Eurosite S.A. and Gaia S.A.and specifically receivables amounted to euro 1.548 and euro 5.865 respectively, refer to deposits of parent company for the purpose of future share capital increase of these subsidiaries. The rest of the receivables of the above mentioned companies, as well as the receivables from Ortelia refer to financial facilitation.

	Company Receivables from dividends	Income from dividends
IATRIKI TECHNIKI S.A.	-	4.300
PHYSIOTHERAPY CENTER S.A.	39	43
TOTAL	**39**	**4.343**

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

Other

	The Group				The Company			
	Receivables	*Liabilities*	*Income*	*Purchases*	*Receivables*	*Liabilities*	*Income*	*Purchases*
G. APOSTOLOPOULOS HOL.	1	0	1	0	0	0	0	0
IKODOMIKI EKMETALEFTIKI S.A.	4	0	0	0	3	0	0	0
LA VIE Assurance	2.553	89	1.840	88	2.553	89	1.840	88
SYCHRONI ECHODIAGNOSI	0	27	0	0	0	27	0	0
PROSTATE INSTITUTE	0	0	0	0	0	0	0	0
KORINTHIAKOS RYTHMOS	0	293	1	385	0	232	0	273
HERODIKOS Ltd	34	0	0	0	34	0	0	0
QUS ATH. CENTER OF ENVIRONMENT	85	0	0	0	85	0	0	0
TRADOR A.E.	22	0	0	0	22	0	0	0
AGGEIOLOGIKI DIEREVNISI S.A.	0	7	0	0	0	7	0	0
ATHENS PAEDIATRICS CENTER	18	0	0	0	18	0	0	0
ELECTRONYSTAGMOGRAFIKI S.A.	0	0	0	0	0	0	0	0
NEVROLITOURGIKI S.A.	0	0	0	0	0	0	0	0
MEDISOFT	190	0	0	0	190	0	0	0
MEDICAFE CATERING SERVICES S.A.	21	0	98	0	21	0	98	0
DOMINION INSURANCE BROKERAGE S.A.	0	23	0	35	0	23	0	35
INTEROPTICS SA	0	0	0	0	0	0	0	0
ΣΥΝΟΛΟ	**2.928**	**439**	**1.940**	**508**	**2.927**	**378**	**1.938**	**396**

	The Group		The Company	
	Receivables from dividends	*Income from dividends*	*Receivables from dividends*	*Income from dividends*
MEDICAFE CATERING SERVICES S.A.	-	94	-	-

	The Group	The Company
Compensations of executives and members of the Board	**8.018**	**6.870**

	The Group	The Company
Receivables from executives and members of the Board	**-**	**-**
Liabilities to executives and members of the Board	**1.652**	**1.634**

33. DIVIDENDS

According to the provisions of the greek legislation for companies , they are obliged to distribute every year dividend, that corresponds at least to the 35% of the profits after taxes and the formation of the legal reserve. The non distribution of dividends depends on the approval of 70% of the shareholder company's equity. The greek company legislation requires specific terms for the profit distribution to be satisfied , which are:

a) Any distribution of dividend is not valid if the company's equity as that appears on the Balance Sheet after the distribution is less than equity plus the non distributive reserves.

b) Any distribution of dividend is not valid, if the balance of the formation expenses is greater than the extraordinary reserves plus the retained earnings.

34. LEGAL DISPUTES - CONTIGENCIES AND COMMITMENTS :

(a) Lawsuits/Litigation and claims:

The Company is involved (in its capacity as defendant and as plaintiff) in various lawsuits and legal amperages in the framework of its normal operation. The Management, as well as its legal advisors estimates that all the pending cases are expected to be settled without any significant negative repercussions on the consolidated financial position of the Company or in the results of its operation.

The company with the 06-10-2009 extrajudicial indictment to the insurance company "ASPIS PRONOIA A.E.G.A" and to the supervisor of life insurance portfolio, appointed according to the 46704/B2260 decision of the economy and economics minister and paragraph 4a of article 10 of L. 400/1979, denounced the 1-12-2008 agreement regarding the provision of medical and healthcare services to the people insured of the above mentioned insurance company and requested the deposit of the amount of debt with its legitimate interest until its payment in full. It is noted that the license of "ASPIS PRONOIA A.E.G.A" was revoked by the 156/16&21/9/2009 decision of E.P.E.I.A., with the exception of life insurance portfolio, which according to the 46704/B.2260 economy and economics minister decision has not entered liquidation procedure.

Furthermore the company with the 01-09-2010 extrajudicial indictment to the supervisor of life insurance portfolio and the supervisor of insurance liquidation announced in a legitimate way the receivables amounted to euros 3.992 mentioning all necessary documents, which were again submitted at 23-07-2010 to the protocol of the under liquidation company "ASPIS PRONOIA A.E.G.A" and render this debt legitimate and substantially sound (receipts of service provision, admissions – discharges of patients, medication analysis, health - sanitary supply analysis e.t.c.)

Also, the company with the 09-11-2009 extrajudicial indictment to the insurance company "COMMERCIAL VALUE A.E.", denounced the 01-02-2009 agreement regarding the provision of medical and healthcare services to the people insured of the above mentioned insurance company, due to the non serving of payments, requesting the deposit of the amount of debt.

The operation license of the above mentioned insurance company was revoked by the 176/25-2-2010 decision of E.P.E.I.A. and by the B355/3-3-2010 economy and economics minister, decision a supervisor of life insurance portfolio was appointed.

Furthermore the company with the 27-12-2010 extrajudicial indictment to the supervisor of life insurance portfolio and the supervisor of insurance liquidation announced in a legitimate way the receivables amounted to euros 1.125 mentioning all necessary documents, which were submitted at the same date to the protocol of the under liquidation company "COMMERCIAL VALUE A.E" and render this debt legitimate and substantially sound (receipts of service provision, admissions – discharges of patients, medication analysis, health - sanitary supply analysis e.t.c.)

With the issuance of L. 3867/2010 of Private Insurance Supervision, Formation of Capital Security e.t.c., which by article 2 defines that any pending procedures that refer to insurance companies, which at the issuance date of the above mentioned law, their operation licence was revoked, are submitted to the provisions of the above mentioned law, it is noted that for both the above cases, the provisions of this law are applicable.

For the above mentioned debtors, an allowance for doubtfull debtors (impairment) has been formed amounted to euro 2.405 charging the company's and group's results (included in the amount euro 3.155 note 9).

The discussion before the Athens administrative court of appeal about the subsidiary's "EUROSITE HEALTH SERVICES S.A." lawsuit against the Greek State was postponed for the day of trial of April 11, 2011.

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

(b) Commitments:

(i) Commitments from operational leases:

The 31st of December 2010 the Group and the Company had various agreements of operational lease, concerning the renting of buildings and transportation equipment and they end in several dates.

The renting expenses are included in the accompanying consolidated income statement of the period ended in the 31st of December 2010 and they amount to € 3.231 (€ 3.464 at 31st December 2009).

The minimum future payable rental leases based on non-reversible contracts of operational leases in 31st of December 2010 and 2009 are as follows:

	31/12/2010	
Commitments from operational leases:	**The Group**	**The Company**
Within one year	1.874	2.075
1-5 years	4.831	4.623
After 5 years	1.253	1.193
	7.958	**7.891**

	31/12/2009	
Commitments from operational leases:	**The Group**	**The Company**
Within one year	2.765	3.030
1-5 years	6.009	6.112
After 5 years	1.954	1.908
	10.728	**11.050**

(ii) Guarantees:

The Group in 31st of December 2010 had the following contingent liabilities:

Had issued letters of guarantee for good performance for a total amount of € 2.710 (€ 2.557 in year 2009).

35. SUBSEQUENT EVENTS:

Athens Medical Group in cooperation with Asklepios International GMBH submitted an offer to buy out hospital Errikos Dynan, expanding this way its field of operations. The final decision is expected to be announced in the first semester of 2011.

Regarding the common Bond Loan, which is reported as long term liabilities payable in the next year, Management in cooperation with borrowing Banks is in the process of renegotiation of its terms.

Marousi, 30/3/2011

THE PRESIDENT OF THE BOD	THE CHIEF EXECUTIVE OFFICER	THE GENERAL GROUP CFO	THE PARENT CFO	THE CHIEF ACCOUNTANT
GEORGIOS B. APOSTOLOPOULOS	VASSILIOS G. APOSTOLOPOULOS	EMMANOUIL P. MARKOPOULOS	PETROS D. ADAMOPOULOS	PANAGIOTIS X. KATSICHTIS
ID Σ 100951	ID Ξ 350622	ID Π 001034	ID AZ 533419	ID AB 052569 O.E.E. Rank No.17856 Classification A’

36. FINANCIAL STATEMENT AND INFORMATION

(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

37. INFORMATION OF ARTICLE 10 N. 3401/2005:

The company during the year 2010, provided at the disposal of the public the following information, which are available in the web site www.iatriko.gr

DATE	INFORMATION	WEB SITE ADDRESS
25/1/2010	Announcement	www.iatriko.gr
30/3/2010	Announcement	www.iatriko.gr
30/3/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
30/3/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
6/4/2010	Announcement	www.iatriko.gr
7/4/2010	Announcement	www.iatriko.gr
7/4/2010	Announcement	www.iatriko.gr
27/5/2010	Announcement of other important events	www.iatriko.gr
28/5/2010	Announcement of other important events	www.iatriko.gr
31/5/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
31/5/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
31/5/2010	Announcement	www.iatriko.gr
1/6/2010	Announcement relating to the analysts annual presentation	www.iatriko.gr
9/6/2010	Announcement of General Assembly	www.iatriko.gr
9/6/2010	Announcement	www.iatriko.gr
9/6/2010	Announcement of General Assembly	www.iatriko.gr
30/6/2010	General Assembly's decisions	www.iatriko.gr
31/8/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
31/8/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
13/9/2010	Answer to Hellenic Capital Markets Committee's letter	www.iatriko.gr
13/9/2010	Regulated information according to L. 3556/2007	www.iatriko.gr
13/9/2010	Regulated information according to L. 3556/2007	www.iatriko.gr
30/11/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
30/11/2010	Financial Statement and informacion based on IFRS	www.iatriko.gr
2/12/2010	New synthesis of Board of Directors	www.iatriko.gr
15/12/2010	Announcement	www.iatriko.gr
23/12/2010	Announcement	www.iatriko.gr
28/12/2010	Announcement	www.iatriko.gr
29/12/2010	Announcement	www.iatriko.gr

38. WEB SITE ADDRESS

The Company's annual financial statements, consolidated and separate, the report of the Board of Directors as well as the independent Auditor's report are uploaded to the internet address www.iatriko.gr .