



**IASO**

**PRINATE GENERAL – OBSTETRIC – GYNECOLOGICAL &  
PAEDIATRICS CLINIC – DIAGNOSTIC - THERAPEUTIC &  
RESEARCH CENTER S.A.**

## **ANNUAL FINANCIAL REPORT**

**OF THE PERIOD JANUARY 1<sup>ST</sup> - DECEMBER 31<sup>ST</sup> 2008**

**DISNTINCTIVE TITLE: IASO S.A.  
37-39 KIFISIAS AVE. , MAROUSSI  
S.A. REGISTRATION N<sub>0</sub>: 13366/06/B/86/61  
[WWW.IASO.GR](http://WWW.IASO.GR)**

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## A. STATEMENTS OF THE MEMBERS OF THE BOARD

(According to article 4, par. 2 of the Law 3556/2007)

The members of the Board of Directors of IASO S.A:

1. **Ioannis Zolotas** of Charalampos, Chairman
2. **Georgios Stamatiou** of Ioannis, Managing Director
3. **Paraskevas Petropoulos** of Panagiotis, 1<sup>st</sup> Vice President,  
specially assigned by the Board of Directors at its meeting of 27/03/2009.

Under our above-mentioned capacity, we state and we assert that to the best of our knowledge:

- I. The annual financial statements of the Company and the Group IASO for the period 01/01/2008 – 31/12/2008, which were prepared in accordance with the International Financial Reporting Standards, describe in a truthful way the assets, the liabilities, the equity and the results of the Company and the Group, as well as the companies' which are included in the consolidation as a total.
- II. The annual report of the Board of Directors describes in a truthful way the progress, performance and the status of IASO, as well as the companies' which are included in the consolidation as a total, including the main risks and uncertainties.

Marousi, March 27<sup>th</sup> 2009

The asserting,

Chairman of the BoD

Managing Director

1<sup>st</sup> V. President of the BoD

Ioannis Ch. Zolotas  
ID no. A 005562

Georgios I. Stamatiou  
ID no. K 030874

Paraskevas P.Petropoulos  
ID no. N 317661

## **B. INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of IASO S.A.*

### **Report on the Financial Statements**

We have audited the accompanying corporate and consolidated financial statements of IASO S.A. (the "Company"), which comprise the corporate and consolidated balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 corporate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Without qualifying our opinion we draw attention to note 15 in the Notes to the financial statements of the Company where reference is made to the fact that third party lawsuits have been lodged against companies of the Group for indemnities, which according to the Legal Advisors of the Group are covered almost to their total by professional liability insurance policies and therefore in case where certain of these do not have an outcome in favour of the Company, these will be covered by the insurance companies.

### **Report on Other Legal and Regulatory Requirements**

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying financial statements, under the legal frame of the articles 43a, 107 and 37 of c. L. 2190/1920.

Athens, 28 March 2009



KONSTANTINOS P. PETROYANNIS

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 11991

**SOL S.A. – Certified Public Accountants Auditors**

3, Fok. Negri Street - Athens, Greece

Institute of CPA (SOEL) Reg. No. 125

**C. BOARD OF DIRECTORS REPORT OF  
“IASO PRINATE GENERAL – OBSTETRIC – GYNECOLOGICAL &  
PAEDIATRICS CLINIC – DIAGNOSTIC - THERAPEUTIC &  
RESEARCH CENTER S.A.”**

**ON THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR  
THE FISCAL PERIOD 01/01 – 31/12/2008**

Dear Shareholders,

The present Annual Report of the Board of Directors refers to the fiscal year of 2008 and has been written in compliance with the relevant stipulations of L.2190/1920 and L.3556/2007 and the executive decisions of the Hellenic Capital Market Commission and the issued decisions and especially the Decision No 7/448/11.10.2007 of the Board of Directors of Hellenic Capital Market Commission. This report is included in the Annual Financial Report that refers to the fiscal year 2008 along with the financial statements of the company and the other elements required by the law.

**Progress and performance for the FY 2008**

The financial crisis which started in mid-2007 and got intensified since the autumn of 2008 has severe global implications. The repercussions from the international financial crisis are unavoidably felt also in Greece, affecting both the stability of the financial system and the real economy provoking a downward path of growth rates and business activity.

IASO Group, in spite of the aforementioned crisis, continued its further development both in the financial figures and the enrichment of the offered services. The companies of the Group managed to increase their revenues. The improvement of the financial results is mainly attributed to the following factors: 1) the continuous rise in the numbers of IN and Outpatients' flow, which has been slightly enhanced by the of IASO Children's hospital, that commenced its operations, as IASO's department, in September 2008, 2) the efficient cost and expense control, 3) the improvement of IASO General's results.

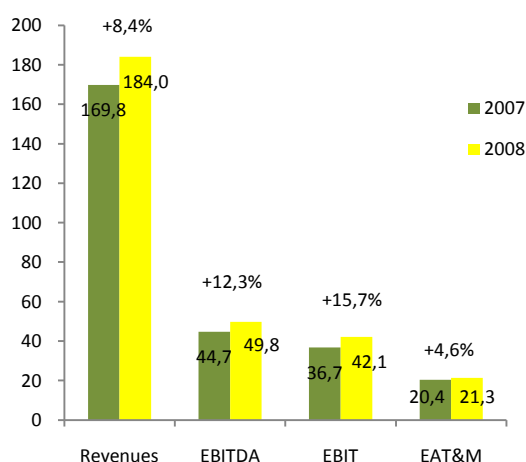
Worthy of remark is the fact that during the last five years (2004 – 2008) the Compounded Annual Growth Rate ( $CAGR_{2004 - 2008}$ ) of the Group's inpatients reached 10,62% while during the same period the Group revenues  $CAGR_{2004 - 2008}$  reached 18,94%.

## Consolidated Financial Results

The consolidated turnover for the fiscal year 2008 reached the amount of €184,0 mil, showing an increase of 8,4% compared with last year. The consolidated EBITDA reached the amount of €49,8 mil. recording an increase of 11,3%, while the EBITDA margin is strengthened by 71 basis points compared with the same period last year. Earnings Before Taxes amounted to €36,1 mil. presenting an increase of 7,6%, while Earnings After Taxes & Minorities Interests (EAT&M) reached the amount of €21,3 mil. posting an increase of 4,6%. This fact is attributed firstly on the EBIT margin improvement by 121 basis points and secondly on the lower implied tax rate for 2008, compared with the same period of 2007. In the year 2007, were recorded tax audit penalties and, for the first time, provisions for tax audit differences for the fiscal years 2006, 2007.

The evolution of the aforementioned figures is illustrated in the following tables:

**Chart 1: IASO Group Brief Financial Results (in mil. €)**

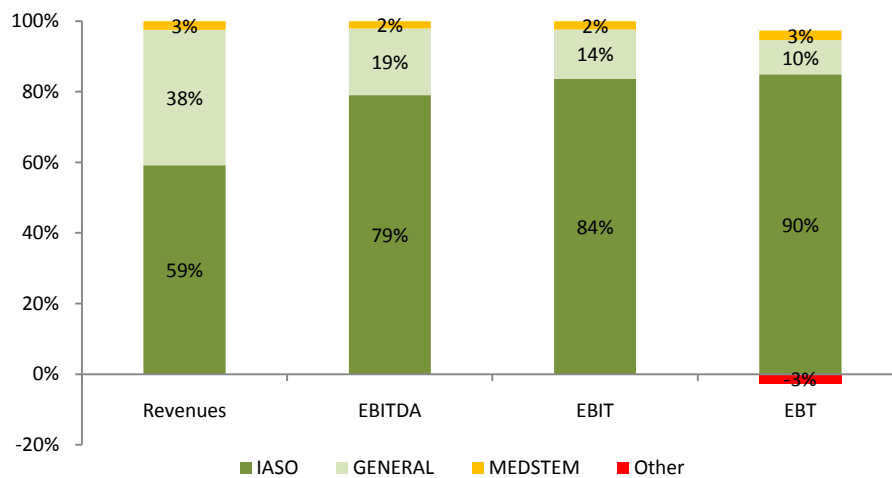


**Chart 2: IASO Group Profit Margins**



Each company's participation in the formation of the consolidated 2008 basic financial results is also demonstrated below.

**Chart 3:** Companies' participation in the formation of the consolidated basic financial results



The improvement of the consolidated financial position is also illustrated by the improvement of all financial ratios; the more important of which are shown in the following table:

Consolidated Ratios	2008	2007
EBITDA ( % on revenues)	27,1%	26,4%
EBIT ( % on revenues)	22,9%	21,6%
Owner's Equity / Total Assets *	0,42	0,39
Owner's Equity / Total Liabilities *	0,73	0,65
Owner's Equity / Bank Liabilities *	1,20	1,03

**Note:** These ratios can be further improved if the consolidated cash and cash equivalent (amounted to €23,4 mil. on 31.12.2008) get subtracted from total assets.

The aforementioned improvement in the consolidated figures is attributed to the increase of revenues and profitability of the parent company IASO S.A., as well as its subsidiary IASO General S.A.

More specifically:

### **IASO S.A.**

Full analysis and details regarding the parent company's financial status are available further down in the special section of this report.



### **IASO General S.A.**

IASO General's Revenues were recorded at €70,6 mil. presenting an increase of 9,6% vs last year's figures. The increase in the revenues is attributed to: a) the increase of inpatient cases by 1%, b) the revenues increase of inpatients by 9%, reflecting the improvement drawn from the new pricing policy, in order to approach the competitors' price lists, c) the increase of outpatient cases by 18%, and d) the revenues increase of outpatients by 19%. Furthermore, during the year 2008, new agreements were achieved, that improved other revenues account. Other revenues have been also increased by the amount of €896K, due to revaluation at fair value of a company's plot.

Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) were improved by 37%, as a result of the achieved economies of scale, the reduction of the cost of sales (as a percentage of revenues) by 56 basis points and the reduction of other expenses. Earnings Before Tax reached the amount of €3,74 mil. vs €0,11 mil. in the previous fiscal year. This significant improvement is attributed to the aforementioned achievements as well as to the reduction of the debit interests, due to prepayment of the existing borrowings by € 18,5 mil. along with the credit interests increase.

As far as Net Profit After Taxes is concerned, losses are recorded amounting to € 2,29 mil. caused by deferred tax adjustments of € 6 mil., which derives from the lapse of tax losses of the fiscal year 2003 and the adjustment of following fiscal years' tax losses to the new decreased tax rates.

### **MedStem Services S.A.**

The subsidiary company MedStem Services S.A. presented a marginal increase in Revenues of 0,7%, compared with the same period last year, reaching the amount of €4,63 mil. Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA) reached the amount of €1,07 mil. vs €1,37 mil. in 2007 posting a decrease of 22,0%. Earnings After Taxes reached the amount of €0,73 mil. presenting a decrease of 25,4%, compared with the previous fiscal year. The decrease of profit ratios is a result of the stem cells storage reduction by 3,2%, which is mainly attributed to the discontinuance of collaboration with LETO Maternity hospital, the preservation of the 2006 price list and the operating expenses' increase.

**The other subsidiaries** have not commenced their activities yet.

## **Expenses**

The administrative and marketing overheads reached €10,85 mil. presenting an increase of 21%, which is mainly attributed to IASO Children's hospital commencement of operations, increased provision for compensation, regarding the termination of rental contracts of IASO's stores, the employment cost increase along with other duties increase. Financial expenses reached € 7,29 mil. vs € 4,81 mil. in 2007 (representing the 3,96% of Group's revenues) reflecting the interest rates increase during the 1<sup>st</sup> half of 2008 and the increase of parent company's borrowings. Consolidated loans amounted to €122,25 mil. on 31.12.2008 vs €116,53 mil on 31.12.2007 recording an increase of 4,9%.

## **Personnel**

The total number of personnel employed by the Group amounted to 1.659 persons on 31.12.2008 (including 61 employees of the pediatric clinic) vs 1.588 on 31.12.2007.

## **Investments**

The implementation of the investment plan was continued during last year aiming at growth, further development of the Group's competitive strengths and continuous upgrade of the offered services based on state of the art equipment. Under this framework total Group's investments during FY 2008 amounted to €33,68 mil. and are analysed as follows:

The Parent company **IASO SA**, invested the amount of approximately €11,10 mil., which were mainly invested in medical equipment, buildings and new constructions, so as the company to commence operations of its children's hospital and continue offering pioneering and high level services, utilizing ultramodern and state of the art equipment. For demonstration purposes, we mention the acquisition of new equipment (incubators) for the Intensive Neonatal Care Unit along with the acquisition of new washing machines for surgical instruments for the Sterilization department, while the reconstruction of the hospital's kitchen is in progress.

At the same time, the departments of IASO Children's hospital were fully equipped. It is a modern hospital unit covering all aspects of the medical needs of children. It is housed in a brand new independent building, of a capacity of 65 beds, equipped with the latest biomedical technology and operates a special intensive care unit.

At **IASO General S.A.** were invested €2,02 mil in buildings and equipment, aiming at the enrichment of the offered services and further utilization of the building facilities. For demonstration purposes, we mention the acquisition of the following biomedical equipment: 1) a digital Mammography Unit, 2) a special Biopsy Table Multicare Platinum, 3) Endoscopy equipment, 4) a sterilizer GETINGE, 5) a washing machine for surgical instruments for the Sterilization department and 6) high definition endoscopy instruments.

At **IASO Thessalias S.A.** the new investments amounted approximately to €20,40 mil., in accordance with the investment plan regarding the construction and the purchase of equipment of the hospital. More specifically, the main part of the investment was allocated to the completion of the buildings and electromechanical constructions and the remaining investment refers to the installation of medical gases installations and downpayments for the purchase of equipment. During 2008, the following contracts were signed a) purchase- installation-operation of sterilization equipment, b) kitchen's equipment, c) washing and ironing machines for clothing and d) equipment for the preparation and distribution of food.

At the subsidiary **MEDSTEM Services S.A.**, were invested €153K for the purchase of new equipment for the stem cells bank.

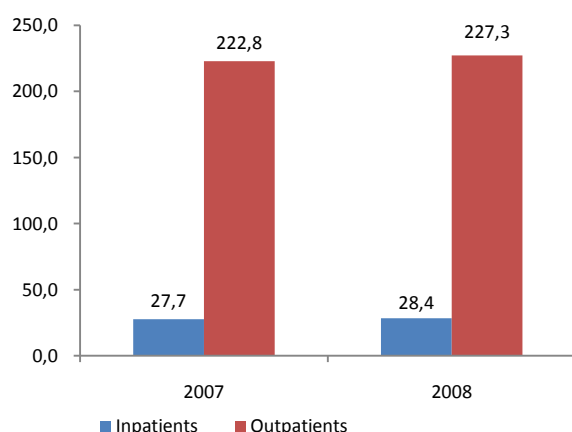
### **Parent Company's Financial Results**

The parent Company's figures and financial results demonstrate that the company is continuing its steady growing pace, despite the financial crisis. Revenues reached the amount of €109,1 mil. during 2008 vs the amount of € 101,0 during 2007 posting an increase of 7,9%. The revenue increase is attributed to the increase of revenues of inpatients and outpatients by 9,1% and 4,2% respectively, which are attributed to a) the increase of inpatient cases (2,4%) and outpatient cases (2,0%) and b) the increase of the average revenue per patient by 6,4%. A substantial increase of € 2,0 mil. (203%) is demonstrated in other revenues account because of new agreements with suppliers. Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) were recorded at €39,7 mil. vs € 36,9 mil of the FY 2007, presenting an increase of 7,7%, even though the commencement of operations of IASO children's hospital caused an increase of the

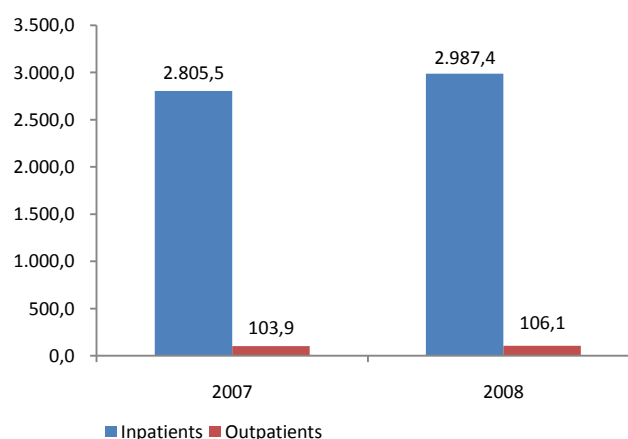
employment cost, along with increased provisions for compensation, regarding the termination of rental contracts of IASO's stores. Earnings Before Taxes reached the amount of € 32.8 mil vs € 32.3 mil of the FY 2007 showing an increase of 1,6% attributed mainly to the following two reasons: a) increase of the financial expenses by € 2,0 mil. and b) increase of depreciations by € 0,3 mil. because of the commencement of operation of the pediatric clinic. Earnings after tax and minorities interests were recorded at €24,87 mil. in 2008 vs €21,93 in 2007 posting an increase of 13,4%. This improvement stems from the tax audit adjustments for the fiscal years 2003-2005 and provisions for the fiscal years 2006, 2007.

The following chart presents the evolution of the aforementioned figures.

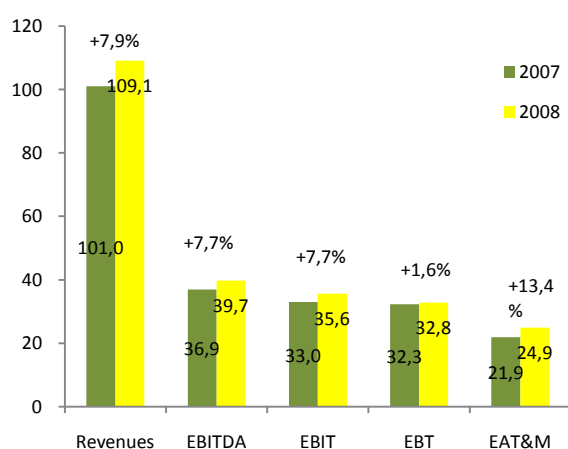
**Chart 4:** In & Outpatient IASO SA (in thousands)



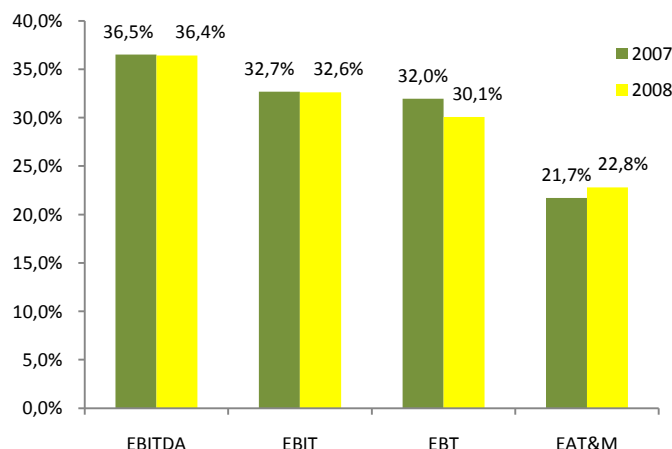
**Chart 5:** IASO SA Average Revenue per patient



**Chart 6:** IASO SA Brief Financial Results (in mil. €)



**Chart 7:** IASO SA Profit Margins



The Company's most important financial ratios are demonstrated in the following table

<b>Parent Company Ratios</b>	<b>2008</b>	<b>2007</b>
EBITDA ( % on revenues)	36,4%	36,5%
EBIT ( % on revenues)	32,6%	32,7%
Owner's Equity / Total Assets *	0,61	0,63
Owner's Equity / Total Liabilities *	1,58	1,67
Owner's Equity / Bank Liabilities *	2,40	2,59

\* Note: These ratios can be further improved if the Company's cash and cash equivalent (amounted to €6,2 mil. on 31.12.2008) get subtracted from total assets.

The aforementioned financial ratios present a slight decrease compared to those of year 2007, because of the operation of IASO Children's hospital, as department of IASO S.A., during the last quarter of 2008, which as a result raised both the employment cost and other expenses without a relative rise to revenues. The company's Bank Net Debt (Bank Debt minus Cash & Cash equivalents) at the end of fiscal year 2008 reached the amount of €66,1 mil. vs €46,5 mil. at the end of fiscal year 2007, due to new investments in fixed assets and subsidiaries.

### **Important corporate developments of the fiscal year 2008**

During the period 01/01-31/12/2008 the following important events took place regarding the parent company and the group:

a) The subsidiary company IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A. following the agreement signed on 15.02.2008, between IASO THESSALIAS SA and the National Bank of Greece proceeded to the issuance of an 8 years debenture loan agreement, for the amount of € 30.000.000,00. The proceeds of the loan will be used to partially finance the construction of buildings for the completion of the company's clinic. The amount that has been drawn down until 31.12.2008 is €14.500.000.

The company decided the reduction of the nominal share price from € 10,00 to € 2,00 (split and pro rata shares). Upon resolution of the Extraordinary General Meeting, held on 01.11.2008, the company proceeded to Share Capital increase of total amount € 8.500.002,00 (the procedure ended at 03/03/2009), for which the company prepared an Information Document (Prospectus), approved by the Hellenic Capital Market Committee on 19/12/2008. The aforementioned share capital increase aims to finance partially the

“IASO” PRIVATE GENERAL – OBSTETRIC – GYNECOLOGICAL & PAEDIATRICS CLINIC – DIAGNOSTIC - THERAPEUTIC & RESEARCH CENTER S.A.

buildings construction and purchase of mechanical, biomedical and hotel equipment needed for the clinic's operation along with the simultaneous attraction of new physicians-shareholders.

**b)** The parent company IASO S.A., according to resolutions passed at the ordinary General Meeting of Shareholders, held on 06.06.2008, proceeded to share's split (issuing of 9.079.533 new common registered shares). The Company's goal was to enhance the share's trading and attractiveness. In addition, the company on 07/11/2008, proceeded in signing a contract for the issuance of a common bond loan (revolving) up to the total amount of € 18.500.000,00 with the National Bank of Greece, in order to finance its investment plan and other needs which are in progress. The amount that has been drawn down until 31.12.2008 is €10.000.000 with expiration date 07/11/2010.

**c)** The subsidiary company IASO GENERAL CLINIC OF HOLARGOS S.A., during 2008, proceeded in two share capital increases. Raised funds, regarding the full coverage of the share capital increases, reached the total amount of € 33.257.376,76 and was achieved through the participation of both the parent company and 28 new physicians. They were used to pay bank and suppliers' liabilities so as to achieve better prices and settle debts towards to related parties.

**d)** The subsidiary company MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A., proceeded to a share capital return of total amount € 2.449.000,00 to its shareholders, so as possible idle capital to be utilized by the shareholders.

**e)** The Share Capital of the subsidiary company IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A. was increased by € 102.000,00, aiming to serve as petty cash for various current expenses.

**f)** In September 2008, IASO Children's hospital commenced its operation, as department of IASO S.A. The Group, through IASO Children's hospital, completes the goal of expanding the offered health care services to whole range of human life.

### **Important Facts after 31.12.2008**

**a)** The parent Company, according to the contract signed on 07/11/2008, for the issuance of a common bond loan (revolving) proceeded, on 16/02/2009, in the issuance of a 2<sup>nd</sup> bond series of total amount € 2.500.000,00 in order to finance its investment plan and other needs which are in progress.

- b) The subsidiary company IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A. following the agreement signed on 15.02.2008, for the issuance of a common bond loan, proceeded, on 16/02/2009, in the issuance of a 4th bond series of total amount € 3.500.000,00 in order to finance the construction of buildings for the completion of the company's clinic and the purchase of medical and hotel equipment. On 03/03/2009 the share capital increase of the company was completed, in spite of the international economic downturn and the financial crisis, with the participation of 12 new local physicians along with the existing ones. The total funds raised amounted to € 8.500.002,00, representing 100% of the share capital increase. Furthermore, the company's Board of Directors decided to assemble an Extraordinary General Meeting of shareholders on 04/04/2009, with main issue a new share capital increase.
- c) IASO S.A., on 19/03/2009, announced that its subsidiary company IASO OF SOUTHERN SUBURBS S.A. and the constructing company INTRAKAT S.A. signed a memorandum of cooperation for the construction of a clinic in the municipality of Agios Ioannis Redis. The budget of this project is € 70 mil.

### **Perspectives**

Group's standard policy is not to announce -publish business plans and provisions apart from signed agreements or BoD's decisions regarding the implementation of specific business plans. Group's management has adapted its policy regarding growth and performance by considering and evaluating the consequences along with the opportunities emerging from the international financial crisis. The management of the Group looks towards the year of 2009 and the following years with sobriety and measured optimism. The small elasticity that Greek healthcare services demand presents, the devotion to our values, our well-established strengths, foremost among them being our customers' loyalty and the dedication of our doctors and personnel, allows us to believe in the successful completion of our long-term quantitative and qualitative goals.

Among the management targets is the continuous increase of outpatients, mainly of IASO General and of IASO, with further improvement of occupancy ratio in IASO General as well as the increase of cases of IASO Children's hospital and the increase of stem cells storage of MedStem Services.

Moreover, the completion of the IASO Thessalias clinic construction and operation (as we have already mentioned in the past) belongs to the Group's strategic geographical

expansion outside Attica region. Through the new clinic in the region of Thessaly the Group realizes its development strategy of new state-of-the-art equipment and buildings, the combination of which, aims to provide high quality services and high level customers' satisfaction. The new clinic will operate intensive care units (adults and newborns), operating rooms (surgeries and delivery rooms), pathological department, Haemodialysis Unit and laboratories.

For the next two years the basic goal of IASO Thessalias is the attraction of inpatients and outpatients via a) the existing physicians-shareholders as well as new associate physicians, which will be the medical personnel and will their patients, b) the private customers by utilizing its strong brand name, its experience, know-how and specialization of the Group's companies and c) the health insurance funds by signing contracts.

Next investment target is the construction of a clinic in the municipality of Agios Ioannis Redis, by the subsidiary IASO of Southern Suburbs. The budget of this project is € 70 mil. and a memorandum of cooperation for the construction of a clinic has been signed with the constructing company INTRAKAT S.A. the clinic will have a capacity of 160 nursing beds and about 40 beds for special units, including Intensive and Interstage Intensive Care Neonatal and Adults units, Haemodialysis Unit, Assisted reproduction Unit, etc.

The construction of the clinic is considered to be a fundamental project for the area, as it will cover the health service needs of an extensive area and will strengthen further the Group's leading position in the healthcare sector and medical society.

### **Corporate Governance – Internal Audit.**

The company has followed the principles of the corporate governance, as they have been defined by the current Greek Legislation and the international best practices. The corporate governance as a set of rules, regulations and control mechanisms -by which the company is organized and managed – aims at the transparency to the investment community and the safeguarding of the interests of the company's shareholders and stakeholders.

The Board of Directors of IASO S.A. is the guardian of the corporate governance principles of the Group. At present it is composed of 7 executive and 6 non-executive members. Of the non executive members, two satisfy the requirements of the law 3016/2002 for the corporate governance and are denominated as independent. For the



efficient operation of the B.O.D., several committees have been established and function, all of them referring to the B.O.D. as a collective body.

According to the Company's internal regulations of operations, the Internal Audit department is a basic and necessary prerequisite of the corporate governance. The Internal audit department of IASO S.A. , is an independent organizational unit , referring to the B.O.D. Amongst its purview is the assessment and improvement of the risk management systems, as well as the certification of the compliance with the established policies and procedures as they have been defined in the Internal regulation of operations, and the current regulatory legislation.

### **Main risks and uncertainties**

Group's policy consists of constant supervision of the developments taking place in Greece as well as abroad. Our objective is to avoid possible negative effects that may arise. However, during 2009 the Group could be affected by:

**A) Health Care Services Demand.** In spite the fact that in past, demand for private health care services has shown a relatively low elasticity, political, financial and social changes, instability and fluctuations in Greece, Europe or worldwide may eventually affect demand. According to the European Commission's interim forecast of 19/01/2009, the world economy will move from a high 5% real growth rate in 2007 down to 3,3% in 2008 and only 0,5% in 2009. Euro area GDP, over the whole year 2008, grew by 0,8% compared to 2,6% in 2007 (Eurostat), while for the year 2009 is expected to contract by almost 2% in both the EU and the euro area.

Nevertheless, possible persistence of the economy slowdown in the euro zone, beyond provisions, could negatively influence and the Greek economy, with a negative revision of Greek economy growth rates for 2009. In case that this crisis continuous it is possible that would negatively affect the Group's financial status, in spite the high inelasticity of demand that Greek private health care services demonstrate.

The severe international financial crisis that is still in progress has caused significant consequences to the private insurance companies. A further deterioration of the insurance companies' status, which would cause a possible discontinuance of insurance coverage towards its customers, would affect indirectly the Group's services demand.

**B) Inflation – Interest Rates.** According to the latest Eurostat data the inflationary pressures weaken, as a result of economic activity slowdown, along with the oil - raw materials and merchandises prices decrease. European Commission's intension is to preserve the interest rates in low levels in order to enhance the economic activity and to reverse the unfavorable economic conditions. All the Group's current signed bank debt agreements are Euro denominated and are based on floating Euribor interest rate. The outcome of the management's choice to follow a floated interest rates policy was for the Group, to benefit from the Euribor declines, which have begun on October 2008 and continue until today. From a sensitivity analysis perspective an interest rate decrease by 1,00% would increase the Group's financial results by approximately € 1,2 mil., while an equivalent interest rate increase by 1,00% would negatively affect the Group's financial results by approximately € 1,2 mil. All the Group's bank loans are based on pre agreed and pre fixed rate spreads. Rate spreads for the open accounts are being periodically revised.

**C) Liquidity Risk.** Financial risk management performs a very significant role within the Group's total risk management policy. The Group's financial instruments consist mainly of deposits with banks, trade accounts receivable and payable, transactions with the subsidiaries, associates, equity investments, dividends payable and lease obligations. The interest rate risk exposure for bank liabilities and investments is continuously audited in budgetary base. Regarding the proper management of the liquidity, this is done by combination of working capital and cash flows, approved bank credit and strict monitoring of cash flows. It is noted that, on 31/12/2008, the Group's cash in hand amounted to € 23 mil. plus sufficient approved undrawn borrowing facilities that can be utilized to fund short -medium term liabilities.

**D) Financial Risk.** The fluctuations of the international and Greek capital markets, as well as the investors' psychology influence the course of IASO's share. Furthermore, it should also be taken into consideration that ATHEX has lower liquidity as compared to other major international markets, which may cause difficulties in the effort to sell shares, particularly in large blocks. Sale of a large number of the Company's shares, or estimations or articles that such a sale can take place is possible to affect the share's price.

**E) Operating Risk.** Possible legislative changes can affect the expansion policy of the Group. In addition, potential bed capacity additions in the region of Attica along with

possible incapability to successfully keep up with the medical and technological developments, could negatively affect the Group's financial status and operating results.

**F) Foreign Currency Risk.** Foreign currency risk does not exist for the Group, since all the Group's activities are taking place inside the euro zone. All Group's borrowings refer to euro.

## **Risk Management**

IASO Group applies methodologies in order to identify, assess, measure and monitor all risks deriving from on and off-balance sheet items, as well as from all its operations, systems and processes, at the Group level as well as the external environment parameters that could negatively affect the unimpeded operation and financial status .

## **Operating and Business Risk**

The Group has taken action regarding the operating risk management. More specifically:

**1) Insurance Coverage.** All the Group's active companies have taken out insurance contracts that are currently in force and renewed when expired, covering:

- a. Its tangible assets and its premises
- b. Civil, Employer's, Professional (malpractice) Liability
- c. Group IASO Employees
- d. Group IASO Motor vehicles.
- e. Loss of Income
- f. Cash theft & burglary

The insurance coverage varies by category of insurance risk and objective. The insured values have been recently revalued, by certified evaluators, in fair market values. Moreover, the Group management has adopted the policy of requiring the associate doctors to proceed to self insurance coverage for professional (malpractice) liability.

**2) Management of Receivables – Liabilities and IT Systems.** The Group keeps a backup data base, while significant resources has been disposed to the installment of equipment and development of systems for the storage and recovery of business information in order to secure the Group's receivables and business continuity. The Group's management continuously audits receivables and updates the credit control procedures. The Group receivables originate from sales to private customers, social security funds and insurance companies. Receivables from social security funds and

insurance companies have a minimum loss risk. Potential credit risk is mainly related to private customers. The Group's management posts provisions for coverage of possible bad debts and incorporates them the balance sheet as well as in the Financial Statements. All of the above financial assets that are presented in the financial statements have been impaired (incorporating the relevant provisions) and are of high credit quality.

- 3) Unaudited tax years.** During the fiscal year 2008 all the Group's companies in pursuance to law 3697/2008 accepted the proposed by the law "settlement without tax audit" for the unaudited fiscal years 2003-2006. On 31/12/2008, because of the lapse of the offset right of tax losses from previous fiscal years, the Company and the Group wrote off the relevant deferred tax receivables of the FY 2003, while the receivables balance on 31/12/2008, adjusted in relation to the current tax rate of 24% for the next fiscal year. Group's companies adjusted their tax receivables and liabilities so as, on 31/12/2008, to illustrate with clarity the Company's and the Group's equity.
- 4) Technological Developments.** The health services as well as the market position of each health care services provider greatly depend on the technical competence and the supremacy of the biomedical equipment being used. Group's top priority has been to continuously invest in programs aiming at renewing and purchasing state-of-the-art medical equipment.
- 5) Large Customer Dependence.** The Group has no dependence to large customers like insurance companies and social insurance providers.

### Important Transactions with related parties

Inter-company income and expenses of the Group's companies for the period 01.01-31.12.2008:

<b>IASO S.A. SALES TO RELATED PARTIES</b>						
<b>DESCRIPTION</b>	<b>FY 2008</b>			<b>FY 2007</b>		
	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>
Sales of Consumables	3.624,92	14.533,97	<b>18.158,89</b>	4.076,79	10.930,39	<b>15.007,18</b>
Sales of Fixed Assets	0,00	0,00	<b>0,00</b>	0,00	0,00	<b>0,00</b>
Other services	0,00	818,10	<b>818,10</b>	0,00	1.066,35	<b>1.066,35</b>
Revenues from services provision	125.718,00	0,00	<b>125.718,00</b>	102.626,57	0,00	<b>102.626,57</b>
Rents and tenancy joint expenses	0,00	128.886,77	<b>128.886,77</b>	0,00	120.545,28	<b>120.545,28</b>
<b>TOTAL</b>	<b>129.342,92</b>	<b>144.238,84</b>	<b>273.581,76</b>	<b>106.703,36</b>	<b>132.542,02</b>	<b>239.245,38</b>

<b>IASO S.A. PURCHASES FROM RELATED PARTIES</b>						
	<b>FY 2008</b>			<b>FY 2007</b>		
<b>DESCRIPTION</b>	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>
Outsourced processed services	169.661,06	0,00	<b>169.661,06</b>	185.725,08	0,00	<b>185.725,08</b>
Medical supplies	3.847,12	0,00	<b>3.847,12</b>	5.741,96	12.000,00	<b>17.741,96</b>
Purchases of fixed assets	92.983,40	0,00	<b>92.983,40</b>	0,00	0,00	<b>0,00</b>
Consumables	0,00	1.600,00	<b>1.600,00</b>	0,00	5.382,00	<b>5.382,00</b>
<b>TOTAL</b>	<b>266.491,58</b>	<b>1.600,00</b>	<b>268.091,58</b>	<b>191.467,04</b>	<b>17.382,00</b>	<b>208.849,04</b>

<b>SUBSIDIARIES' DIVIDENDS COLLECTED</b>	
<b>SUBSIDIARY</b>	<b>DIVIDEND</b>
MEDSTEM SERVICES S.A.	1.020.000,00

On 04.06.2008, the Shareholders' General Meeting of the subsidiary MEDSTEM SERVICES S.A. decided a dividend distribution of total amount €1.020.000,00 or €100/Share. The above dividend was collected by the parent company (99%) and the subsidiary IASO General S.A. (1%) on 18.06.2008 .The transaction at Group level has been eliminated.

<b>FEES OF DIRECTORS AND MEMBERS OF THE B.O.D. BASED ON IAS 24</b>		
	<b>Group</b>	<b>Company</b>
Directors' Fees (1)	1.230.976,38	1.163.777,38
Members of BoD Fees (2)	335.161,00	324.326,00
<b>Total</b>	<b>1.566.137,38</b>	<b>1.488.103,38</b>

- 1) The Directors' fees include wages, employers' social security contributions, other fees, extraordinary fees, bonuses, firing compensations and other fringe benefits.
- 2) There is no remuneration for the BoD Members regarding their capacity as Members of the BoD. The aforementioned fees refer exclusively to payments for the provision of health care services to the Company or the Group under the professional capacity as medical doctors as self-employed professionals.

RECEIVABLES AND LIABILITIES OF RELATED PARTIES AT 31/12/2008					
	RECEIVABLES				
LIABILITIES	IASO S.A.	MODERN MULTIFUNCTIONAL CENTER S.A.	IASO GENERAL S.A.	MEDSTEM SERVICES S.A.	Total
IASO S.A.	-	-	497.716,24	-	497.716,24
MEDSTEM SERVICES S.A.	5.869,13	-	-	-	5.869,13
IASO GENERAL S.A.	669.305,08	-	-	-	669.305,08
<b>TOTAL</b>	<b>675.174,21</b>	<b>-</b>	<b>497.716,24</b>	<b>18.654,23</b>	<b>1.172.890,45</b>

RECEIVABLES AND LIABILITIES OF RELATED PARTIES AT 31/12/2007					
	RECEIVABLES				
LIABILITIES	IASO S.A.	MODERN MULTIFUNCTIONAL CENTER S.A.	IASO GENERAL S.A.	MEDSTEM SERVICES S.A.	Total
IASO S.A.	-	-	231.251,03	6.404,58	237.655,61
MEDSTEM SERVICES S.A.	12.482,83	-	156,56	-	12.639,39
IASO GENERAL S.A.	4.985.853,79	2.790.000,00	-	35.776,17	7.811.629,96
<b>TOTAL</b>	<b>4.998.336,62</b>	<b>2.790.000,00</b>	<b>231.407,59</b>	<b>42.180,75</b>	<b>8.061.924,96</b>

The inter-company and intra group income and expenses, the receivables and liabilities as well as the fees of Directors and the Members of the BoD consist transactions with related parties, according to IAS 24.

## **Information of par.7 and Explanatory Report of par.8 of article 4 of Law 3556/2007**

### **Structure of the Company's Share Capital**

The Company's share capital amounts to € 23.388.223,32 divided in 53.155.053 common registered shares bearing a vote right, each one of nominal value of € 0,44, after the company's share capital increase by the amount of €28.208,32, by capitalization of part of the reserves "premium on capital stock" and increase of the shares' nominal value by the amount of €0,00064 per share, from €0,53 per share to €0,53064 per share and the following shares nominal value reduction from €0,53064 per share to €0,44 per share, by issuing 9.079.533 new common registered shares, each one of nominal value of € 0,44, that were decided by the Annual Ordinary General Meeting of Shareholders which was held on 06.6.2008. The above amendment of the Company's Articles of Association was approved by the Ministry of Development with No K2-7848/24.06.2008 decision and the Athens Stock Exchange at its Board of Directors meeting of 10.07.2008 approved the listing of the new shares.

The Company's shares are listed for trading in the Securities Market (Medium and Small Capitalization Category) of Athens Exchange.

Each share provides for all rights contemplated by the law and the Company's articles of association, and in specific:

(a) The right on the dividend from the Company's annual or wind up profits. A proportion of 35% of net profits, deducting only the regular reserve, is distributed to the shareholders from the profits of every fiscal year, as a first dividend while the granting of an additional dividend is decided by the General Meeting.

Every shareholder is entitled to a dividend on the dividend cut-off date. Each share's dividend is paid to the shareholder not later than two months after the Annual General Meeting approving the Annual Financial Statements.

The means and place of payment is announced through the Press and on the Daily Price Bulletin on the ATHEX website.

The right to collect the dividend is prescribed after 5 years from the end of the year during which the General Meeting approved the dividend's distribution, and the corresponding amount is paid to the Greek State.

(b) The right to receive contribution during wind up or capital depreciation corresponding to the share, respectively, provided that the General Meeting reaches such decision.

(c) Preemption right in every share capital increase of the Company through cash amounts and subscription to new shares or through issuance of bonds which are convertible to shares.

(d) The right to receive copies of the financial statements and Chartered Auditors reports and reports of the Company's Board of Directors.

(e) The right to submit a request to the Company at least five (5) full days before the General Meeting, so that the Company's Board of Directors submit to the General Meeting the specific information requested with respect to the Company matters, to the extent that these are useful for the actual assessment of the subjects of the agenda.

(f) The right to participate in the General Meeting in which each share gives the right to one vote.

(g) The right to exit the Company by offering shares, in the case where the person who submitted the takeover offer for the acquisition of the total number of shares according to law 3461/2006, afterwards the submission of the takeover offer, holds at least 90% of the Company's voting rights.

(h) The shareholders General Meeting reserves all its rights during wind up (according to par. 4 article 37 of its Articles of Association).

Shareholders shall not be held liable beyond the nominal capital of each share.

### **Limitations concerning the transfer of the Company's shares**

Transfer of the Company's shares takes places in accordance to the descriptions of the law and no limitations are set forth by its Articles of Association concerning transferring of shares, given the fact that they are dematerialized shares listed in the Athens Stock Exchange.

### **Significant direct or indirect holdings in the sense of articles 9 to 11 of L.3556/2007**

As of 28/02/2009, EUROMEDICA S.A. has a proportion of 11,90% of the Company's share capital. No other person or legal entity owns participation greater than 5% of the share capital.

### **Owners of shares granting special control rights**

There are no Company's shares granting special control rights.



**Limitations in voting rights**

There are no limitations in the voting rights.

**Company's shareholders agreements concerning the transfer of the Company's shares or limitations in voting rights**

To the best of the Company's knowledge, there are no agreements between its shareholders limiting the transfer of shares or the exercise of voting rights deriving from the Company's shares.

**Rules regarding appointment and replacement of the members of the Board of Directors and amendment of the Articles of Association.**

The rules set forth in the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors are no different from Law 2190/20.

The Company is managed by a Board of Directors composed of a minimum of eleven (11) and a maximum of thirteen (13) members, elected from the General Meeting for a term of three years which may be extended automatically until the time of the first regular General Meeting after the expiry of their term.

The Company has made use of the possibility given by the article 18, paragraphs 7 and 8, of the Law 2190/20 and in the Company's Articles of Association is provided for the replacement of members of the Board of Directors the possibility of election of substitute members and the possibility for the remaining members to continue the management without replacing the missing members.

Particularly in the article 6 paragraph 1 of the Company's Articles of Association it is predicted that should a vacancy result due to a member's death, resignation or any other reason, then the remaining members may continue with the managing of the company without replacing the missing members, provided that they are at least three and that their number exceeds the half of the members' number before the vacancy.

Moreover, in the article 6 paragraph 2 of the Company's Articles of Association it is stated that in any case, the remaining members of the Board of Directors, as long as they are at least three, may elect new members to replace those missing. The above election is valid for the rest of the term of the member being replaced. The decision on the election is subject to the publicity formalities of article 7b of Law 2190/20 and is announced by the Board of Directors to the following General Meeting. The following General Meeting

may replace the elected members, even if no such subject has been provided in the Meeting's agenda.

As far as it concerns the rules for amendment of the Company's Articles of Association, these are no different from Law 2190/20.

**Board of Directors or its members competence in respect of issuance of new shares or purchase of own shares.**

(a) According to the provisions of article 13 par. 1 sec. b' and c' of law 2190/20 and article 4 of the Company's Articles of Association, through a decision of the General Meeting which is subject to the publicity formalities of article 7b of the Law 2190/20, the Board of Directors has the right by virtue of a decision that is taken with a minimum majority of two-thirds (2/3) of its total members, to increase the share capital in part or in full up to the capital amount that is paid up on the date this power is granted by the General Meeting. The above power of the Board of Directors is renewable by the General Meeting for a period not longer than five years per each renewal and effective after the completion of each five-year period. This decision of the General Meeting is subject to the publicity formalities of article 7b of Law 2190/20.

(b) If however the Company's reserves exceed  $\frac{1}{4}$  of the paid-up share capital, then a decision of the General Meeting is always required and must be taken in the special quorum and majority set forth in article 29 par. 3 and 4 and 31 par. 2 of Law 2190/20 as currently in force.

(c) According to the provisions of article 13 par. 13 of Law 2190/20, as amended by article 19 of law 3604/2007, by virtue of a decision of the General Meeting of Shareholders, taken according to the provisions of par. 3&4 of article 29 and par. 2 of article 31, a stock option program may be established amongst the members of the Board of Directors and the Company's personnel, as well as amongst the related companies as defined in par. 5 of article 42e of Law 2190/20, in the form of stock option under the special terms of the aforementioned decision, a summary of which is subject to the formalities of article 7b of Law 2190/20. Persons providing services to the company in a constant base may also be designated as entitled to stock options. The decision of the General Meeting in question, specifically designates the number of shares that may be issued -which may not exceed 1/10 of existing shares, according to the law – if the persons entitled to purchase shares exercise such right, the price and the terms of the

disposal of the shares to those entitled to receive them, the persons entitled to purchase shares or the categories of them and the method of determination of price of acquisition, without prejudice to the par. 2 of article 14 of Law 2190/20, the duration of the stock options program, as well as every other relevant term. With the same decision, the General Meeting of the Shareholders may assign to the Board of Directors to define the beneficiaries or the categories of the beneficiaries, the conditions of exercising their rights and every other term regarding the stock options program. The Board of Directors, through a decision, regulates all other details, not being otherwise regulated by the General Meeting, issues the share purchase rights Certificates and at least every trimester delivers the share-titles already issued or issues and delivers the share-titles to the persons having exercised their right (to purchase shares), increasing the Company's share capital and certifying such increase. The decision of the Board of Directors certifying the payment of the share capital increase must be taken every trimester, contrary to article 11 of Law 2190/20. These decisions of share capital increase are not considered amendments to the Articles of Association and paragraphs 7-11 of article 13 of Law 2190/20 are not applicable thereat. The Board of Directors is compelled at the last month of each financial year, during which share capital increases were decided, according to the above, to adapt with its decision the article relevant to the share capital of the Articles of Association, in order to reflect the increase of the share capital occurred after the above increases, respecting the publication procedure provided in article 7b of Law 2190/20.

(d) According to the article 16 of Law 2190/20, as amended by article 21 of law 3604/2007, the Company itself or a person acting on behalf of the Company may acquire its own shares, only after consent of the General Meeting of the Shareholders under the special terms and procedures provided in article 16 of Law 2190/20.

**Material agreements activated, amended or terminated in case of a change in the control of the Company, following a public offer.**

There are no agreements activated, amended or terminated in case of change of control following public proposition

**Company's Agreements with members of the Board of Directors or the Company's personnel.**

There are no agreements with members of the Board of Directors or the Company's personnel, containing payment of remuneration especially in case of resignation or discharge, without a valid reason or expiry of term in office or employment due to a tender offer.

We presented to you the Parent Company and the Consolidated Financial Statements for the fiscal year January 1st to December 31st 2008, in comparison with the same period of 2007. We submitted the Auditor's Report, according to the law for Société Anonyme (S.A.), and we ask you to approve the financial statements and release the members of the Board of Directors and the Auditor of any responsibility for the fiscal year ended at the 31st of December 2008.

Maroussi, 27<sup>th</sup> of March 2009

Ioannis Ch. Zolotas

Chairman of the Board of Directors

## D. ANNUAL FINANCIAL STATEMENTS

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BALANCE SHEET OF THE COMPANY AND THE GROUP AS AT 31/12/2008					
ASSETS	Note	THE GROUP 31/12/2008	THE GROUP 31/12/2007	THE COMPANY 31/12/2008	THE COMPANY 31/12/2007
<b>Non-current assets</b>					
Property, plant and equipment	6	261.990.376,40	217.316.210,38	129.530.544,09	112.428.276,82
Investment property		0,00	0,00	0,00	0,00
Goodwill		0,00	0,00	0,00	0,00
Intangible assets	7	1.556.846,35	1.420.445,03	1.012.669,45	883.613,99
Investments in subsidiaries	8.2	0,00	0,00	121.985.730,36	92.531.684,38
Investments in associates		0,00	0,00	0,00	0,00
Deferred income tax assets	19	0,00	7.701.139,51	0,00	0,00
Available-for-sale financial assets		0,00	0,00	0,00	0,00
Finance leases-receivables		0,00	0,00	0,00	0,00
Derivatives		0,00	0,00	0,00	0,00
Other long-term receivables	25	805.761,35	893.783,31	74.932,04	397.228,58
		<b>264.352.984,10</b>	<b>227.331.578,23</b>	<b>252.603.875,94</b>	<b>206.240.803,77</b>
<b>Current assets</b>					
Inventories	12	5.465.581,38	4.979.568,52	2.753.862,66	1.964.044,04
Trade receivables	11	34.866.199,56	30.319.880,61	5.374.029,81	3.906.027,12
Other receivables	11	12.154.759,03	9.332.342,77	11.318.837,08	14.580.112,55
Finance leases-receivables		0,00	0,00	0,00	0,00
Construction contracts		0,00	0,00	0,00	0,00
Available-for-sale financial assets	9	4.189.927,64	4.189.927,64	4.189.927,64	4.189.927,64
Derivatives		0,00	0,00	0,00	0,00
Other financial assets at fair value through profit or loss	10	363.916,07	999.585,45	363.916,07	999.585,45
Cash and cash equivalents	13	23.362.891,30	27.443.241,60	6.157.697,72	12.486.263,90
		<b>80.403.274,98</b>	<b>77.264.546,59</b>	<b>30.158.270,98</b>	<b>38.125.960,70</b>
<b>TOTAL ASSETS</b>		<b>344.756.259,08</b>	<b>304.596.124,82</b>	<b>282.762.146,92</b>	<b>244.366.764,47</b>
<b>LIABILITIES</b>		<b>THE GROUP 31/12/2008</b>	<b>THE GROUP 31/12/2007</b>	<b>THE COMPANY 31/12/2008</b>	<b>THE COMPANY 31/12/2007</b>
<b>EQUITY</b>					
Share capital	24	23.388.223,32	23.360.015,00	23.388.223,32	23.360.015,00
Share premium account	24	42.497.459,83	42.525.668,15	42.497.459,83	42.525.668,15
Reserves at fair value	29	65.756.493,43	64.591.565,30	40.842.266,55	41.126.024,42
Other reserves	29	6.975.781,65	5.854.191,15	6.480.570,89	5.384.038,15
Reserves for translation of Balance Sheet		0,00	0,00	0,00	0,00
Retained earnings		-18.051.089,12	-25.009.462,31	49.671.980,46	40.440.227,02
<b>Total equity of Company's equity holders</b>		<b>120.566.869,11</b>	<b>111.321.977,29</b>	<b>162.880.501,05</b>	<b>152.835.972,74</b>
Minority interest	8.2	9.798.981,32	8.896.044,52	0,00	0,00
<b>Total equity</b>		<b>130.365.850,43</b>	<b>120.218.021,81</b>	<b>162.880.501,05</b>	<b>152.835.972,74</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	14	114.250.000,00	109.403.825,00	66.750.000,00	56.503.825,00
Derivative financial assets		0,00	0,00	0,00	0,00
Deferred income tax liabilities	19	14.480.323,29	0,00	13.690.711,85	4.039.787,93
Finance lease obligations		0,00	0,00	0,00	0,00
Retirement benefit obligations	16	4.761.022,27	4.124.296,53	3.024.056,90	2.585.827,87
Other non-current liabilities	26	4.554.611,76	2.991.353,60	68.854,75	61.475,05
Other non-current provisions	27	1.896.904,36	1.294.000,71	1.836.904,36	1.294.000,71
		<b>139.942.861,68</b>	<b>117.813.475,84</b>	<b>85.370.527,86</b>	<b>64.484.916,56</b>
<b>Current liabilities</b>					
Trade and other payables	15	58.019.814,31	50.846.338,41	20.937.487,12	16.321.743,07
Finance lease obligations		0,00	0,00	0,00	0,00
Current income tax liabilities	19	8.427.732,66	8.595.621,15	8.073.630,89	8.227.957,10
Short-term borrowings	14	8.000.000,00	7.122.667,62	5.500.000,00	2.496.175,00
Derivative financial assets		0,00	0,00	0,00	0,00
Provisions and other liabilities		0,00	0,00	0,00	0,00
		<b>74.447.546,97</b>	<b>66.564.627,18</b>	<b>34.511.118,01</b>	<b>27.045.875,17</b>
<b>Total Liabilities</b>		<b>214.390.408,65</b>	<b>184.378.103,01</b>	<b>119.881.645,87</b>	<b>91.530.791,73</b>
<b>Total Equity and Liabilities</b>		<b>344.756.259,08</b>	<b>304.596.124,82</b>	<b>282.762.146,92</b>	<b>244.366.764,47</b>



**INCOME STATEMENT OF THE COMPANY AND THE GROUP AS AT 31/12/2008**

	Note	THE GROUP			
		1/10-31/12/2008	1/1-31/12/2008	1/10-31/12/2007	1/1-31/12/2007
Sales	5	46.496.023,08	183.996.867,78	45.792.269,96	169.755.548,59
Cost of sales	22	34.914.344,85	135.501.646,52	33.236.018,87	124.506.920,69
<b>Gross profit</b>		<b>11.581.678,23</b>	<b>48.495.221,26</b>	<b>12.556.251,09</b>	<b>45.248.627,90</b>
Other operating income	17	1.993.969,39	5.180.930,92	243.140,79	1.072.760,17
Administrative expenses	22	-1.734.890,07	-5.587.597,42	-1.505.025,93	-5.355.188,98
Selling and marketing costs	22	-1.833.138,37	-5.263.587,72	-854.111,22	-3.609.254,51
Other operating expenses	28	-94.182,34	-764.784,74	-105.526,42	-611.424,59
<b>Earnings before taxes, financing, investing results and depreciation - amortization (EBITDA)</b>		<b>12.032.357,28</b>	<b>49.803.133,98</b>	<b>12.394.456,04</b>	<b>44.746.748,50</b>
Amortization – Depreciation	6,7,22	-2.118.920,44	-7.742.951,68	-2.059.727,73	-8.001.228,51
<b>Earnings before taxes, financing, investing results (EBIT)</b>		<b>9.913.436,84</b>	<b>42.060.182,30</b>	<b>10.334.728,31</b>	<b>36.745.519,99</b>
Finance costs – profit	18	246.924,31	1.291.472,45	408.401,85	1.582.355,92
Finance costs – expenses	18	-1.924.760,62	-7.287.318,90	-1.580.875,81	-4.807.929,20
Other finance results		0,00	0,00	0,00	0,00
Profit/loss from associates		0,00	0,00	0,00	0,00
<b>Profit before taxes</b>		<b>8.235.600,53</b>	<b>36.064.335,85</b>	<b>9.162.254,35</b>	<b>33.519.946,71</b>
Income tax expense	19	-7.341.250,37	-14.753.110,49	-3.329.573,81	-13.148.839,78
<b>Profit for the period after taxes</b>		<b>894.350,16</b>	<b>21.311.225,36</b>	<b>5.832.680,54</b>	<b>20.371.106,93</b>
Attributable to:					
Equity holders of the Company	20	1.090.540,16	21.489.504,76	5.771.968,52	20.482.228,02
Minority interest (loss)		-196.190,00	-178.279,40	60.712,02	-111.121,09
<b>Earnings after taxes per share – basic (expressed in €)</b>	20	0,0205	0,4043	0,1086	0,3853

	Note	THE COMPANY			
		1/10-31/12/2008	1/1-31/12/2008	1/10-31/12/2007	1/1-31/12/2007
Sales	5	28.361.846,86	109.051.880,43	26.635.742,33	101.021.612,91
Cost of sales	22	19.057.514,79	69.725.517,83	16.736.894,05	63.114.309,25
<b>Gross profit</b>		<b>9.304.332,07</b>	<b>39.326.362,60</b>	<b>9.898.848,28</b>	<b>37.907.303,66</b>
Other operating income	17	961.237,39	3.057.818,87	297.739,49	1.009.633,20
Administrative expenses	22	-1.137.309,27	-3.833.769,48	-972.109,32	-3.649.718,74
Selling and marketing costs	22	-1.184.026,40	-2.929.057,30	-608.376,79	-2.087.744,90
Other operating expenses	28	-5.251,13	-31.264,46	-2.115,53	-147.787,99
<b>Earnings before taxes, financing, investing results and depreciation - amortization (EBITDA)</b>		<b>9.162.547,71</b>	<b>39.728.215,32</b>	<b>9.622.078,96</b>	<b>36.896.427,11</b>
Amortization – Depreciation	6,7,22	-1.223.565,05	-4.138.125,09	-1.008.092,83	-3.864.741,88
<b>Earnings before taxes, financing, investing results (EBIT)</b>		<b>7.938.982,66</b>	<b>35.590.090,23</b>	<b>8.613.986,13</b>	<b>33.031.685,23</b>
Finance costs – profit	18	24.846,18	1.489.761,00	143.706,59	1.181.335,16
Finance costs – expenses	18	-1.222.130,45	-4.275.744,45	-859.632,76	-1.925.347,16
Other finance results		0,00	0,00	0,00	0,00
Profit/loss from associates		0,00	0,00	0,00	0,00
<b>Profit before taxes</b>		<b>6.741.698,39</b>	<b>32.804.106,78</b>	<b>7.898.059,96</b>	<b>32.287.673,23</b>
Income tax expense	19	-1.361.995,96	-7.930.905,60	-2.646.655,66	-10.357.018,37
<b>Profit for the period after taxes</b>		<b>5.379.702,43</b>	<b>24.873.201,18</b>	<b>5.251.404,30</b>	<b>21.930.654,86</b>
Attributable to:					
Equity holders of the Company	20	5.379.702,43	24.873.201,18	5.251.404,30	21.930.654,86
Minority interest (loss)		0,00	0,00	0,00	0,00
<b>Earnings after taxes per share – basic (expressed in €)</b>	20	0,1012	0,4679	0,0988	0,4126

**CASH FLOW STATEMENT OF THE COMPANY AND THE GROUP AS AT 31.12.2008**

	THE GROUP		THE COMPANY	
	01.01-31.12.2008	01.01-31.12.2007	01.01-31.12.2008	01.01-31.12.2007
<b>Cash Flows from Operating Activities</b>				
Profit for the period	36.064.335,85	33.519.946,71	32.804.106,78	32.287.673,23
Adjustments to profit	14.243.269,21	12.328.902,37	7.623.763,69	5.360.763,20
	<b>50.307.605,06</b>	<b>45.848.849,08</b>	<b>40.427.870,47</b>	<b>37.648.436,43</b>
<b>Adjustments of working capital</b>				
Decrease.(Increase) inventories	-486.012,86	-518.971,43	-789.818,62	317.246,51
Decrease.(Increase) receivables	-11.247.897,53	-11.131.229,70	1.139.083,35	-4.069.945,44
Decrease.(Increase) of other current assets	68.582,85	-271.592,21	322.296,54	0,00
Increase.(decrease) of payable accounts	12.747.693,16	11.737.598,63	5.338.050,52	1.773.958,17
Outflow of provisions	0,00	0,00	0,00	0,00
	1.082.365,62	-184.194,71	6.009.611,79	-1.978.740,76
<b>Net cash generated from operating activities</b>	<b>51.389.970,68</b>	<b>45.664.654,37</b>	<b>46.437.482,26</b>	<b>35.669.695,67</b>
<b><u>Cash flows from operating Activities</u></b>				
Interest paid	-6.559.906,96	-3.591.363,94	-3.860.371,88	-464.869,06
Income tax paid	-9.437.399,41	-10.303.969,00	-8.833.453,84	-9.894.595,39
<b>Cash flow generated from (used in) Operating Activities (A)</b>	<b>35.392.664,31</b>	<b>31.769.321,43</b>	<b>33.743.656,54</b>	<b>25.310.231,22</b>
<b><u>Cash flows from Investing Activities</u></b>				
Purchase of property, plant and equipment (PPE)	-33.679.332,37	-13.867.496,68	-11.100.856,05	-3.961.902,25
Purchases of intangible assets	-488.649,08	-101.581,12	-352.559,78	-85.607,88
Disposal of PPE	109.452,12	19.898,50	5.758,72	183,50
Purchases of Available-for-sale financial assets	0,00	-2.223.108,76	0,00	-2.223.108,76
Purchases of financial assets at fair value through profit or loss	-101.470,40	-27.740,20	-31.462.981,36	-6.247.405,20
Adjustment of derivative financial assets	0,00	0,00	0,00	0,00
Disposal of available-for-sale financial assets	0,00	1.823.421,20	0,00	1.823.421,20
Disposal of financial assets at fair value through profit or Loss	320.200,00	9.600,00	2.744.710,00	9.600,00
Interest received	1.291.472,45	849.437,06	1.489.761,00	612.645,12
Proceeds from repayments of borrowings from related parties	0,00	0,00	0,00	0,00
Proceeds from grants	39.555,25	257.115,42	39.555,25	176.865,42
<b>Net cash generated from (used in) Investing Activities (B)</b>	<b>-32.508.772,03</b>	<b>-13.260.454,58</b>	<b>-38.636.612,22</b>	<b>-9.895.308,85</b>
<b><u>Cash Flows from Financing Activities</u></b>				
Share capital increase/ decrease	1.997.860,54	-37.170.458,18	0,00	-43.862.993,18
Disposal of treasury shares	0,00	0,00	0,00	0,00
Dividends paid to Company's shareholders	-14.685.610,50	-13.392.574,37	-14.685.610,50	-13.392.574,37
Raised borrowings	30.500.000,00	73.526.492,62	16.000.000,00	59.000.000,00
Repayments of borrowings	-24.776.492,62	-24.147.590,97	-2.750.000,00	-10.800.000,00
Payments of finance lease capital	0,00	0,00	0,00	0,00
<b>Net cash generated from (used in) Financing Activities (C)</b>	<b>-6.964.242,58</b>	<b>-1.184.130,90</b>	<b>-1.435.610,50</b>	<b>-9.055.567,55</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>-4.080.350,30</b>	<b>17.324.735,95</b>	<b>-6.328.566,18</b>	<b>6.359.354,82</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>27.443.241,60</b>	<b>10.118.505,65</b>	<b>12.486.263,90</b>	<b>6.126.909,08</b>
<b>Cash and cash equivalents at end of period</b>	<b>23.362.891,30</b>	<b>27.443.241,60</b>	<b>6.157.697,72</b>	<b>12.486.263,90</b>

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY AND THE GROUP AS AT 31/12/2008				
	THE GROUP		THE COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>Net equity of period Opening Balance (1/1/2008 and 1/1/2007 respectively)</b>	<b>120.218.021,81</b>	<b>150.470.670,08</b>	<b>152.835.972,74</b>	<b>188.203.467,88</b>
Profit/(Loss) for the period after taxes	21.311.225,36	20.371.106,93	24.873.201,18	21.930.654,86
	<b>141.529.247,17</b>	<b>170.841.777,01</b>	<b>177.709.173,92</b>	<b>210.134.122,74</b>
Increase/Decrease of share capital	0,00	-44.075.500,00	0,00	-44.075.500,00
Dividends distributed	-14.544.915,00	-13.222.650,00	-14.544.915,00	-13.222.650,00
Net income/(expense) recognised directly in equity	1.164.928,13	0,00	-283.757,87	0,00
Increase/Decrease of share capital of subsidiary company	2.216.590,14	6.674.394,80	0,00	0,00
<b>Net equity of period Closing Balance (31/12/2008 and 31/12/2007 respectively)</b>	<b>130.365.850,43</b>	<b>120.218.021,81</b>	<b>162.880.501,05</b>	<b>152.835.972,74</b>

## **NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF THE FISCAL YEAR ENDED AT 31.12.2008**

### **1. General information**

The company “IASO” PRINATE GENERAL, OBSTETRIC – GYNECOLOGICAL & PAEDIATRICS CLINIC – DIAGNOSTIC - THERAPEUTIC & RESEARCH CENTER S.A. (“the Company”) and its subsidiaries

1. IASO GENERAL CLINIC OF HOLARGOS S.A.
2. IASO MACEDONIAS GROUP OF NORTHERN GREECE S.A.
3. IASO OF SOUTHERN SUBURBS GENERAL CLINIC – PRIVATE OBSTETRICS S.A.
4. MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A.
5. IASO HEALTH ENTERPRISES S.A.
6. MEDSTEM HEALTH SUPPORT SERVICES S.A.
7. IASO THESSALIAS GENERAL CLINIC – PRIVATE OBSTETRICS S.A.

(hereunder the Group) are engaged in providing health services.

The company “IASO” PRINATE GENERAL, OBSTETRIC – GYNECOLOGICAL & PAEDIATRICS CLINIC – DIAGNOSTIC - THERAPEUTIC & RESEARCH CENTER S.A., is a Société Anonyme (S.A.) and is listed on the Athens Stock Exchange. The address of its registered office is in Maroussi, 37 – 39, Kifisias Avenue, and its website address is [www.iaso.gr](http://www.iaso.gr).

The Annual Financial Statements of 31.12.2008 have been approved by the Board of Directors on 27.03.2009.

### **2. Summary of significant accounting policies**

#### **2.1 Basis of preparation of the financial statements**

The accounting policies and methods of calculation applied for the interim financial statements are the same to those applied for the preparation of the audited annual financial statements for the previous fiscal years.

In the year 2003 and 2004 the International Accounting Standards Board (IASB) issued a series of new International Financial Reporting Standards (IFRS) and revised the International Accounting Standards (IAS), which in combination with the existing un-revised standards issued by the International Accounting Standards Committee (IASC – International Accounting Standards Board IASB), are referred to as “The IFRS Stable Platform 2005”.

The Group adopts “The IFRS Stable Platform 2005” from 1 January 2005.

### **Adoption of IAS No. 1 (Revised 2003)**

The application of the IAS 1 (revised 2003) lead to the reform of the presentation of the financial statements. The minority interests are presented henceforth in a separate row in the items of the Net Equity. Profit and loss attributable to the minority shareholders and those attributable to the Company’s equity holders are presented henceforth as allocation of the net result for the period.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and exercise of judgement in the process of applying the following accounting policies.

The financial statements of the parent company and its subsidiaries have been prepared under the historical cost convention, besides land and buildings, which have been measured at fair value and are analytically described below.

### **New accounting standards, amendments to existing standards and interpretations**

Specific new standards, amendments of standards and interpretations have been published, which are mandatory for accounting periods beginning during the present year or later periods. The Company’s (or Group’s) assessment of the impact of these new standards and interpretations is set out below.

## **I. Standards mandatory for the year ended 31 December 2008**

### **IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” and IFRS 7 (Amendment) “Financial Instruments - Disclosures” - Reclassification of Financial Assets** (applicable on or after 1 July 2008)

The amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the “fair value through profit or loss” category in particular circumstances. The amendment also permits an entity to transfer from the “available-for-sale” category to the “Loans and Receivables” category a financial asset that would have met the definition of “Loans and Receivables” (if the financial asset had not been designated as “available-for-sale”), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will have no impact on the financial statements of the Company and the Group.

### **IFRIC 11 - IFRS 2: “Group and Treasury Share Transactions”** (applicable for annual periods beginning on or after 1 March 2007)

The interpretation clarifies the accounting for subsidiaries when they grant to employee equity instruments of the parent company. It also establishes as to whether the share-based payment transactions should be accounted for as cash-settled or equity-settled transactions. This interpretation will have no impact on the financial statements of the Group and the Company.

### **IFRIC 14 – “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”** (applicable for annual periods beginning on or after 1 January 2008)

Interpretation 14 applies to all post-employment defined benefits and other long-term employee defined benefits. The interpretation clarifies when economic benefits in the form of refunds from the plan or reductions in future contributions to the plan should be regarded as available, how a minimum funding requirement might affect the economic benefit available in the form of reduction in future contributions and when a minimum funding requirement might give rise to a liability. The Company does not have such

employee benefit plans, and therefore this interpretation is not relevant for the Company's and the Group's operations.

## **II. Standards mandatory after the year 31 December 2008**

**IAS 1 (Revised) “Presentation of Financial Statements”** (applicable for annual periods beginning on or after 1 January 2009)

IAS 1 has been revised in order to upgrade the utility of the information presented in the financial statements. The main changes are: the statement of changes in equity shall present only transactions with owners of the parent, the introduction of a new statement of “comprehensive income”, that aggregates all the items of income and expenses recognised in the income statement with the “other comprehensive income” and “restatements” in the financial statements or retrospective application of new accounting policies shall be presented from the beginning of the earlier comparative period. The Company will apply the above amendments and will make the necessary changes in the presentation of its financial statements for the year 2009.

**IAS 23 (Amendment) “Borrowing Costs”** (applicable for annual periods beginning on or after 1 January 2009)

This Standard supersedes the previous version of IAS 23. The substantial difference with respect to the previous standard relates to removing the option of immediately expensing the borrowing costs directly attributable to the acquisition of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale. Such borrowing costs shall now be capitalized as part of the cost of that asset. Amendments also to IFRS 1, IAS 1, IAS 7, IAS 11, IAS 16, IAS 38 and IFRIC 1 were made and are applicable on or after 1 January 2009. The Company and the Group will apply IAS 23 from 1 January 2009.

**IAS 32 (Amendment) “Financial Instruments: Presentation” and IAS 1 (Amendment) “Presentation of Financial Statements” – Financial Instruments available by the holder (or “puttable instrument”)** (effective for annual periods beginning on or after 1 January 2009)

The amendment to IAS 32 requires some financial instruments available by the holder (“puttable”) and obligations arising on liquidation to be classified as equity if specified criteria are met. The amendment to IAS 1 requires disclosure of specified information about the “puttable” instruments classified as equity, since the Company and the Group do not hold such instruments these amendments will have no impact on the financial statements for the year 2009.

**IFRS 1 (Amendment) “First-time Adoption of I.F.R.S” and IAS 27 (Amendment) “Consolidated and Separate Financial Statements”** (applicable for annual periods beginning on or after 1 January 2009)

The amendment to IFRS 1 permits entities when adopting IFRSs for the first time to use as deemed cost either the fair value or the carrying amounts reported under previous GAAP for the measurement of the initial cost of an investment in a subsidiary, jointly controlled entity and associate. Also, the amendment abolishes the cost method defined by IAS 27 and replaces it by requiring dividends to be presented as income in the investor’s separate financial statements. Amendments also to IAS 18, IAS 21 and IAS 36 were made and are applicable for periods beginning on or after 1 January 2009. Since the parent company and its subsidiaries have already adopted the IFRS this amendment will have no impact on the financial statements for the year 2009.

**IFRS 2 (Amendment) “Share-based Payment” – Non – vesting conditions** (applicable for annual periods beginning on or after 1 January 2009)

The amendment clarifies the definition “vesting conditions” introducing the term “non-vesting conditions” for terms that do not relate to length of service or achievement of performance. It also clarifies that for all cancellations deriving either from the entity or the contracting parties shall be applied the same accounting treatment.

This amendment will have an impact on the financial statements of the Company and the Group for the year 2009.

**IFRS 8 – “Operating Segments”** (applicable for annual periods beginning on or after 1 January 2009)

This standard replaces IAS 14 under which segments were recognised and reported on the basis of an analysis of risks and returns. According to IFRS 8 operating segments are



components of an entity about which separate financial information is available that is evaluated regularly by the Managing Director/Chief Operating Decision Maker and presented in the financial statements on the same basis as that used for internal reporting purposes. The Company and the Group will apply IFRS 8 from 1 January 2009.

**IFRIC 13 “Customer Loyalty Programmes”** (applicable for annual periods beginning on or after 1 July 2008)

Interpretation 13 clarifies the accounting for companies granting some kind of customer loyalty incentive such as “loyalty points” or “free travelling miles” to customers buying goods or services. This interpretation is not relevant for the Company’s and the Group’s operations.

### **III. Annual Improvements 2008**

The following amendments describe the most significant changes entailed to IFRS as a result of the annual improvements plan of IASB published in May 2008. The following amendments unless otherwise indicated are applicable for annual periods beginning on or after 1 January 2009.

#### **IAS 1 (Amendment) “Presentation of Financial Statements”**

The amendment clarifies that some of the financial assets and financial liabilities that have been classified as held for trading in accordance with IAS 39 “Financial Instruments: Recognition and Measurement” constitute examples of current assets and current liabilities respectively. The Company and the Group will apply this amendment from 1 January 2009, however expects that it will have no impact on its financial statements.

#### **IAS 16 (Amendment) “Property, Plant and Equipment” (and successive amendment to IAS 7 Statement of Cash Flows”)**

This amendment requires an entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets shall be recognised as revenue. The successive amendment to IAS 7 states that the cash flows generated from

the purchase, rental and sale of such assets are classified as cash flows from operating activities. This amendment will have no impact on the Company's and the Group's operations, since it is not included in the course of its ordinary activities the rental and subsequent sale of assets.

The Company and the Group will apply these amendments from 1 January 2009, however these will have no impact on the financial statements.

### **IAS 19 (Amendment) "Employee Benefits"**

The changes in this standard are the following:

- a) A plan amendment resulting in a change in the extent to which the commitments for benefits are affected by future salary increases is a curtailment, while an amendment that changes the benefits attributable to past service causes a negative past service cost if it results in decrease of the present value of the defined benefit obligation.
- b) The definition of the return on plan assets has been amended in order to define that the costs of administering the plan are deducted at the return on plan assets calculation only in the extent that these costs were not included in the actuarial assumptions used to measure the defined benefit obligation.
- c) The distinction between Short-term and Long-term employee benefits shall rely on whether the employee benefits shall be settled within 12 months or beyond 12 months after the end of the period in which the employees render the related service.
- d) IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" requires the contingent liabilities to be disclosed but not to be recognised. IAS 19 has been amended in order to be consistent.

The Company and the Group will apply the amendments from 1 January 2009, however it is not expected to have an impact on the financial statements.

### **IAS 20 (Amendment) "Accounting for Government Grants and Disclosures of Government Assistance"**

This amendment requires the benefit of a government loan at a below-market rate of interest to be measured as the difference between the initial carrying value of the loan determined in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" and the proceeds received. The benefit is accounted for in accordance

with IAS 20. This amendment will have no impact on the Company's and the Group's operations, since no government loans have been raised.

### **IAS 23 Borrowing Cost (as revised in 2007) (Amendment)**

By the amendment:

- (a) It is clarified that the interest expense should be calculated using the effective interest rate as described in IAS 39 Financial Instruments: Recognition and Measurement.
- (b) It is removed the possibility the borrowing costs to include amortisation of difference between par value of loan at receipt or repayment and amortisation of incidental costs relating to the loan arrangements.

The Company and the Group will apply IAS 23 from 1 January 2009.

### **IAS 27 (Amendment) "Consolidated and Separate Financial Statements"**

The amendment clarifies that in circumstances when investments in subsidiaries, which are accounted for in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" have been classified as assets held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" shall continue to be applied the IAS 39. This amendment will have no impact on the financial statements of the Company and the Group, since it is a Company policy the investments in subsidiaries to be recognised at cost in the separate financial statements.

### **IAS 28 (Amendment) "Investments in Associates" (and successive amendments to IAS 32 "Financial Instruments: Disclosure and Presentation" and to IFRS 7 "Financial Instruments: Disclosures")**

According to this amendment, an investment in an associate is accounted for as a single asset for impairment testing and the amount of any impairment loss is not allocated to specified assets that form part of the carrying amount of the investment in the associate. Accordingly, any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases. The Company will apply this amendment from 1 January 2009.

### **IAS 29 (Amendment) “Financial Reporting in Hyperinflationary Economies”**

The guidance in this standard has been amended so as to present the fact that some assets and liabilities are measured at fair value instead of being carried at historical cost. This amendment will have no impact on the Group’s operations, since none of its subsidiaries operates in hyperinflationary economies.

### **IAS 31 (Amendment) “Interests in Joint Ventures” (and successive amendments to IAS 32 “Financial Instruments: Disclosure and Presentation” and to IFRS 7 “Financial Instruments: Disclosures”)**

This amendment indicates that in circumstances when an investment in a joint venture is accounted for in accordance with IAS 39 “Financial Instruments: Recognition and Measurement” in addition to the required disclosures of IAS 32 “Financial Instruments: Disclosure and Presentation” and IFRS 7 “Financial Instruments: Disclosures”) shall be made specified and not all the required disclosures of IAS 31 “Interests in Joint Ventures”. The amendment will have no impact on the Company’s and the Group’s operations, since it does not have interests in joint ventures that are accounted for in accordance with IAS 39.

### **IAS 36 (Amendment) “Impairment of Assets”**

This amendment requires that in circumstances when the fair value less costs to sell is determined using discounted cash flow projections shall be made disclosures equivalent to those for the determination of the value due to use. The company and the Group will apply this amendment and will provide the required disclosure where applicable for the impairment tests from 1 January 2009.

### **IAS 38 (Amendment) “Intangible Assets”**

This amendment indicates that a payment can be recognised as prepayment only if it has been made in advance of obtaining a right to access the goods or receiving the services. This amendment practically means that when the Company obtains a right to access goods or receive services then the payment should be recognised as expenditure. The Company and the Group will apply the amendment from 1 January 2009.

### **IAS 38 (Amendment) “Intangible Assets”**

This amendment deletes the expression indicating that there will exist “rare, if ever exists” evidence for the use of a method that results in a lower amortisation rate than that of the straight-line amortisation method. The amendment will not have at present any impact on the Company’s and the Group’s operations since all the intangible assets are amortised using the straight-line method.

### **IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”**

The changes in this standard are the following:

- a) It is possible to have transfers to and from the class of fair value through profit or loss when a derivative is qualified or derecognised as cash flow hedging instrument or as net investment hedging.
- b) The definition of financial asset or financial liability at fair value through profit or loss as regard to assets held for trading has been amended. It is clarified that a financial asset or a financial liability that is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, is included in such a portfolio on initial recognition.
- c) The applicable guidance for designation and documentation of the hedging relationship for hedge accounting purposes indicates that a hedging instrument shall involve a party external to the reporting entity and reports one segment as example of an entity. This means that in order to be applied the hedge accounting at segment level, the requirements for hedge accounting shall be met at the same time by the segment that applies it. The amendment eliminates this requirement so as the IAS 39 to co-exist with the IFRS 8 “Operating segments” which requires the disclosure about reportable segments to rely on the information provided to the Managing Director/Chief Operating Decision Maker.
- d) When it is re-measured the carrying amount of a debit hedged item and discontinued the hedge accounting of fair value, the amendment clarifies that shall be used a revised effective interest rate (calculated on the date the hedge accounting of fair value was discontinued). The Company and the Group will apply IAS 39 (Amendment) from 1 January 2009. This is not expected to have any impact on the financial statements of the Company.

### **IAS 40 (Amendment) “Investment Property” (and successive amendments to IAS 16 “Property, Plant and Equipment”)**

The amendment defines that property that is being constructed or developed for future use as investment property is inside the scope of this Standard. Therefore, when the fair value model is applied these items of investment property are measured at fair value. Instead, in cases where the fair value of investment property under construction cannot be measured reliably, this investment property is measured at cost till the most recent date when construction is completed and when the fair value becomes reliably determinable. This amendment will have no impact on the Company’s and the Group’s operations, since it does not own investment property under construction.

### **IAS 41 (Amendment) “Agriculture”**

The amendment requires the use of a market discount rate when discounted cash flows is the basis for determining the fair value and abolishes the prohibition to be taken into account the biological transformation in determining the fair value. The amendment will have no impact on the Company’s and the Group’s operations since it have not undertaken any agriculture-related activity.

### **IFRS 5 (Amendment) “Non – Current Assets Held for Sale and Discontinued Operations” (and successive amendments to IFRS 1 “First – time Adoption of International Financial Reporting Standards”)** (effective for annual periods beginning on or after 1 July 2009)

The amendment clarifies that all assets and liabilities of a subsidiary are classified as held for sale if a sale plan for partial disposal involves loss of control of a subsidiary and there should be made the related disclosures regarding this subsidiary when it is met the definition of a discontinued operation. The successive amendment to IFRS 1 indicates that these amendments shall be applied prospectively from the date of transition to IFRSs. The Group does not hold non-current assets held for sale.

**The following amendments will have no impact on the financial statements of the Company and the Group.**

IAS 8 Changes in accounting policies and fundamental Errors.

- IAS 10 Events occurring after the Balance Sheet date.
- IAS 20 Accounting for Government Grants and Disclosures of Government Assistance.
- IAS 29 Financial Reporting in Hyperinflationary Economies.
- IAS 34 Interim Financial Reporting.
- IAS 40 Investment Property.
- IAS 41 Agriculture (and successive amendments to IFRS 5 Non-Current assets held for sale and Discontinued operations, IAS 2 Inventories, IAS 36 Impairment of non-financial assets.

## **2.2 Consolidation**

### **Subsidiaries**

An audit is achieved over which the Company has the power to govern the financial and operating policies of another entity with the intention of gain from its activities. The consolidated financial statements comprise the financial statements of the company as well as the entities audited by the company (its subsidiaries) at the end of the relevant fiscal year. The financial statements of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Inter-company transactions, balances, income and expenses are eliminated at consolidation.

## **2.3 Segment reporting**

A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. The Group of companies IASO provides mainly health services, which comprise of hospital, diagnostic, therapeutic and research activities.

## **2.4 Foreign currency conversion**

### **Functional and presentation currency**

Items included in the financial statements of the Group's companies, are presented in their financial environment's currency, where every company operates (official

currency). The consolidated financial statements are presented in euro, which is the official currency adopted by the Group's companies.

## **2.5 Property, plant and equipment**

Property, plant and equipment, excluding the productive property, are shown at cost less the accumulated depreciation and impairment losses. Cost includes all directly attributable expenditure for the acquisition of the items.

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

Productive property is shown at fair value, based on valuations by independent evaluators, less subsequent accumulative depreciation and impairment losses. The property is revaluated at regular time intervals so that the carrying amounts do not differ from the fair values at the balance sheet closing dates.

On each balance sheet date, the Group reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that such assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to assess the recoverable value of a specific asset, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and respective value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognized in the income statement, unless the relative asset is been readjusted, in which case, the impairment loss is handled as a reduction to the amount of readjustment.



Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relative asset is been readjusted, in which case, the reversal of the impairment loss is handled as an increase to the amount of readjustment.

When assets are sold, the adjustments between the value received and their book value is recorded as gains or losses in the income statement. For the operating assets estimated in fair values, the current revaluation reserve included in equity during the sale, is transferred retained earnings. The assets' residual values and useful lives are reviewed if appropriate, at the Management's judgement. In case assets' book values overrun the recoverable amount of the assets, the adjustments (impairment) are recorded as expenses in the income statement. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revaluated amounts to their residual values over their estimated useful lives, as follows:

<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>YEARS</b>
Buildings (Main building of Maternity Clinic)	50
Machinery	5-30
Wireless communication network	30
High-tech machinery	5
Medium technology machinery	14
Special machinery	20
Vehicles	5-7
Passenger vehicles & motorcycles	5
Lorries	7
Other equipment	3-20
Furniture	20
Utensils	15
Office machines	10
Computers & electronic complexes	5
Telecommunication equipment	3

The productive property or those assets that their use has not yet been determined and are still at construction stage, are shown at cost less any impairment losses. The cost includes

professional fees and borrowing costs. The depreciation of this property as well as of the Group's commences when the property is ready for use.

## **2.6 Intangible assets**

### **Trademarks and licenses**

Trademarks and licenses are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over their estimated, useful lives as follows:

### **Production and exploitation licences**

Licence for exploitation of IASO General Clinic	50 years
Purchase of IASO trademark	20 years

### **Computer software – other intangible assets**

Acquired computer software licenses are measured at acquisition cost less amortization. The amortization is carried out on a straight-line basis over their estimated useful lives which is as follows:

SAP R3 (the basic business computer software)	10 years
LIS (Central laboratory programme)	5 years
RIS (Radiology software support)	5 years
ASTRAIA (Embryonic software support)	5 years
MUSE, QA (Cardiology department)	5 years
MS OFFICE, WINDOWS 2000,XP,MS,MONEY	3 years

Costs associated with developing and maintaining computer software programmes are recognised as an expense to the fiscal year they incurred.

## **2.7 Construction contracts**

The construction projects of the Group are auctioned, and then having carried out negotiations with the tenderers, the one with the lowest price wins the contract. The contracts prior to their signing are examined by the Legal, the Finance and the New Projects Department, then they are approved by the Board of Directors and are signed by

the authorized members. The supervision and audit of the contracts' completion is done by the Finance and New Projects Departments.

## **2.8 Investments**

### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives. In particular it concerns Mutual fund Units "MIDCAP PRIVATE SECTOR 50" -EUROBANK and "shares of unlisted Companies". The fair values of shares listed in Official Capital Markets are based on current bid prices at balance sheet closing dates. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques, at balance sheet closing dates.

## **2.9 Inventories**

The inventories are reported at the lower value between the cost and the net realisable value. Cost is determined using the weighted average cost formula. Net realisable value is the estimated selling price of the inventories in the ordinary course of business of the Group companies decreased by the cost of sale and the distribution expenses. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all of the amounts due according to the original terms of receivables. The amount of the provision is recognized in other expenses in the income statement.

## **2.10 Trade receivables**

Trade receivables are recognised at their actual value less impairment losses (loss from doubtful receivables). The amount of the provision is recognised in the income statement.

## **2.11 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, sight deposits and time deposits of low risk.

## **2.12 Share capital**

Ordinary shares are classified as equity. Share capital represents the value of company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as "share premium" in shareholders equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Expenses related to the issue of shares for acquisition of enterprises are included in cost of the enterprise that is acquired.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed off. Every gain or loss from sale of treasury shares net of other direct transaction expenses & taxes, if applicable, is shown as a reserve in equity.

## **2.13 Borrowings**

Borrowings are recognised at their value, reduced by any transaction costs. The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds.

## **2.14 Deferred income tax**

Current income tax is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law. The income tax charge consists of the current income tax calculated upon the results of the Group companies, as they have been reformed in their taxation return applying the applicable tax rate.

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

Deferred income taxation is determined using tax rates that have been enacted on the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the related deferred income tax liability is settled. Deferred tax is charged or

credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also presented in equity.

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

## **2.15 Employee benefits**

### **Short-term benefits**

Short-term employee benefits towards the employees in money and in kind are recognised as an expense when accrued.

### **Pension obligations**

The liability recorded in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation for the defined benefit less the fair value of the assets of the plan and the changes occurring from other actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated, in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period. Termination benefits are payable when employment is terminated before the normal retirement date. The Group recognises termination benefits when it is demonstrably committed. Benefits following due more than 12 months after the balance sheet date are discounted to present value.

## **2.16 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that be required to settle the obligation.

## **2.17 Revenue recognition**

Revenue is measured at fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

### **Sales of services**

Sales of services are recognised in the accounting period (invoices & with provision) in which the services are rendered.

### **Sales of goods**

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products and the collection of the related receivables is reasonably assured.

### **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

### **Dividend income**

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

### **Income from rents**

Income from rents is recorded when accrued, according to the existing contracts.

## **2.18 Leases**

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

### **Lessor**

Rental income is recognised on a straight-line basis over the lease term.

### **Lessee**

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

## **2.19 Dividend Distribution**

Dividend distribution is recognised as a liability in the fiscal period's financial statements in which the management's dividend policy is approved by the Ordinary Company's Shareholders Meeting.

## **2.20 Government grants**

Government grants for training staff after they are certified and settled by the competent Government body (Ministry of Labour – OAED [Manpower, Employment Organisation]) are recognised in income (provision). Government grants received in respect of expenses are reflected in the income statement when the related expense is incurred so that the expense is matched to the income received. Government grants relating to assets are recognised in liabilities (current or non-current) as grants for PPE and are credited to the income statement according to the respective assets useful life.

## **3. Financial risk management**

### **3.1 Fair value estimation**

The fair value of financial instruments traded in active capital markets (stock exchange) is based on quoted market prices at the annual balance sheet or the balance sheet of the period. The fair value of financial instruments that are not traded in an active market is determined at historical cost (acquisition cost) at the balance sheet date. The nominal value less estimated credit adjustment of trade receivables and payables are assumed to approximate their fair values.

### **3.2 Financial Risk**

Financial risk management performs a very significant role within the group's total risk management policy. The Group's financial instruments consist mainly of deposits with banks, trade accounts receivable and payable, transactions with the subsidiaries, associates, equity investments, dividends payable and lease obligations. The interest rate risk exposure for bank liabilities and investments is continuously audited in budgetary base. Regarding the proper management of the liquidity, this is done by combination of working capital and cash flows, approved bank credit and strict monitoring of cash flows.

The Group has sufficient undrawn call/demand borrowing facilities that can be utilized to fund any potential shortfall in cash resources.

#### **4. Critical accounting estimates and judgments**

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

##### **4.1 Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### **Income taxes**

The Group is subject to uniform income tax rate given that all Group companies activate in Greece. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### **Litigious cases**

The Group, conducts estimations regarding the pending lawsuits and proceeds to provisions when it is believed that the Company's and the Group's accounting balances of fixed assets and liabilities will be substantially affected. The estimations are important but not restrictive. The actual future events may differ than the above estimations.

##### **Fair value and useful lives of Property, plant and equipment**

In addition, management makes estimations in relation to useful lives of amortized assets. Further information is given in paragraph 2.5.

##### **Estimated impairment of goodwill**

Group's management examines annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.5.



## **5. Information by Business Unit**

### **Principal Information**

The following information refers to the business units of the Group's companies, which should be reported individually in the financial statements.

The business units have been defined based on the Group's companies structure considering also the fact that the decision-makers monitor their financial information individually, as presented by the company for each of its subsidiaries included in the consolidation.

Using the quantitative criteria set by the relevant IFR standard, IASO S.A. and its subsidiaries were set as business units that must be reported individually in the financial statements. The accounting principles are the same with the ones used at the Annual Financial Statements and consist of independent units – companies.

The Management evaluates the performance of these business units, based on the operating and the net profits, as well as the potential synergies between the business units and the complement of services in the whole spectrum of health services in the human life-cycle.

The parent company "IASO S.A" operates in the health care sector, covering all the obstetrics and gynecology cases and a broad range of diagnostic and therapeutic services. Its operations, in short, can be classified to inpatients cases (obstetrics and surgical) and outpatients cases (diagnostic laboratories and outpatients departments).

The subsidiary company "IASO GENERAL CLINIC OF HOLARGOS S.A." operates also in the health care sector, as a general hospital, covering all surgical and non-surgical cases with the exception of the obstetrics and gynecology related cases. It also operates complete and fully organized diagnostic laboratories, outpatient departments and emergency units. Its operation can be classified by nature to inpatient cases (surgical, non-surgical) that require hospitalization and outpatients cases (in diagnostic laboratories, outpatient departments) that do not require patient hospitalization.

The subsidiary company "MEDSTEM SERVICES S.A." operates mainly in the healthcare supporting services, with its main objective, from 01.01.2006 being the processing and storage of infant stem cells. In addition to the aforementioned provision of health services, it also operates in parallel non-medical services that at the moment are

not considered important due to their small contribution to the Group's total revenue. These services where necessary will be mentioned totally as "Other services provided".

The Group's other subsidiaries are either in a construction stage or have not commenced productive activity yet and lack any revenues. However, due to the reconciliation of operating and net profits in a consolidated base they will be presented individually by the title "Other companies".

The financial data according to the Group's Business Units and the proof with the consolidated data are presented as follows:

01/01 – 31/12/2008	IASO S.A.	IASO GENERAL S.A.	MEDSTEM SERVICES S.A.	Other Companies	TOTAL	Intra-group eliminations	GROUP
Inpatients revenues	84.784.578,09	63.789.058,47	0,00	0,00	148.573.636,56		148.573.636,56
Inpatients number of cases	28.381	15.954					0,00
Outpatients revenues	24.118.945,76	6.656.551,63	3.632.399,45	0,00	34.407.896,84		34.407.896,84
Outpatients number of cases	227.262	57.513					0,00
Other revenues	19.013,66	4.374,01	990.346,71	0,00	1.013.734,38		1.013.734,38
Other services provided	0,00	0,00		0,00	0,00		0,00
Revenues from Group's customers	108.922.537,51	70.449.984,11	4.622.746,16	0,00	183.995.267,78		183.995.267,78
Inter-company sales	129.342,92	173.508,18	16.133,97	0,00	318.985,07	-318.985,07	0,00
Other operating revenues. expenses	3.026.554,41	1.498.765,01	23.072,59	-940,96	4.547.451,05	-129.704,87	4.417.746,18
Operational expenses	-76.488.344,61	-66.182.357,65	-3.665.049,75	-465.769,59	-146.801.521,60	448.689,94	-146.352.831,66
Financial cost	-2.785.983,45	-2.203.925,69	73.066,59	-59.003,90	-4.975.846,45	-1.020.000,00	-5.995.846,45
Earnings before taxes	32.804.106,78	3.735.973,96	1.069.969,56	-525.714,45	37.084.335,85	-1.020.000,00	36.064.335,85
Income taxes	-7.930.905,60	-6.027.668,89	-335.694,60	-458.841,40	-14.753.110,49		-14.753.110,49
Net Profit/Loss for the period	24.873.201,18	-2.291.694,93	734.274,96	-984.555,85	22.331.225,36	-1.020.000,00	21.311.225,36

01/01 – 31/12/2007	IASO S.A.	IASO GENERAL S.A.	MEDSTEM SERVICES S.A.	Other Companies	TOTAL	Intra-group eliminations	GROUP
Inpatients revenues	77.742.653,38	58.697.273,30	0,00	0,00	136.439.926,68		136.439.926,68
Inpatients number of cases	27.711	15.805					
Outpatients revenues	23.143.219,09	5.564.374,44	3.676.584,50	0,00	32.384.178,03		32.384.178,03
Outpatients number of cases	222.831	48.594					
Other revenues	18.106,69	997,42	0,00	0,00	19.104,11		19.104,11
Other services provided	0,00	0,00	912.339,77	0,00	912.339,77		912.339,77
Revenues from Group's customers	100.903.979,16	64.262.645,16	4.588.924,27	0,00	169.755.548,59		169.755.548,59
Inter-company sales	117.633,75	191.467,04	17.382,00		326.482,79	-326.482,79	0,00
Other operating revenues. expenses	861.845,21	-293.376,23	21.564,85	-7.086,62	582.947,21	-121.611,63	461.335,58
Operational expenses	-68.851.772,89	-61.276.136,63	-3.353.253,95	-438.295,13	-133.919.458,60	448.094,42	-133.471.364,18
Financial cost	-744.012,00	-2.771.698,82	37.438,04	252.699,50	-3.225.573,28		-3.225.573,28
Earnings before taxes	32.287.673,23	112.900,52	1.312.055,21	-192.682,25	33.519.946,71		33.519.946,71
Income taxes	-10.357.018,37	-2.476.185,47	-328.013,80	12.377,85	-13.148.839,79		-13.148.839,79
Net Profit/Loss for the period	21.930.654,86	-2.363.284,95	984.041,41	-180.304,40	20.371.106,93		20.371.106,93

## 6. Property, plant and equipment

### Property, plant and equipment of the Company at 31.12.2008

	Land & Buildings	Vehicles & Machinery	Other property, plant & equipment	Total
<b>1.1.2008</b>				
Cost or valuation	100.578.556,77	33.132.330,26	9.765.165,18	143.476.052,21
Accumulated depreciation	8.321.069,50	15.664.957,21	7.061.748,68	31.047.775,39
<b>Net book amount</b>	<b>92.257.487,27</b>	<b>17.467.373,05</b>	<b>2.703.416,50</b>	<b>112.428.276,82</b>
<b>Movement 01.01 - 31.12.2008</b>				
Opening net book amount	92.257.487,27	17.467.373,05	2.703.416,50	112.428.276,82
Revaluation surplus	9.926.808,77	0,00	0,00	9.926.808,77
Additions	5.636.675,17	4.300.540,62	1.163.640,26	11.100.856,05
Disposals	0,00	10.913,31	4.976,34	15.889,65
Depreciation charge	1.484.547,77	1.817.826,31	607.133,82	3.909.507,90
<b>Net book amount</b>	<b>106.336.423,44</b>	<b>19.939.174,05</b>	<b>3.254.946,60</b>	<b>129.530.544,09</b>
<b>31.12.2008</b>				
Cost or valuation	116.142.040,71	37.421.957,57	10.923.829,10	164.487.827,38
Accumulated depreciation	9.805.617,27	17.482.783,52	7.668.882,50	34.957.283,29
<b>Net book amount</b>	<b>106.336.423,44</b>	<b>19.939.174,05</b>	<b>3.254.946,60</b>	<b>129.530.544,09</b>

### Property, plant and equipment of the Company at 31.12.2007

	Land & Buildings	Vehicles & Machinery	Other property, plant & equipment	Total
<b>1.1.2007</b>				
Cost or valuation	99.300.862,53	30.879.931,56	9.506.940,14	139.687.734,23
Accumulated depreciation	6.939.391,78	14.038.238,02	6.462.909,56	27.440.539,36
<b>Net book amount</b>	<b>92.361.470,75</b>	<b>16.841.693,54</b>	<b>3.044.030,58</b>	<b>112.247.194,87</b>
<b>Movement 01.01 - 31.12.2007</b>				
Opening net book amount	92.361.470,75	16.841.693,54	3.044.030,58	112.247.194,87
Revaluation surplus	0,00	0,00	0,00	0,00
Additions	1.290.819,24	2.378.163,55	260.957,95	3.929.940,74
Disposals	13.125,00	125.764,85	2.732,91	141.622,76
Depreciation charge	1.381.677,72	1.626.719,19	598.839,12	3.607.236,03
<b>Net book amount</b>	<b>92.257.487,27</b>	<b>17.467.373,05</b>	<b>2.703.416,50</b>	<b>112.428.276,82</b>
<b>31.12.2007</b>				
Cost or valuation	100.578.556,77	33.132.330,26	9.765.165,18	143.476.052,21
Accumulated depreciation	8.321.069,50	15.664.957,21	7.061.748,68	31.047.775,39
<b>Net book amount</b>	<b>92.257.487,27</b>	<b>17.467.373,05</b>	<b>2.703.416,50</b>	<b>112.428.276,82</b>

## **Property, plant and equipment of the Group at 31.12.2008**

	<b>Land &amp; Buildings</b>	<b>Vehicles &amp; Machinery</b>	<b>Other property, plant &amp; equipment</b>	<b>Total</b>
<b>1.1.2008</b>				
Cost or valuation	195.232.604,29	53.155.929,36	23.111.728,14	271.500.261,79
Accumulated depreciation	12.842.075,63	27.394.115,88	13.947.859,90	54.184.051,41
<b>Net book amount</b>	<b>182.390.528,66</b>	<b>25.761.813,48</b>	<b>9.163.868,24</b>	<b>217.316.210,38</b>
<b>Movement 01.01 - 31.12.2008</b>				
Opening net book amount	182.390.528,66	25.761.813,48	9.163.868,24	217.316.210,38
Revaluation surplus	17.604.051,49	0,00	0,00	17.604.051,49
Additions	22.122.173,34	10.666.410,52	1.786.748,51	34.575.332,37
Disposals	0,00	186.392,82	20.014,91	206.407,73
Depreciation charge	2.212.260,17	3.849.604,37	1.236.945,57	7.298.810,11
<b>Net book amount</b>	<b>219.904.493,32</b>	<b>32.392.226,81</b>	<b>9.693.656,27</b>	<b>261.990.376,40</b>
<b>31.12.2008</b>				
Cost or valuation	234.958.829,12	63.635.947,06	24.878.461,74	323.473.237,92
Accumulated depreciation	15.054.335,80	31.243.720,25	15.184.805,47	61.482.861,52
<b>Net book amount</b>	<b>219.904.493,32</b>	<b>32.392.226,81</b>	<b>9.693.656,27</b>	<b>261.990.376,40</b>

## **Property, plant and equipment of the Group at 31.12.2007**

	<b>Land &amp; Buildings</b>	<b>Vehicles &amp; Machinery</b>	<b>Other property, plant &amp; equipment</b>	<b>Total</b>
<b>1.1.2007</b>				
Cost or valuation	185.544.704,33	49.699.517,02	22.645.407,57	257.889.628,92
Accumulated depreciation	10.736.475,90	23.667.586,32	12.234.011,48	46.638.073,70
<b>Net book amount</b>	<b>174.808.228,43</b>	<b>26.031.930,70</b>	<b>10.411.396,09</b>	<b>211.251.555,22</b>
<b>Movement 01.01 - 31.12.2007</b>				
Opening net book amount	174.808.228,43	26.031.930,70	10.411.396,09	211.251.555,22
Revaluation surplus	0,00	0,00	0,00	0,00
Additions	9.701.024,96	3.801.155,17	480.880,95	13.983.061,08
Disposals	13.125,00	344.742,83	14.560,38	372.428,21
Depreciation charge	2.105.599,73	3.726.529,56	1.713.848,42	7.545.977,71
<b>Net book amount</b>	<b>182.390.528,66</b>	<b>25.761.813,48</b>	<b>9.163.868,24</b>	<b>217.316.210,38</b>
<b>31.12.2007</b>				
Cost or valuation	195.232.604,29	53.155.929,36	23.111.728,14	271.500.261,79
Accumulated depreciation	12.842.075,63	27.394.115,88	13.947.859,90	54.184.051,41
<b>Net book amount</b>	<b>182.390.528,66</b>	<b>25.761.813,48</b>	<b>9.163.868,24</b>	<b>217.316.210,38</b>

The Group's land and buildings were last revaluated at 31.12.2008 by independent certified evaluators. Valuations were made on the basis of open market value. The revaluation surplus of the Company and the Group amounted to € 9.926.808,77 and €

17.604.051,49 respectively, and was credited to other reserves in shareholders' equity (More details in Note 29).

On the assets of the Company and the Group there are no real liens, apart from the subsidiary IASO GENERAL CLINIC OF HOLARGOS S.A. where there is a prenotation against its fixed assets amounted to € 54.000.000,00 in favor of the National Bank of Greece for securing debenture loan of € 45.000.000,00, whose unpaid balance at 31.12.2008 amounted to € 27.500.000,00.

The Parent company **IASO S.A.**, invested the amount of approximately €11,1 mil., as follows:

- The amount of € 5,6 mil. was invested in buildings mainly for the completion of IASO Children's hospital as well as for the reconstruction and expansion of existing operating units.
- The amount of €4,3 mil. was invested in biomedical equipment for the commencement of operation of IASO Children's hospital as well as for the renovation of the Medical Imaging Department by the acquisition of two new CT Scans.
- The amount of € 1,2 mil. was invested in hotel equipment for the commencement of operation of IASO Children's hospital.

At **IASO Thessalias S.A.** the new investments amounted approximately to €20,4 mil., regarding the completion of the buildings construction, where the company's clinic will operate.

At **IASO General S.A.** were invested €2,0 mil in biomedical equipment for the operation of existing units as well as for the renovation of the Medical Imaging Department by the acquisition of a new digital Mammography unit.

At the subsidiary **MEDSTEM Services S.A.**, were invested € 0,2 mil. for the purchase of a new storage tank of umbilical cord blood of a capacity of 7.000 samples.

The aforementioned Group investments reached the total amount of € 34,6 mil. illustrating the Group's policy to create increased value for its shareholders by further development of the Group's competitive strengths and continuous upgrade of the offered services

## 7. Intangible assets

### Intangible assets of the Company at 31.12.2008

	Trademarks & Licenses	Other	Total
<b>1.1.2008</b>			
Cost	139.286,87	2.052.349,54	2.191.636,41
Accumulated depreciation and impairment	25.990,01	1.282.032,41	1.308.022,42
<b>Net book amount 31.12.2007</b>	<b>113.296,86</b>	<b>770.317,13</b>	<b>883.613,99</b>
<b>Movement 01.01 - 31.12.2008</b>			
Opening net book amount	<b>113.296,86</b>	<b>770.317,13</b>	<b>883.613,99</b>
Additions	0,00	352.559,78	352.559,78
Depreciation charge	2.851,34	220.652,98	223.504,32
<b>Net book amount</b>	<b>110.445,52</b>	<b>902.223,93</b>	<b>1.012.669,45</b>
<b>31.12.2008</b>			
Cost	139.286,87	2.404.909,32	2.544.196,19
Accumulated amortization and impairment	28.841,35	1.502.685,39	1.531.526,74
<b>Net book amount</b>	<b>110.445,52</b>	<b>902.223,93</b>	<b>1.012.669,45</b>

### Intangible assets of the Company at 31.12.2007

	Trademarks & Licenses	Other	Total
<b>1.1.2007</b>			
Cost	139.286,87	1.966.741,66	2.106.028,53
Accumulated depreciation and impairment	23.138,67	1.097.753,04	1.120.891,71
<b>Net book amount 31.12.2006</b>	<b>116.148,20</b>	<b>868.988,62</b>	<b>985.136,82</b>
<b>Movement 01.01 - 31.12.2007</b>			
Opening net book amount	116.148,20	868.988,62	985.136,82
Additions	0,00	85.607,88	85.607,88
Depreciation charge	2.851,34	184.279,37	187.130,71
<b>Net book amount</b>	<b>113.296,86</b>	<b>770.317,13</b>	<b>883.613,99</b>
<b>31.12.2007</b>			
Cost	139.286,87	2.052.349,54	2.191.636,41
Accumulated amortization and impairment	25.990,01	1.282.032,41	1.308.022,42
<b>Net book amount</b>	<b>113.296,86</b>	<b>770.317,13</b>	<b>883.613,99</b>

### **Intangible assets of the Group at 31.12.2008**

	Trademarks & Licenses	Other	Total
<b>1.1.2008</b>			
Cost	139.286,87	4.194.251,29	4.333.538,16
Accumulated depreciation and impairment	25.990,01	2.887.103,12	2.913.093,13
<b>Net book amount 31.12.2007</b>	<b>113.296,86</b>	<b>1.307.148,17</b>	<b>1.420.445,03</b>
<b>Movement 01.01 - 31.12.2008</b>			
Opening net book amount	113.296,86	1.307.148,17	1.420.445,03
Additions	0,00	488.649,08	488.649,08
Depreciation charge	2.851,34	349.396,42	352.247,76
<b>Net book amount</b>	<b>110.445,52</b>	<b>1.446.400,83</b>	<b>1.556.846,35</b>
<b>31.12.2008</b>			
Cost	139.286,87	4.682.900,37	4.822.187,24
Accumulated amortization and impairment	28.841,35	3.236.499,54	3.265.340,89
<b>Net book amount</b>	<b>110.445,52</b>	<b>1.446.400,83</b>	<b>1.556.846,35</b>

### **Intangible assets of the Group at 31.12.2007**

	Trademarks & Licenses	Other	Total
<b>1.1.2007</b>			
Cost	139.286,87	4.092.670,17	4.231.957,04
Accumulated depreciation and impairment	23.138,67	2.547.242,94	2.570.381,61
<b>Net book amount 31.12.2006</b>	<b>116.148,20</b>	<b>1.545.427,23</b>	<b>1.661.575,43</b>
<b>Movement 01.01 - 31.12.2007</b>			
Opening net book amount	116.148,20	1.545.427,23	1.661.575,43
Additions	0,00	101.581,12	101.581,12
Depreciation charge	2.851,34	339.860,18	342.711,52
<b>Net book amount</b>	<b>113.296,86</b>	<b>1.307.148,17</b>	<b>1.420.445,03</b>
<b>31.12.2007</b>			
Cost	139.286,87	4.194.251,29	4.333.538,16
Accumulated amortization and impairment	25.990,01	2.887.103,12	2.913.093,13
<b>Net book amount</b>	<b>113.296,86</b>	<b>1.307.148,17</b>	<b>1.420.445,03</b>

Other intangible assets exclusively concern software applications of the Company like the accounting data management system, the personnel management system as well as the medical services costing management application. The estimated life cycle of the above intangible assets is demonstrated in chapter 2.6; they are amortised annually. The management re-exams their values at reasonable periods and any adjustments will respectively increase or decrease their present value.

## 8. Transactions with related parties

The participations, inter-company transactions, balances and income and expenses are eliminated upon consolidation.

### 8.1 Inter-company transactions

Inter-company income and expenses of the Group's companies for the period 01.01-31.12.2008:

<b>IASO S.A. SALES TO RELATED PARTIES</b>						
	<b>FY 2008</b>			<b>FY 2007</b>		
<b>DESCRIPTION</b>	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>
Sales of Consumables	3.624,92	14.533,97	<b>18.158,89</b>	4.076,79	10.930,39	<b>15.007,18</b>
Sales of Fixed Assets	0,00	0,00	<b>0,00</b>	0,00	0,00	<b>0,00</b>
Other services	0,00	818,10	<b>818,10</b>	0,00	1.066,35	<b>1.066,35</b>
Revenues from services provision	125.718,00	0,00	<b>125.718,00</b>	102.626,57	0,00	<b>102.626,57</b>
Rents and tenancy joint expenses	0,00	128.886,77	<b>128.886,77</b>	0,00	120.545,28	<b>120.545,28</b>
<b>TOTAL</b>	<b>129.342,92</b>	<b>144.238,84</b>	<b>273.581,76</b>	<b>106.703,36</b>	<b>132.542,02</b>	<b>239.245,38</b>

<b>IASO S.A. PURCHASES FROM RELATED PARTIES</b>						
	<b>FY 2008</b>			<b>FY 2007</b>		
<b>DESCRIPTION</b>	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>	<b>IASO GENERAL</b>	<b>MEDSTEM</b>	<b>TOTAL</b>
Outsourced processed services	169.661,06	0,00	<b>169.661,06</b>	185.725,08	0,00	<b>185.725,08</b>
Medical supplies	3.847,12	0,00	<b>3.847,12</b>	5.741,96	12.000,00	<b>17.741,96</b>
Purchases of fixed assets	92.983,40	0,00	<b>92.983,40</b>	0,00	0,00	<b>0,00</b>
Consumables	0,00	1.600,00	<b>1.600,00</b>	0,00	5.382,00	<b>5.382,00</b>
<b>TOTAL</b>	<b>266.491,58</b>	<b>1.600,00</b>	<b>268.091,58</b>	<b>191.467,04</b>	<b>17.382,00</b>	<b>208.849,04</b>

<b>SUBSIDIARIES' DIVIDENDS COLLECTED</b>	
<b>SUBSIDIARY</b>	<b>DIVIDEND</b>
MEDSTEM SERVICES S.A.	1.020.000,00

On 04.06.2008, the Shareholders' General Meeting of the subsidiary MEDSTEM SERVICES S.A. decided a dividend distribution of total amount €1.020.000,00 or €100/Share. The above dividend was collected by the parent company (99%) and the subsidiary IASO General S.A. (1%) on 18.06.2008. The transaction at Group level has been eliminated.



<b>FEES OF DIRECTORS AND MEMBERS OF THE B.O.D. BASED ON IAS 24</b>		
	<b>Group</b>	<b>Company</b>
Directors' Fees (1)	1.230.976,38	1.163.777,38
Members of BoD Fees (2)	335.161,00	324.326,00
<b>Total</b>	<b>1.566.137,38</b>	<b>1.488.103,38</b>

1. The Directors' fees include wages, employers' social security contributions, other fees, extraordinary fees, bonuses, firing compensations and other fringe benefits.
2. There is no remuneration for the BoD Members regarding their capacity as Members of the BoD. The aforementioned fees refer exclusively to payments for the provision of health care services to the Company or the Group under the professional capacity as medical doctors as self-employed professionals.

*In the Financial Statements, that are published according to the Hellenic Capital Market Committee's relevant decision as well as article 135 L.2190/1920, BoD's fees (case 2) have been included in "Purchases of Consumables and Services" of the additional data in the published Condensed Financial Data and Information of the Group and the Company.*

<b>RECEIVABLES AND LIABILITIES OF RELATED PARTIES AT 31/12/2008</b>					
	<b>RECEIVABLES</b>				
<b>LIABILITIES</b>	<b>IASO S.A.</b>	<b>MODERN MULTIFUNCTIONAL CENTER S.A.</b>	<b>IASO GENERAL S.A.</b>	<b>MEDSTEM SERVICES S.A.</b>	<b>Total</b>
IASO S.A.	-	-	497.716,24	-	<b>497.716,24</b>
MEDSTEM SERVICES S.A.	5.869,13	-	-	-	<b>5.869,13</b>
IASO GENERAL S.A.	669.305,08	-	-	-	<b>669.305,08</b>
<b>TOTAL</b>	<b>675.174,21</b>	<b>-</b>	<b>497.716,24</b>	<b>18.654,23</b>	<b>1.172.890,45</b>

<b>RECEIVABLES AND LIABILITIES OF RELATED PARTIES AT 31/12/2007</b>					
	<b>RECEIVABLES</b>				
<b>LIABILITIES</b>	<b>IASO S.A.</b>	<b>MODERN MULTIFUNCTIONAL CENTER S.A.</b>	<b>IASO GENERAL S.A.</b>	<b>MEDSTEM SERVICES S.A.</b>	<b>Total</b>
IASO S.A.	-	-	231.251,03	6.404,58	<b>237.655,61</b>
MEDSTEM SERVICES S.A.	12.482,83	-	156,56	-	<b>12.639,39</b>
IASO GENERAL S.A.	4.985.853,79	2.790.000,00	-	35.776,17	<b>7.811.629,96</b>
<b>TOTAL</b>	<b>4.998.336,62</b>	<b>2.790.000,00</b>	<b>231.407,59</b>	<b>42.180,75</b>	<b>8.061.924,96</b>

The inter-company and intra group income and expenses, the receivables and liabilities as well as the fees of Directors and the Members of the BoD consist transactions with related parties according to IAS 24.

## **8.2 Investments to subsidiaries**

Parent Company's as well as subsidiaries' participations in other Group's non-listed companies were evaluated by the method of "acquisition value", which is the method that will always be used by the Group. Subsidiaries' financial statements are prepared according to the Group's accounting principles. The initial goodwill (initial consolidation adjustment) has been reflected in the consolidated profit and loss statements.

INVESTMENTS TO SUBSIDIARIES AT 31/12/2008	% OF PARTICIPATION	PARENT COMPANY'S PARTICIPATION	EQUITY 31.12.2008	MINORITY INTERESTS
1. IASO GENERAL CLINIC OF HOLARGOS S.A.	97,07%	98.013.771,50	41.478.748,56	1.215.826,21
2. IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A.	100,00%	6.717.159,86	21.301.611,11	0,00
3. IASO OF SOUTHERN SUBURBS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	53,43%	3.374.400,00	10.452.854,27	4.867.954,50
4. MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A.	99,97%	4.861.890,00	5.043.408,24	1.468,33
5. IASO HEALTH ENTERPRISES S.A.	99,97%	297.000,00	316.540,58	94,96
6. MEDSTEM SERVICES S.A.	99,97%	475.200,00	1.357.161,14	399,17
7. IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	67,93%	8.246.309,00	11.578.265,85	3.713.238,15
<b>TOTAL</b>		<b>121.985.730,36</b>	<b>91.528.589,75</b>	<b>9.798.981,32</b>

INVESTMENTS TO SUBSIDIARIES AT 31/12/2007	% OF PARTICIPATION	PARENT COMPANY'S PARTICIPATION	EQUITY 31.12.2007	MINORITY INTERESTS
1. IASO GENERAL CLINIC OF HOLARGOS S.A.	96,45%	66.074.615,52	7.567.574,15	268.648,88
2. IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A.	100,00%	6.615.159,86	22.344.154,63	0,00
3. IASO OF SOUTHERN SUBURBS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	52,88%	3.319.400,00	10.115.710,42	4.766.522,75
4. MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A.	99,96%	7.286.400,00	7.441.614,61	2.976,65
5. IASO HEALTH ENTERPRISES S.A.	99,96%	297.000,00	315.814,45	126,33
6. MEDSTEM SERVICES S.A.	99,96%	475.200,00	1.642.886,18	657,15
7. IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	69,31%	8.463.909,00	12.567.979,00	3.857.112,76
<b>TOTAL</b>		<b>92.531.684,38</b>	<b>61.995.733,45</b>	<b>8.896.044,52</b>

"IASO" PRINATE GENERAL – OBSTETRIC – GYNECOLOGICAL & PAEDIATRICS CLINIC – DIAGNOSTIC - THERAPEUTIC & RESEARCH CENTER S.A.

In addition:

- (a) At the Extraordinary General Meeting of Shareholders of the subsidiary company “IASO GENERAL CLINIC OF HOLARGOS S.A.” held on 11.01.2008, it was decided: (a) to increase the Share Capital by € 7.761.746,12, of which the amount of € 735.774,62 by capitalizing part of the liabilities towards the parent company IASO S.A. by issuance of 694.127 new common registered shares of nominal value € 1,06 per share. The remaining amount of € 7.025.971,50 paid in by cash through issuance of 6.628.275 new common registered shares of nominal value € 1,06, (b) to increase the Share Capital by € 355.000,00 through capitalization of the equivalent amount of share premium reserves. This action will increase the share's nominal value from € 1,06 to € 1,085, (c) to decrease the share's nominal value from € 1,085 to € 0,31 due to an increase in the number of shares from 14.200.000 with nominal value € 1,085 to 49.700.000 shares of nominal value € 0,31, (split of one (1) old to three and a half (3,5) new shares). The certification of the Share Capital increase was approved by the BoD of the subsidiary company on 06.02.2008 and posted by the Department of Commerce of the Athens Prefecture under protocol number EM-2233.15.02.2008.

In the above share capital increase the parent company participated with the amount of 6.904.138,28 Euros.

- (b) The Share Capital of the Company “IASO GENERAL CLINIC OF HOLARGOS S.A.” upon resolution of the Extraordinary General Meeting of Shareholders held on 14.02.2008, increased by € 26.231.400,00 by cash, by issuance of 7.670.000 new common registered shares of nominal value € 0,31 each and issue price € 3,42. Given that the Share Capital increase is fully covered, the Share Premium Reserve will amount to € 23.853.700,00. The aforementioned increase has been approved by the subsidiary company's BoD on 14.05.2008 (Prefecture Protocol No 8333).

In the above share capital increase the parent company participated with the amount of € 24.355.372,68.

- (c) The share capital of the subsidiary MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A., with the resolution of the ordinary General Meeting of Shareholders, held on 05.06.2008, (a) was increased by the amount of € 2.449.000,00 by capitalization of share premium reserves with a simultaneous increase of the nominal share value from € 10,00 to € 41,00 (b) was decreased by the amount of € 2.449.000,00, with a simultaneous decrease of the

nominal share value from € 41,00 to € 10,00 with the purpose of pro rata distributing to the shareholders an equal amount to the reduction amount (Protocol No EM-14162/08/04.07.2008) decision of Athens Prefecture – East Division – Sociétés Anonymes & Commerce Department. Following the share capital decrease the parent company, that participated by 99%, collected € 2.424.510,00, while the subsidiary IASO GENERAL, that participated by 1%, collected € 24.490,00.

- (d) The Share Capital of the subsidiary company “IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A.” upon resolution of the Annual General Meeting of Shareholders, held on 05.06.2008, was increased by € 9.996,00 by cash by issuance of 3.400 new common registered shares of nominal value € 2,94 each and issue price of € 30,00 .The arising difference by the issuance of shares above par of amount 92.004.00 is posted in the account “Difference by issuing shares above par” (Protocol No . EM13759.08.dis Athens Prefecture – East Division – Sociétés Anonymes & Commerce Department). In the aforementioned share capital increase the Parent company (100% participation) participated by € 102.000,00.
- (e) The subsidiary company “IASO THESSALIAS S.A.” upon resolution of the Annual General Meeting of Shareholders held on 31.05.2008 decided the reduction of the nominal share price from € 10,00 to € 2,00 with the simultaneous increase of the number of shares from 982.440 shares of nominal value € 10,00 to 4.912.200 shares of nominal value € 2,00 (split 1.5). The amendment of the articles of association was posted under the 3345/07.07.2008 announcement of the Commerce and Tourism department of Thessaly.
- (f) At the Extraordinary General Meeting of the subsidiary company “IASO THESSALIAS General Clinic- Private Obstetrics S.A.”, held on 01.11.2008, the following Share Capital increases were approved:
  - i) through capitalization of the company’s reserves with the amount of € 1.964.880,00, with issuance and free pro rata distribution of 982.440 new common registered shares, of nominal value € 2,00 per share, in favor of the existing shareholders. The capitalized reserves were drawn from the “Share premium account”. The new shares are distributed pro rata to the existing shareholders of the company, at the rate of one (1) new share against five (5) existing shares. Beneficiaries of the new pro rata shares were the shareholders on the date of the Extraordinary General Meeting took place, i.e. on 1<sup>st</sup> of November 2008.

ii) through cash payment, of € 4.857.144,00 with preemption rights in favor of the existing shareholders, at the rate of 0,412 new share against one (1) existing share. 2.428.572 new common registered shares of nominal value € 2,00 per share, with distribution price € 3,50 per share, will be issued in total. The difference between the nominal value of the new shares and the distribution price, amounting to € 3.642.858,00, will credit the “Share premium account”. The certification of the Share Capital increase was approved by the BoD of the subsidiary company on 04.03.2009 and posted by the Sociétés Anonymes & Commerce Department on 18/03/2009 (Decision 1043/18.03.2009 Larissa Prefecture).

In the aforementioned share capital increase at 31/12/2008 the parent company has participated by the amount of € 2.500.000,00 and the subsidiary MEDSTEM SERVICES has participated by the amount of € 1.500.002,00.

With regards to the second Share Capital increase (through cash payment), the company has prepared an Information Document (Prospectus), according to L. 3401/2005 and regulation 809/2004 of the European Communities Committee, which has been approved by the Hellenic Capital Market Committee on 19/12/2008.

## **9. Available-for-sale financial assets**

Available-for-sale financial assets include the following:

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
<b>Listed securities:</b>	None	None	None	None
<b>Unlisted securities:</b>				
Shares	4.189.927,64	4.189.927,64	4.189.927,64	4.189.927,64
<b>Total</b>	<b>4.189.927,64</b>	<b>4.189.927,64</b>	<b>4.189.927,64</b>	<b>4.189.927,64</b>

## **10. Other financial assets at fair value through income statement**

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
<b>Listed securities:</b>				
Mutual Funds	999.585,45	363.916,07	999.585,45	363.916,07
<b>Unlisted securities:</b>	None	None	None	None
<b>Total</b>	<b>999.585,45</b>	<b>363.916,07</b>	<b>999.585,45</b>	<b>363.916,07</b>

The mutual funds were marked to market on 31.12.2008 according to the price announced by the Fund Management Company.

## **11. Trade and other receivables**

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
Customers	25.323.389,91	27.278.559,00	2.238.806,46	2.869.321,92
Notes receivable on hand	5.700.126,41	7.307.069,08	1.126.547,78	1.828.921,55
Notes overdue	1.748.104,13	2.593.178,86	987.142,36	1.008.705,01
Cheques receivables	1.308.015,82	2.305.913,14	560.948,42	806.000,35
Cheques receivables overdue	210.062,67	255.957,14	78.341,56	97.868,77
Doubtful customers	2.229.490,58	2.567.158,70	2.126.906,83	2.098.775,95
<b>Less:</b> Provision for impairment of receivables	-6.199.308,91	-7.441.636,36	-3.212.666,29	-3.335.563,74
<b>Total Receivables</b>	<b>30.319.880,61</b>	<b>34.866.199,56</b>	<b>3.906.027,12</b>	<b>5.374.029,81</b>
Miscellaneous debtors	8.716.708,42	11.252.311,22	14.237.167,89	10.761.787,61
Down payments for purchases	81.220,98	78.993,25	41.694,33	77.413,24
Debit transit accounts	346.593,56	599.375,05	274.141,27	454.794,08
Other	187.819,81	224.079,51	27.109,06	24.842,15
<b>Total Other Receivables</b>	<b>9.332.342,77</b>	<b>12.154.759,03</b>	<b>14.580.112,55</b>	<b>11.318.837,08</b>

## **12. Inventories**

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
Consumables	4.815.027,04	5.279.129,64	1.964.044,04	2.753.862,66
Merchandise	164.541,48	186.451,74	0,00	0,00
<b>Total</b>	<b>4.979.568,52</b>	<b>5.465.581,38</b>	<b>1.964.044,04</b>	<b>2.753.862,66</b>

The cost of inventories for the Group recognised as expense and included in “Cost of services” and “Cost of sales” amounts to € 49.807.720,86 in “Administrative expenses” amounts to € 190.300,02 and in “Selling and marketing costs” amounts to € 245.787,72 while the relevant amounts for the Company are € 15.795.995,00, € 117.556,59 and € 181.102,73 respectively for the fiscal period 01.01–31.12.2008 (Note 22).

### 13. Cash and cash equivalents

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
Cash on hand	296.917,78	102.684,70	113.020,20	48.534,37
Sight deposits	27.146.323,82	8.729.570,33	12.373.243,70	2.809.163,38
Time deposits	0,00	14.530.636,27	0,00	3.299.999,97
<b>Total</b>	<b>27.443.241,60</b>	<b>23.362.891,30</b>	<b>12.486.263,90</b>	<b>6.157.697,72</b>

### 14. Borrowings

Borrowings are recognised at actual value decreased by any direct costs for the realisation of the transaction. The analysis of the Company's and the Group's borrowings with current and non-current maturities per company at 31.12.2008 is the following:

	<b><u>Current</u></b>	<b><u>Non-current</u></b>	<b><u>Total</u></b>
IASO S.A.	5.500.000,00	66.750.000,00	72.250.000,00
IASO GENERAL S.A.	2.500.000,00	33.000.000,00	35.500.000,00
IASO THESSALIAS S.A.	0,00	14.500.000,00	14.500.000,00
<b>Total</b>	<b>8.000.000,00</b>	<b>114.250.000,00</b>	<b>122.250.000,00</b>

The analysis of the Company's and the Group's borrowings with current and non-current maturities per company at 31.12.2007 is the following:

	<b><u>Current</u></b>	<b><u>Non-current</u></b>	<b><u>Total</u></b>
IASO S.A.	2.496.175,00	56.503.825,00	59.000.000,00
IASO GENERAL S.A.	2.100.000,00	52.900.000,00	55.000.000,00
MEDSTEM SERVICES S.A.	2.526.492,62	0,00	2.526.492,62
<b>Total</b>	<b>7.122.667,62</b>	<b>109.403.825,00</b>	<b>116.526.492,62</b>

It must be noted that the matured debenture loan payments of the Group, for which there is an obligation of repayment within the current fiscal year, are not included in the Company's and the Group's long-term borrowings but are transferred to the short-term bank liabilities payable within the next fiscal year.

Long-term borrowings include the following loans that were raised during the fiscal year 2008:

- The parent company IASO S.A., on 07/11/2008, proceeded in signing a contract for the issuance of a common bond loan (revolving) up to the total amount of € 18.500.000,00. The loan has three year duration with an extension option of one plus one year. The loan will be used to finance IASO's investment and other needs which are in progress. National Bank of Greece S.A. and National Bank of Greece (Cyprus) LTD underwrote the coverage of the loan. The amount that has been drawn down until 31.12.2008 is €10.000.000 with expiration date 07/11/2011.
- The subsidiary company "IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A." proceeded in signing a contract for the issuance of a common bond loan up to the total amount of € 30.000.000,00 with the National Bank of Greece as the organizer and bondholder representative. The loan has eight year duration. The loan will be used to partially finance the construction of the buildings, the purchase of mechanical, biomedical and hotel equipment for the clinic's operation.

The amount that has been drawn down until 31.12.2008, through the issuance of three bond series, is € 14.500.000,00 and is analyzed as follows:

A' bond series, 15/02/2008, € 7.000.000,00

B' bond series, 21/05/2008, € 3.000.000,00

C' bond series, 07/11/2008, € 4.500.000,00

The first installment, including the capitalized interests, is payable on 15/02/2011 and the last one (eleventh) is payable on 15/02/2016.

The long-term balance of the debenture loans raised by the Company and the Group will be repaid through the fiscal years as follows:

	<b>Group 31.12.2008</b>	<b>Company 31.12.2008</b>
Fiscal year 2009	8.000.000,00	5.500.000,00
Fiscal year 2010	16.400.000,00	5.500.000,00
Fiscal year 2011	20.450.000,00	15.500.000,00
Fiscal year 2012	25.550.000,00	5.500.000,00
Fiscal year 2013	6.950.000,00	5.500.000,00
Fiscal year 2014	36.200.000,00	34.750.000,00



Fiscal year 2015	1.450.000,00	0,00
Fiscal year 2016	7.250.000,00	0,00
<b>Total</b>	<b>122.250.000,00</b>	<b>72.250.000,00</b>

## **15. Trade and other payables**

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
Suppliers	36.838.763,56	40.943.520,31	6.853.089,66	9.761.243,49
Insurance and pension fund dues	2.557.930,49	3.021.358,95	1.628.918,44	1.978.078,52
Tax liabilities	2.639.438,80	2.131.609,78	1.900.686,56	1.447.447,51
Sundry creditors	4.955.042,02	2.719.572,93	4.413.645,08	5.906.926,86
Transit credit balances	3.028.541,87	3.176.922,95	1.452.724,48	1.790.480,12
Other liabilities	826.621,67	6.026.829,39	72.678,85	53.310,62
<b>Total</b>	<b>50.846.338,41</b>	<b>58.019.814,31</b>	<b>16.321.743,07</b>	<b>20.937.487,12</b>

There are third party lawsuits for indemnities against the Company, the Company and associated physicians as well as the Group's companies, for initial claim amounting approximately € 50,51 mil. and € 55,79 mil respectively. For these amounts, that mainly concern professional liability claims of associate physicians of the Group's companies alleged medical malpractice cases, no provision has been made in these financial statements of the Company and the Group. These cases according to the Group's legal departments are covered almost in full by insurance contracts for professional liability and as a result, in case that some of them do not favour the company, they will be covered by the insurance companies and consequently will not substantially affect the financial status of the Company and the Group. The aforementioned lawsuits are analysed as follows:

### **a. Lawsuits regarding medical malpractice**

There are third party lawsuits of patients and or their inheritors against the associated physicians as well as the Group's companies (IASO S.A. and IASO GENERAL S.A.) as indemnity and/or monetary compensation for moral injury, due to alleged medical "malpractice" for a total amount of approximately € 54,27 mil.

The outcome of these lawsuits is estimated not to have a material effect on the financial status of the Group's companies, since the claimed compensations are considered as

extremely exaggerated and are not going to be awarded by the Greek courts, based on the heard law-cases. In case, where some of the lawsuits end up with a winning verdict, then they will be covered, totally or in large part, by the insurance companies, with which malpractice contracts have been signed, either by the Group's companies or the associated physicians.

#### **b. Other lawsuits**

In addition to the aforementioned cases, there are third party lawsuits against the Group's companies (labour differences e.t.c.) for a total amount of approximately € 1,52 mil, the outcome of these cases is estimated not to have a material effect on the financial status of the Company and the Group, respectively.

### **16. Retirement benefit obligations**

Regarding the retirement benefit obligations, an actuarial calculation has been prepared, according to IAS 19, applying the method mentioned in § 2.15. From the said calculation arose accumulatively the following balances per company.

COMPANY	PERIOD				
	31.12.2004	31.12.2005	31.12.2006	31.12.2007	31.12.2008
IASO S.A.	1.596.685,53	1.873.325,56	2.271.636,74	2.585.827,87	3.024.056,90
IASO GENERAL S.A.	994.805,66	1.167.147,46	1.514.068,82	1.518.801,13	1.709.630,45
MEDSTEM SERVICES S.A.	2.158,80	6.725,07	15.694,81	15.745,35	23.412,74
IASO THESSALIAS S.A.	4.754,63	3.922,18	3.922,18	3.922,18	3.922,18
<b>GROUP</b>	<b>2.598.404,62</b>	<b>3.051.120,27</b>	<b>3.805.322,55</b>	<b>4.124.296,53</b>	<b>4.761.022,27</b>

The total amount of the actuarial calculation, which concerns the year 2008, for the Group's personnel, amounts to € 636.725,74 and has been charged equally in amount to the income statement of the fiscal period of 2008, while the Company's amounts to € 438.229,03 respectively.

## **17. Other gains (profit)**

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
- Income from rentals	519.635,89	2.230.456,56	489.651,37	1.136.633,73
- Grants	3.281,15	193.980,87	3.281,15	84.232,42
- Income from side business	500.807,63	1.606.275,81	476.506,44	1.578.816,22
- Extraordinary income / expenses	8.937,40	88.234,62	2.779,79	84.256,22
- Income from unused prior periods provisions	8.206,37	137.237,26	8.206,37	137.100,26
-Income from property revaluation	0,00	896.000,00	0,00	0,00
- Other	31.891,73	30.345,80	29.208,08	36.780,02
<b>Total</b>	<b>1.072.760,17</b>	<b>5.182.530,92</b>	<b>1.009.633,20</b>	<b>3.057.818,87</b>

During the year 2008, the Company's management proceeded in readjusting its main contracts along with re-examining and re-organizing its most significant side businesses. As a result an important increase of revenues appeared in comparison to the previous fiscal year.

The revaluation at fair value of a plot, owned by IASO GENERAL S.A., which was conducted by independent evaluators concluded in a surplus of € 896.000,00, which was recorded in other revenues account (income from property revaluation) in order to offset previous decrease of amount € 2.429.311,20, which was recorded during the first appliance of the IFRS (01/01/2005).

## **18. Financial cost – net**

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
- Interest expense	714.762,92	277.671,71	96.601,63	176.921,07
- Debenture loan's interests	3.864.680,29	6.239.167,33	1.613.444,15	3.453.731,48
- Loss from securities depreciation	0,00	635.669,38	0,00	635.669,38
- Other	228.485,99	134.810,48	215.301,38	9.422,52
<b>Total Financial cost</b>	<b>4.807.929,20</b>	<b>7.287.318,90</b>	<b>1.925.347,16</b>	<b>4.275.744,45</b>
- Credit interest	885.449,48	1.136.306,95	484.428,72	324.795,50
- Profit from measurement at fair value	261.418,54	0,00	261.418,54	0,00
- Dividends	128.216,40	155.165,50	128.216,40	1.164.965,50
- Profit from securities' sale	307.271,50	0,00	307.271,50	0,00
<b>Total Financial income</b>	<b>1.582.355,92</b>	<b>1.291.472,45</b>	<b>1.181.335,16</b>	<b>1.489.761,00</b>

Consolidated results have not included dividends, which derive from subsidiaries, and have been collected by the parent company during the fiscal year 2008. The total amount of the aforementioned dividends reaches € 1.020.000,00 and derives entirely from the subsidiary MEDSTEM SERVICES.

### **19. Income tax expense**

	<b>Group 31.12.2007</b>	<b>Group 31.12.2008</b>	<b>Company 31.12.2007</b>	<b>Company 31.12.2008</b>
Current tax	8.595.621,15	8.427.732,66	8.227.957,10	8.073.630,89
Deferred Tax adjustments to the offset fiscal year	1.993.383,30	5.395.685,32	0,00	-416.891,34
Other taxes and duties	88.678,26	165.164,37	34.538,51	78.645,62
Deferred tax Liability/Receivable	-215.634,47	325.559,93	-156.038,79	-163.845,57
Tax audit adjustments	2.016.791,55	19.602,21	1.580.561,55	0,00
Provision for Tax audit adjustments	670.000,00	419.366,00	670.000,00	359.366,00
<b>Actual tax charge</b>	<b>13.148.839,79</b>	<b>14.753.110,49</b>	<b>10.357.018,37</b>	<b>7.930.905,60</b>
% of Actual tax charge	39,16%	40,91%	32,08%	24,18%

During the fiscal year 2008 all the Group's companies that are subjected to law 3697/2008 accepted the proposed by the Law "settlement without audit" for the unaudited fiscal years 2003-2006. On 31/12/2008, because of the lapse of the offset right of tax losses from previous fiscal years, the Company and the Group wrote off the relevant deferred tax receivables of the FY 2003, while the receivables balance on 31/12/2008, adjusted in relation to the current tax of 24% of the next fiscal year. Group's companies adjusted their tax receivables and liabilities so as, on 31/12/2008, to illustrate with clarity the Company's and the Group's equity.

	<b>Current Tax</b>	<b>Deferred Tax adjustments to the offset fiscal year</b>	<b>Duties for property</b>	<b>Deferred tax Liability/ Receivable</b>	<b>Tax Audit Adjustments</b>	<b>Provision for Tax Audit Adjustments</b>	<b>Actual tax charge</b>	<b>Unaudited fiscal years</b>
<b>IASO S.A.</b>	8.073.630,89	-416.891,34	78.645,62	-163.845,57	0,00	359.366,00	7.930.905,60	<b>2006-2008</b>
<b>IASO GENERAL S.A.</b>	0,00	5.257.864,67	62.360,73	707.443,49	0,00	0,00	6.027.668,89	<b>2006-2008</b>
<b>MEDSTEM SERVICES S.A.</b>	245.141,17	0,00	0,00	22.351,22	8.202,21	60.000,00	335.694,60	<b>2007-2008</b>
<b>IASO THESSALIAS S.A.</b>	0,00	111.808,80	0,00	-240.844,71	2.280,00	0,00	-126.755,91	<b>2007-2008</b>
<b>IASO MACEDONIAS S.A.</b>	0,00	390.738,15	20.265,62	-1.455,15	2.280,00	0,00	411.828,62	<b>2007-2008</b>
<b>MODERN MULTIFUNCTIONAL CENTER S.A.</b>	0,00	45.780,41	3.892,40	-5.400,30	2.280,00	0,00	46.552,51	<b>2007-2008</b>
<b>IASO HEALTH ENTERPRISE S.A.</b>	0,00	2.426,64	0,00	1.810,92	2.280,00	0,00	6.517,56	<b>2007-2008</b>
<b>IASO OF SOUTHERN SUBURBS S.A.</b>	108.960,60	3.957,99	0,00	5.500,02	2.280,00	0,00	120.698,61	<b>2007-2008</b>

The Company and the Group proceeded to tax audit adjustments provision regarding the unaudited fiscal years, whose cumulative balance, on 31/12/2008, was the following: burden

<b>Fiscal Year</b>	<b>Group</b>	<b>Company</b>
2006	339.237,35	339.237,35
2007	332.903,32	332.903,32
2008	419.366,00	359.366,00
<b>Total</b>	<b>1.091.506,67</b>	<b>1.031.506,67</b>

## **20. Earnings per share**

### **Basic - Group**

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	<b><u>31.12.2008</u></b>	<b><u>31.12.2007</u></b>
Profit attributable to equity holders of the Company (from ongoing operations)	21.489.504,76	20.482.228,02
Weighted average number of ordinary shares in issue (IAS 33)	53.155.053	53.155.053
<b>Basic earnings per share</b>	<b><u>0,4043</u></b>	<b><u>0,3853</u></b>

### **Basic - Company**

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

	<b><u>31.12.2008</u></b>	<b><u>31.12.2007</u></b>
Profit attributable to equity holders of the Company (from ongoing operations)	24.873.201,18	21.930.654,86
Weighted average number of ordinary shares in issue (IAS 33)	53.155.053	53.155.053
<b>Basic earnings per share</b>	<b><u>0,4679</u></b>	<b><u>0,4126</u></b>

The weighted average number of ordinary shares in issue (IAS 33) at 31.12.2008 and 31.12.2007 for the Company and the Group is 53.155.053 shares respectively.

The weighted average number of shares resulted by the as of 06.06.2008 resolution of the ordinary General Meeting of Shareholders of the parent company (Note 24 of the Financial Statements) and as a result adjusted retroactively the basic earnings per share for the periods presented in the financial statements of the Company and the Group.

## **21. Dividends per share**

The dividend paid in 2008 is € 0,33 per share, the payment was approved by the Shareholders' General Meeting held on 06.06.2008 and is demonstrated in the annual financial statements of the fiscal year 2008.

In the current fiscal year of 2009, the Company's management will recommend to the Annual General Meeting of shareholders the distribution of a dividend equal to € 0,22 per share.

## **22. Expenses by nature**

The analysis of the cost distribution for the Company and the Group for the fiscal periods 01.01-31.12.2008 and 01.01-31.12.2007 is the following:

	<b><u>Company</u></b> <b><u>01.01-31.12.2007</u></b>	<b><u>Company</u></b> <b><u>01.01-31.12.2008</u></b>	<b><u>Group</u></b> <b><u>01.01-31.12.2007</u></b>	<b><u>Group</u></b> <b><u>01.01-31.12.2008</u></b>
Merchandise- Consumables	46.696.653,54	50.243.808,60	15.079.679,17	16.094.654,32
Salaries and fringe benefits	39.333.907,25	44.285.948,35	23.921.218,26	27.252.348,51
Third parties' fees and expenses	27.118.082,60	28.911.867,69	18.188.678,65	19.895.900,11
Third parties' utilities and services	6.017.584,25	7.221.476,42	3.839.044,81	4.587.488,85
Other dues	978.301,95	1.207.455,01	452.396,35	462.752,01
Sundry expenses	4.885.004,04	5.297.612,31	2.997.804,03	3.369.298,98
Interest and similar charges	4.649.860,85	6.536.210,61	1.767.278,81	3.640.075,07
Depreciation of fixed assets charged to operating cost	8.001.228,51	7.742.951,68	3.864.741,88	4.138.125,09
Provisions	1.046.764,81	2.641.509,83	666.278,09	1.323.446,12
Crossing out of consolidated financial statements	-448.094,42	-448.689,94	0,00	0,00
<b>Total</b>	<b>138.279.293,38</b>	<b>153.640.150,56</b>	<b>70.777.120,05</b>	<b>80.764.089,06</b>

The distribution of cost into cost of services, administrative cost, selling cost and financial cost of the Company for the fiscal periods 01.01-31.12.2008 and 01.01-31.12.2007 is the following:

<b>Company</b> <b>01.01-31.12.2008</b>	<b><u>Cost of</u></b> <b><u>services</u></b>	<b><u>Administrative</u></b> <b><u>expenses</u></b>	<b><u>Selling cost</u></b>	<b><u>Financial</u></b> <b><u>expenses</u></b>	<b><u>Total</u></b>
Merchandise- Consumables	15.795.995,00	117.556,59	181.102,73	0,00	16.094.654,32
Salaries and fringe benefits	23.938.801,35	2.294.753,59	1.018.793,57	0,00	27.252.348,51
Third parties' fees and expenses	19.095.627,34	561.738,83	238.533,93	0,00	19.895.900,11
Third parties' utilities and services	3.841.164,34	189.152,49	557.172,02	0,00	4.587.488,85
Other dues	372.499,36	47.153,04	43.099,61	0,00	462.752,01
Sundry expenses	2.517.593,75	396.292,14	455.413,09	0,00	3.369.298,98
Interest and similar charges	0,00	0,00	0,00	3.640.075,07	3.640.075,07
Depreciation of fixed assets charged to operating cost	3.763.729,57	205.789,83	168.605,69	0,00	4.138.125,09
Provisions	400.107,13	21.332,96	266.336,65	635.669,38	1.323.446,12
<b>Total</b>	<b>69.725.517,83</b>	<b>3.833.769,48</b>	<b>2.929.057,30</b>	<b>4.275.744,45</b>	<b>80.764.089,06</b>

<b>Company</b> <b>01.01-31.12.2007</b>	<b><u>Cost of</u></b> <b><u>services</u></b>	<b><u>Administrative</u></b> <b><u>expenses</u></b>	<b><u>Selling cost</u></b>	<b><u>Financial</u></b> <b><u>expenses</u></b>	<b><u>Total</u></b>
Merchandise- Consumables	14.781.979,32	103.749,96	193.949,89	0,00	15.079.679,17
Salaries and fringe benefits	21.202.808,35	1.865.554,34	852.855,57	0,00	23.921.218,26
Third parties' fees and expenses	17.065.874,61	882.194,81	240.609,23	0,00	18.188.678,65
Third parties' utilities and services	3.551.263,24	160.198,56	127.583,01	0,00	3.839.044,81
Other dues	358.588,68	32.345,93	31.631,09	29.830,65	452.396,35
Sundry expenses	2.332.573,33	381.471,75	275.973,37	7.785,58	2.997.804,03
Interest and similar charges	0,00	0,00	3,00	1.767.275,81	1.767.278,81
Depreciation of fixed assets charged to operating cost	3.533.943,32	209.495,55	121.303,01	0,00	3.864.741,88
Provisions	287.278,40	14.707,84	243.836,73	120.455,12	666.278,09
<b>Total</b>	<b>63.114.309,25</b>	<b>3.649.718,74</b>	<b>2.087.744,90</b>	<b>1.925.347,16</b>	<b>70.777.120,05</b>

The distribution of cost into cost of services, administrative cost, selling cost and financial cost of the Group for the fiscal periods 01.01-31.12.2008 and 01.01-31.12.2007 is the following:

<b>Group</b> <b>01.01-31.12.2008</b>	<b><u>Cost of services</u></b>	<b><u>Administrative</u> <u>expenses</u></b>	<b><u>Selling cost</u></b>	<b><u>Financial</u> <u>expenses</u></b>	<b><u>Total</u></b>
Merchandise- Consumables	49.807.720,86	190.300,02	245.787,72	0,00	50.243.808,60
Salaries and fringe benefits	39.260.170,81	3.180.714,55	1.845.062,99	0,00	44.285.948,35
Third parties' fees and expenses	27.673.908,53	869.442,67	368.516,49	0,00	28.911.867,69
Third parties' utilities and services	6.237.658,32	337.107,51	646.710,59	0,00	7.221.476,42
Other dues	635.203,30	178.686,74	278.126,06	115.438,91	1.207.455,01
Sundry expenses	3.857.229,13	528.058,45	912.324,73	0,00	5.297.612,31
Interest and similar charges	0,00	0,00	0,00	6.536.210,61	6.536.210,61
Depreciation of fixed assets charged to operating cost	7.269.281,34	256.775,47	216.894,87	0,00	7.742.951,68
Provisions	1.207.564,17	46.512,01	751.764,27	635.669,38	2.641.509,83
Crossing out of consolidated financial statements	-447.089,94	0,00	-1.600,00	0,00	-448.689,94
<b>Total</b>	<b>135.501.646,52</b>	<b>5.587.597,42</b>	<b>5.263.587,72</b>	<b>7.287.318,90</b>	<b>153.640.150,56</b>

<b>Group</b> <b>01.01-31.12.2007</b>	<b><u>Cost of</u> <u>services</u></b>	<b><u>Administrative</u> <u>expenses</u></b>	<b><u>Selling cost</u></b>	<b><u>Financial</u> <u>expenses</u></b>	<b><u>Total</u></b>
Merchandise- Consumables	46.067.346,39	287.910,05	341.397,10	0,00	46.696.653,54
Salaries and fringe benefits	35.198.337,25	2.602.242,84	1.533.327,16	0,00	39.333.907,25
Third parties' fees and expenses	25.560.518,37	1.156.733,80	400.830,43	0,00	27.118.082,60
Third parties' utilities and services	5.520.027,72	293.457,40	204.099,13	0,00	6.017.584,25
Other dues	620.205,41	218.435,12	109.830,77	29.830,65	978.301,95
Sundry expenses	3.795.494,14	487.379,47	594.344,85	7.785,58	4.885.004,04
Interest and similar charges	0,00	0,00	3,00	4.649.857,85	4.649.860,85
Depreciation of fixed assets charged to operating cost	7.544.643,85	283.506,48	173.078,18	0,00	8.001.228,51
Provisions	643.059,98	25.523,82	257.725,89	120.455,12	1.046.764,81
Crossing out of consolidated financial statements	-442.712,42	0,00	-5.382,00	0,00	-448.094,42
<b>Total</b>	<b>124.506.920,69</b>	<b>5.355.188,98</b>	<b>3.609.254,51</b>	<b>4.807.929,20</b>	<b>138.279.293,38</b>

## **23. Guarantees**

The Group has liabilities to banks, other guarantees and other matters that arise from its activity. The parent company at 31.12.2008 has granted guarantees to banks for the amount of € 75 million, in favour of its subsidiaries.



## **24. Share capital**

	<b>NUMBER OF SHARES</b>	<b>SHARE NOMINAL VALUE</b>	<b>VALUE OF ORDINARY SHARES</b>	<b>ABOVE PAR VALUE</b>	<b>TOTAL</b>
<b>1<sup>st</sup> of January 2008</b>	44.075.500	0,53	23.360.015,00	42.525.668,15	65.885.683,15
Share capital increase with share nominal value increase by capitalization of reserves from issuance of shares above par	44.075.500	0,00064	28.208,32	-28.208,32	0,00
Reduction of nominal value from 0,53064 to 0,44 € per share (split 100/20,6) by issuing new shares	9.079.553	0,44	0,00	0,00	0,00
<b>31<sup>st</sup> of December 2008</b>	53.155.053	0,44	23.388.223,32	42.497.459,83	65.885.683,15
Weighted average number of shares according to IAS 33	53.155.053	0,44	23.388.223,32	42.497.459,83	65.885.683,15

According to resolutions passed at the ordinary General Meeting of Shareholders of the parent Company, held on 06.06.2008, it was decided (a) to increase the share capital by € 28.208,32 by capitalization of reserves “Share premium account” by increasing the nominal value per share by € 0,00064, namely from € 0,53 to € 0,53064 and (b) to reduce the nominal value per share by € 0,09064 , namely from € 0,53064 to € 0,44 per share, by issuing 9.079.533 new common registered shares of nominal value € 0,44 per share. The above alteration of the share capital was approved by the Ministry of Development by the K2-7848/24.06.2008 resolution and by the B.O.D. of the Athens Exchange at the meeting of 10.07.2008. By resolution of the B.O.D of the company it was designated that beneficiaries of the new free shares will be the prescribed shareholders at the end of the trading session of the Athens Exchange of 15.07.2008 while by the 16.07.2008 the shares of the company will be traded ex-rights. The commencement of trading of the 9.079.553 new free common registered shares in the Athens Exchange is set for the 23.07.2008.

## **25. Other long-term receivables**

Other long-term receivables of the Company and the Group are presented as follows:

<b>Guarantees</b>	<b>Group</b>		<b>Company</b>	
	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>
Public Power Corporation	81.900,00	82.060,00	49.200,00	49.360,00
O.T.E.	269,99	269,99	269,99	269,99
E.Y.D.A.P.	5.922,63	5.922,63	5.491,00	5.491,00
Medical gas	13.217,58	13.217,58	13.191,17	13.191,17
Buildings	17.100,55	17.929,64	0,00	0,00
Vehicles	14.241,09	14.944,09	6.034,88	6.619,88
Prepayments of assets purchase	323.041,54	0,00	323.041,54	0,00
Other long-term receivables	438.089,93	671.417,42	0,00	0,00
<b>Total</b>	<b>893.783,31</b>	<b>805.761,35</b>	<b>397.228,58</b>	<b>74.932,04</b>

All the above given guarantees, either to public or to private organisations, concern the operation of the Company and the Group's companies and are claimable at the expiry date of their respective contracts.

The prepayments for assets purchase concern mainly the amounts that have been already laid out by the subsidiary "IASO THESSALIAS GENERAL CLINIC – PRIVATE MATERNITY HOSPITAL S.A." for the completion of its building complex and the machinery installation . Its operation will probably begin within the 2<sup>nd</sup> Semester of 2009. Other long-term receivables are recorded in the following fiscal years, when accrued, and mainly concern the operation of the stem cells collection and storage of the subsidiary company "MEDSTEM SERVICES S.A.".

## **26. Other non-current liabilities**

Other non-current liabilities of the Company and the Group are presented as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>
Received rent guarantees	70.754,05	78.495,63	61.475,05	68.854,75
Unearned and deferred income	2.920.599,55	4.476.116,13	0,00	0,00
<b>Total</b>	<b>2.991.353,60</b>	<b>4.554.611,76</b>	<b>61.475,05</b>	<b>68.854,75</b>

The subsidiary "MEDSTEM SERVICES S.A.", storages cord blood stem cells and pre-collects deferred income. This policy creates long-term liabilities which expire along with

the twenty year contracts. The aforementioned long-term revenues will be measured within the period that the above services will be offered.

## **27. Other non-current provisions**

The other non-current provisions refer to the Company's calculated provisions which overcome a fiscal year.

## **28. Other operating expenses**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>
Extraordinary & non-operating expenses	33.529,43	25.313,70	17.893,41	12.087,77
Extraordinary losses	91.199,46	6.153,85	68.003,61	5.397,92
Prior period expenses	486.695,70	733.317,19	61.876,30	13.778,77
Provisions for extraordinary contingencies	0,00	0,00	0,00	0,00
<b>Total</b>	<b>611.424,59</b>	<b>764.784,74</b>	<b>147.787,99</b>	<b>31.264,46</b>

## **29. Reserves at fair value - Other reserves**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>
Land	31.350.784,24	34.239.041,03	8.068.688,07	11.274.658,79
Buildings	33.240.781,06	31.517.452,40	33.057.336,35	29.567.607,76
<b>Reserves at fair value Total</b>	<b>64.591.565,30</b>	<b>65.756.493,43</b>	<b>41.126.024,42</b>	<b>40.842.266,55</b>
Legal Reserve	5.854.191,15	6.975.781,65	5.384.038,15	6.480.570,89
<b>Other Reserves Total</b>	<b>5.854.191,15</b>	<b>6.975.781,65</b>	<b>5.384.038,15</b>	<b>6.480.570,89</b>

For the cumulative surplus value deriving from the property adjustment to fair value that is demonstrated in the consolidated financial statements of 31/12/2008, was calculated, within the fiscal period, deferred tax liability with estimated tax rate 20% because of the long-term self use of property. As a result the equity of the Company and the Group was decreased by € 10,2 mil. and € 16,44 mil. respectively.

This deferred liability of the Company and the Group was calculated with tax rate 20%, since, according to law 3697/2008 (that was published in 2008) the tax rate for the fiscal years 2010-2014 will be reduced by 1 point per fiscal year.

Other reserves, include the Company's and the Group's legal reserve, which is assessed by the Annual General Meeting's approval of the profits' distribution.

### **30. Events after the balance sheet date**

1) On 03/03/2009, the share capital increase, through cash payment with preemption rights in favor of the existing shareholders, of the subsidiary company "IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A." was completed. The aforementioned share capital increase was decided on 01/11/2008 by the Extraordinary Shareholders Meeting of the company and took place from 01/11/2008 until 03/03/2009. It was covered by 44,22% by the deposit of € 3.758.779,50, which corresponds to 1.073.937 new common registered shares with voting rights, while 1.354.635 shares were left indisposed.

Upon resolution of the Board of Directors dated 03/03/2009, the indisposed shares (1.354.635) were disposed by their judgment to new shareholders that were interested in participating and deposited the relevant amounts along with the existing shareholders that chose to participate beyond their preemption right and deposited the relevant amounts. As a result the total coverage of the share capital increase was 100% and amounted to €8.500.002,00. Following that, the share capital of the company will increase by €4.857.144,00 through the issuance of 2.428.572 new common registered shares with voting rights, of nominal value € 2,00 per share. The par value of the shares issued, amounting € 3.642.858, is recognized as "share premium" in shareholders equity.

2) The parent company IASO S.A., on 09/02/2009, proceeded in the issuance of a second bond series of total amount € 2.500.000,00, following the contract signed on 07/11/2008 for the issuance of a common bond loan with the National Bank of Greece as the organizer and bondholder representative, for the finance of the company's current investments and other needs.

3) The management of the subsidiary company "IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.", on 16/02/2009, proceeded in the issuance of a fourth bond series of total amount € 3.500.000,00, following the contract signed on

15/02/2008 for the issuance of a common bond loan with the National Bank of Greece as the organizer and bondholder representative, for the finance of the company's current investment plan and other needs. The amount that has been drawn down until today is € 18.000.000,00 and has been used for financing the company's investment plan.

4) Upon resolution, of IASO Thessalias Board of Directors, on 12/03/2009, it was decided to conduct an Extraordinary Shareholders Meeting on the 4<sup>th</sup> of April 2009, at the company's registration address Kouma & 28<sup>th</sup> Oktovriou 14, (1<sup>st</sup> floor) for discussing the following agenda:

- Share capital increase by cash and public offer and issuance of new shares
- Amendment of article 3 of the company's articles of association due to the aforementioned share capital increase.

5) IASO S.A., on 19/03/2009, announced that its subsidiary company IASO OF SOUTHERN SUBURBS S.A. and the constructing company INTRAKAT S.A. signed a memorandum of cooperation for the construction of a clinic in the municipality of Agios Ioannis Redis. The budget of this project is € 70 mil.

# E. DATA AND INFORMATION FOR THE FISCAL PERIOD JANUARY 1<sup>st</sup> TO DECEMBER 31<sup>st</sup> 2008

IASO S.A.			
PRINATE GENERAL - OBSTETRIC - GYNECOLOGICAL & PAEDIATRICS CLINIC - DIAGNOSTIC - THERAPEUTIC & RESEARCH CENTER			
REQ. No : 13366/06/06/01			
37-39 Kifissias Ave. 15123 Marousi Athens			
Data and Information for the period 1 January 2008 to 31 December 2008			
(Published in accordance with L. 2190/1920, article 135, for companies preparing annual financial statements, consolidated or not, according to the IFRS)			
The following data and information aim to provide a general briefing for the financial position and the results of operations of the Group and the Company IASO S.A. Therefore, it is recommended, to any reader, before proceeding to any kind of investment decision or other transaction with the Company, to visit the Company's web site, where the Annual Financial Statements are posted and prepared according to the International Financial Reporting Standards as approved by the Board of Directors of the Company.			
1. CONDENSED BALANCE SHEET (Amounts reported in Euro)			
	THE GROUP	THE COMPANY	THE COMPANY
	31/12/2008	31/12/2007	31/12/2007
Assets			
Tangible assets	261,593,764.00	217,319,210.38	129,500,544.00
Intangible assets	1,595,645.35	1,420,445.00	1,012,695.45
Other non-current assets	635,761.35	3,894,022.32	32,863,052.40
Investments	5,485,581.38	4,979,585.02	2,750,892.66
Trade and other receivables	34,895,139.59	33,319,895.61	5,574,027.12
Other current assets	10,217,464.24	4,198,027.45	22,282,783.51
TOTAL ASSETS	313,728,255.81	264,946,180.78	194,943,992.64
Liabilities			
Shareholders' Equity (51,100,000 shares x 0.44 €)	22,484,000.00	22,484,000.00	22,484,000.00
Other shareholders' equity	97,176,457.79	87,981,985.29	135,487,587.74
Total Shareholders' Equity (a)	119,660,457.79	110,465,985.29	157,971,587.74
Minority interests (b)	7,978,581.32	8,899,444.52	0.00
Total Equity (a)+(b)	127,639,039.11	119,365,429.81	157,971,587.74
Long-term bank borrowings	26,292,000.00	10,420,000.00	6,570,750.00
Provisions (Other long-term liabilities)	26,892,861.68	8,420,850.84	16,600,527.86
Short-term bank borrowings	8,030,000.00	4,129,027.45	5,495,175.00
Other short-term liabilities	89,447,546.97	63,441,959.68	23,011,159.01
Total Liabilities (d)	140,662,408.65	86,411,837.97	51,672,607.87
TOTAL EQUITY AND LIABILITIES (a)+(b)+(d)	268,299,447.76	205,777,267.78	209,644,195.61
2. INCOME STATEMENT FOR THE PERIOD (Amounts reported in Euro)			
	THE GROUP	THE COMPANY	THE COMPANY
	31/12/2008	31/12/2007	31/12/2007
Sales	103,311,920.00	113,171,000.00	113,171,000.00
Gross profit/(loss)	38,396,667.76	58,785,450.00	10,301,852.81
Operating results (before taxes, financing and investing results) (a)	49,406,182.30	45,466,627.50	39,326,352.60
Profit/(loss) before taxes	38,064,336.06	33,519,946.71	30,267,673.23
Profit/(loss) for the period after taxes (b)	21,311,226.36	20,971,195.00	21,093,694.66
Equity holders of the Company (minority interests)	21,488,504.76	20,492,238.02	21,093,694.66
Savings/(loss) after taxes per share - basic (expressed in €)	0.42	0.38	0.41
Suggested dividend per share (expressed in €)	0.40	0.35	0.30
Gain/(loss) before taxes, financing and investing results and depreciation-amortisation (EBITDA)	49,406,182.30	45,466,627.50	39,326,352.60
3. STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD (Amounts reported in Euro)			
	THE GROUP	THE COMPANY	THE COMPANY
	31/12/2008	31/12/2007	31/12/2007
Net equity of period opening Balance (1/1/2008 and 1/1/2007 respectively)	120,216,261.81	110,465,985.29	157,971,587.74
Profit/(loss) for the period	21,311,226.36	20,971,195.00	21,093,694.66
Increases/Decreases of share capital	0.00	-44,075,000.00	-44,075,000.00
Dividends distributed	-14,544,915.00	-13,222,650.00	-13,222,650.00
Net Income/(expense) recognised directly in equity	1,564,326.36	0.00	0.00
Minority interests share capital increase/decrease in subsidiary	2,216,559.14	6,674,394.00	0.00
Net equity of period closing Balance (31/12/2008 and 31/12/2007 respectively)	129,541,168.21	124,134,430.29	164,840,232.40
ADDITIONAL DATA AND INFORMATION			
The Companies of the Group with respective address and participation percentages that are included in the consolidated Financial Statements (Note 6.2) are:			
Full Consolidation Method:			
COMPANY NAME	Registered Office	Unaudited fiscal years	% of participation
1. IASO S.A.	Greece, Marousi, Attiki	2006-2009	97.07%
2. IASO GENERAL CLINIC OF HOLARGOS S.A.	Greece, Holargos, Attiki	2006-2009	97.07%
3. IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A.	Greece, Marousi, Attiki	2007-2009	97.07%
4. IASO OF SOUTHERN SUBURBS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	Greece, Marousi, Attiki	2007-2009	97.07%
5. MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A.	Greece, Marousi, Attiki	2007-2009	97.07%
6. IASO HEALTH ENTERPRISES S.A.	Greece, Marousi, Attiki	2007-2009	97.07%
7. MEDISTEM SERVICES S.A.	Greece, Marousi, Attiki	2007-2009	97.07%
8. IASO THESSALIA GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	Greece, Larissa	2007-2009	97.07%
No changes occurred either in companies that are consolidated or in the method of consolidation in the Annual Financial Statements from 01.01.2007 till today.			
Issued and authorized by the auditor:			
The issue authorized by the auditor is contained in the Auditor's Report of the Annual Financial Statements refers to third party lawsuits against the Group's companies for indemnities. These lawsuits, according to the Group's legal department, are covered almost to their full by insurance contracts, and therefore, in case where one of these do not have an outcome in favor of the company, these will be covered by the insurance company's ordinary share in loss.			
1. The accounting principles applied in these Financial Statements are the same as those applied to the Financial Statements of 31.12.2007.			
2. On the assets of the Company and the Group there are no pledges, apart from the subsidiary IASO GENERAL CLINIC OF HOLARGOS S.A. where there is a prenotation against its fixed assets amounting to € 54,000,000.00 for securing long-term bank loan of € 45,000,000.00, whose unpaid balance at 31.12.2008 amounted to € 27,500,000.00.			
3. The personnel employed by the Company amounts to 1,008 and 928 persons at 31.12.2008 and 31.12.2007 respectively, while of the Group to 1,699 and 1,588 persons at 31.12.2008 and 31.12.2007 respectively.			
4. The savings per share were calculated on the basis of the profit after taxes and minority interest divided by the weighted average number of the parent Company's ordinary shares in issue.			
5. The investments of the Group for the period 01.01.2008 to 31.12.2008 for tangible and intangible assets amounted to € 34,167,901.46 while those of the Company amounted to € 11,463,416.83.			
6. The Company and the Group have made a provision for tax losses and penalties, for the amount of € 9,360,955.55 amounting to € 1.03 ml. and € 1.09 ml. respectively (More details in Note 19 of Financial Statements).			
7. There are third party lawsuits for indemnities against the Company and the Group for an initial case claim of about € 57.0 ml. and € 61.0 ml. respectively. For these amounts, no provision has been made in these Financial Statements of the Company and the Group. These cases according to the Group's legal departments are covered almost in full by insurance contracts for professional liability and as a result in case that some of them do not favour the company, they will be covered by the insurance companies and will not substantially affect the financial status of the Company and the Group (Note 18 Financial Statements).			
8. The Company and the Group have made a cumulative provision of € 6,339,620.94 and € 12,303,889.05 respectively, up until 31.12.2008, in 'other provisions' (retirement benefit obligations and doubtful receivables) (Note 11 & 18 Financial Statements).			
9. At the Extraordinary General Meeting of Shareholders of the subsidiary company 'IASO GENERAL CLINIC OF HOLARGOS S.A.' held on 11.01.2008, it was decided: (a) to increase the Share Capital by € 7,761,746.12, of which € 7,737,746.12 by capitalizing part of the facilities towards the parent company IASO S.A. by issuance of 494,127 new common registered shares of nominal value € 1.06 per share. The remaining amount of € 7,028,971.00 paid in by cash through issuance of 6,638,276 new common registered shares of nominal value € 1.06 per share. (b) to increase the Share Capital by € 365,000.00 through capitalization of the equivalent amount of share premium reserves. This action increased the share's nominal value from € 1.06 to € 1.08 per share. The remaining amount of € 3,511,974.88 (a) to increase the share's nominal value from € 1.06 to € 1.08, (b) to decrease the share's nominal value from € 1.08 to € 1.06 per share. The aforementioned amendment of the Share Capital was approved by the Board of Directors of the subsidiary company on 06.02.2008 and posted by the Department of Commerce of the Athens Prefecture under protocol number EM3-23/06.02.2008.			
10. The Share Capital of the Company 'IASO GENERAL CLINIC OF HOLARGOS S.A.' upon resolution of the Extraordinary General Meeting of Shareholders held on 14.02.2008, increased by € 36,201,400.00 by cash, by issuance of 3,400 new common registered shares of nominal value € 1.06 per share. (Protocol No. EM3-23/06.02.2008).			
11. At the Annual General Meeting of Shareholders of the parent company held on 06.06.2008, it was decided: (a) to increase the Share Capital by € 6,209,352 by capitalization of reserves 'Share premium account' by increasing the nominal value of each share by € 0.0064, that is from € 1.05 to € 1.0564 per share and by € 0.0064, that is from € 0.0064 to € 0.01 per share, by issuing, because of the above decrease, 3,079,550 new common registered shares (3,079,550 shares) (b) to increase the share's nominal value from € 1.05 to € 1.06 per share. The aforementioned amendment of the Share Capital was approved by the Board of Directors of the parent company on 06.06.2008 and posted by the Department of Commerce of the Athens Prefecture under protocol number EM3-23/06.06.2008.			
12. The share capital of the subsidiary MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A., with the use of 05.06.2008 resolution of the ordinary General Meeting of Shareholders, (a) was increased by the amount of € 2,449,000.00 by capitalization of share premium reserves with a simultaneous increase of the nominal share value from € 10.00 to € 41.00, (b) was decreased by the amount of € 2,449,000.00, with a simultaneous decrease of the nominal share value from € 41.00 to € 10.00 with the purpose of pro rata distributing to the shareholders an equal amount to the reduction amount (Protocol No. EM3-14/06.06.2008) decision of Athens Prefecture - Social Anonymity & Commerce - Social Anonymity & Commerce.			
13. The Share Capital of the subsidiary company 'IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A.' upon resolution of the Annual General Meeting of Shareholders held on 05.06.2008 was increased by € 9,900,000 by cash by issuance of 3,400 new common registered shares of nominal value € 2.94 each and issue price of € 30.00. The arising difference by the issuance of shares above par amount of € 90,000.00 is posted in the account 'Share premium account' (Protocol No. EM3/05/06/08 Athens Prefecture - Social Anonymity & Commerce - Social Anonymity & Commerce).			
14. Upon resolution of the Annual General Meeting of Shareholders of the subsidiary company 'IASO THESSALIA GENERAL CLINIC-PRIVATE OBSTETRICS S.A.', held on 31.05.2008 it was decided the decrease of each share's nominal value from € 10.00 to € 2.00 by increasing the number of shares from 362,400 shares of nominal value € 10.00 per share to 4,912,000 shares of nominal value € 2.00 per share (362,400 shares) (Protocol No. EM3/31/05/08 Athens Prefecture - Social Anonymity & Commerce - Social Anonymity & Commerce).			
15. At the Extraordinary General Meeting of Shareholders of the subsidiary company 'IASO THESSALIA GENERAL CLINIC-PRIVATE OBSTETRICS S.A.', held on 01.11.2008, the following Share Capital increase was approved: (a) through capitalization of the company's reserves with the amount of € 1,084,880.00, with issuance and free disposal of 80,344 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (b) through capitalization of the company's reserves with the amount of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (c) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (d) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (e) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (f) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (g) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (h) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (i) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (j) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (k) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (l) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (m) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (n) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (o) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (p) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (q) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (r) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (s) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (t) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (u) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (v) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (w) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (x) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (y) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders (z) through cash payment of € 487,344.00 with issuance and free disposal of 35,949 new common registered shares, of nominal value € 1.35 per share, in favor of the existing shareholders.			
16. The accumulated amounts of purchases and sales (including revenue by dividends) for the period 01.01.2008 - 31.12.2008 as well as the balances of receivables and liabilities at the end of the period, that arise from the Company's transactions with affiliated companies according to IAS 24, are as follows:			
	GROUP	COMPANY	
a) Revenues	0.00	1,028,581.76	
b) Expenses	35,161.00	582,412.58	
c) Receivables	0.00	676,174.21	
d) Liabilities	0.00	497,214.50	
e) Remuneration to BoD members and managers	1,210,976.35	1,163,777.35	
f) Receivables from BoD members and managers	0.00	0.00	
g) Payables to BoD members and managers	0.00	0.00	
Marousi, 27 March 2009			
GROUP'S GENERAL MANAGER			
IOANNIS CH. ZIOLOS			
L.D. : A 000002			
MANAGING DIRECTOR			
GEORGIOS K. STAMATIIOU			
L.D. : K 000674			
GROUP'S CHIEF FINANCIAL OFFICER			
VASSILOUS E. ANASTASAKIS			
L.D. : AA 58346			
CHIEF ACCOUNTING OFFICER			
STYLIAIDOS D. TSIRONOGLOU			
L.D. : Y 123040 A CLASS REG. No 21907			

## F. REFERENCE TABLE TO THE INFORMATION REQUESTED ACCORDING TO art.10 L.3401/2005

The table below incorporates the information of Article 10 Law 3401/2005, which the Company has published and made available to the public during the year 2008.

### INVITATIONS & RESOLUTIONS OF GENERAL SHAREHOLDERS' MEETINGS

3/9/2008	Resolutions of the Shareholders Extraordinary General Meeting	<a href="http://www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008">www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008</a>
12/8/2008	Invitation to Extraordinary General Meeting of 3/9/2008	""
6/6/2008	Resolutions of the Shareholders' Annual Assembly	""
15/5/2008	Invitation to the Annual Assembly of June 6th 2008	""

### FINANCIAL STATEMENTS & ANNOUNCEMENTS

28/11/2008	Financial Results for the 9month period of 2008	<a href="http://www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008">www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008</a>
12/9/2008	Restatement of Public Accountant - Auditor's Review Report	""
2/9/2008	Financial Statements for the 1st Half of 2008	""
30/5/2008	Financial results for the 1st Quarter of 2008	""
26/3/2008	Financial Calendar for the year 2008	""
19/3/2008	Financial results for the fiscal year 2007	""
26/11/2008	Data & Information Parent Company & Group as of 30.09.2008	<a href="http://www.iaso.gr/Investor Relations/Financial Statements / Parent Company - Group">www.iaso.gr/Investor Relations/Financial Statements / Parent Company - Group</a>
26/11/2008	Interim Financial Statements Parent Company & Group as of 30.09.2008	""
12/9/2008	Six Month Financial Report of the period 01.01.2008-30.06.2008	""
29/8/2008	Data & Information Parent Company & Group as of 30.06.2008	""
29/5/2008	Data & Information Parent Company & Group as of 31.03.2008	""
29/5/2008	Interim Financial Statements Parent Company & Group as of 2008	""
27/3/2008	Data & Information Parent Company & Group as of 31.12.2008	""
27/3/2008	Annual Financial Statements Parent Company & Group as of 2007	""

### CORPORATE ACTIONS & DIVIDENDS

15/10/2008	Announcement of Remaining Fractional Shares	<a href="http://www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008">www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008</a>
11/7/2008	Announcement for the listing of new pro rata shares due to split	""
9/6/2008	Announcement regarding the Dividend Distribution	""
2/4/2008	BoD' s Dividend Proposal for the Fiscal Year 2007	""

### OTHER ANNOUNCEMENTS

11/11/2008	Contract Signing for the Issuance of Bond Loan	<a href="http://www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008">www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008</a>
9/10/2008	Change of Corporate Name	""
2/9/2008	IASO Children's Hospital commencement of operations	""
19/5/2008	Comments on a Press Publication	""
15/5/2008	Comments on a Press Publication	""
6/5/2008	Completion of the Share Capital Increase of IASO General S.A.	""



10/4/2008	Comments on a Press Publication	""
12/3/2008	New Managers	""
5/3/2008	New Managers	""
29/2/2008	New Managers	""
26/2/2008	Announcement regarding the Share Capital Increase of IASO General S.A.	""
15/2/2008	Announcement regarding the E.G.M. of IASO General S.A.	""
11/2/2008	Announcement	""

## ANNUAL BULLETIN – CORPORATE PRESENTATIONS

9/9/2008	IASO's Participation in the Roadshow Organized by Chevreux	<a href="http://www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008">www.iaso.gr/Investor Relations/ Notifications to ATHEX &amp; HCMC / 2008</a>
24/6/2008	IASO's participation in the 3rd South Europe Midcap Event in Paris on June 26th and 27th 2008	""
14/5/2008	Annual Analyst's Briefing	""
24/4/2008	Release of Annual Report of Fiscal Year 2007	""
24/4/2008	Annual Report of FY 2007	<a href="http://www.iaso.gr/Investor Relations/Annual Bulletins">www.iaso.gr/Investor Relations/ Annual Bulletins</a>
14/5/2008	Annual Analyst's Briefing	<a href="http://www.iaso.gr/Investor Relations/Corporate Presentations">www.iaso.gr/Investor Relations/ Corporate Presentations</a>
9/9/2008	1 <sup>st</sup> Half 2008 Results	""

## TRADE ACKNOWLEDGEMENTS

27/11/2008	Announcement of Regulated Information according to L.3556/2007	<a href="http://www.iaso.gr/Investor Relations/Notifications to ATHEX &amp; HCMC / 2008">www.iaso.gr/Investor Relations/ Notifications to ATHEX &amp; HCMC / 2008</a>
26/11/2008	Announcement of Regulated Information according to L.3556/2007	""
26/11/2008	Announcement of Regulated Information according to L.3556/2007	""
30/10/2008	Announcement of Regulated Information according to L.3556/2007	""
16/10/2008	Announcement of Regulated Information according to L.3556/2007	""
13/10/2008	Announcement of Regulated Information according to L.3556/2007	""
29/9/2008	Announcement of Regulated Information according to L.3556/2007	""
26/9/2008	Announcement of Regulated Information according to L.3556/2007	""
26/9/2008	Announcement of Regulated Information according to L.3556/2007	""
25/9/2008	Announcement of Regulated Information according to L.3556/2007	""
24/9/2008	Announcement of Regulated Information according to L.3556/2007	""
23/9/2008	Announcement of Regulated Information according to L.3556/2007	""
22/9/2008	Announcement of Regulated Information according to L.3556/2007	""
17/9/2008	Announcement of Regulated Information according to L.3556/2007	""
16/9/2008	Announcement of Regulated Information according to L.3556/2007	""
15/9/2008	Announcement of Regulated Information according to L.3556/2007	""
11/9/2008	Announcement of Regulated Information according to L.3556/2007	""
10/9/2008	Announcement of Regulated Information according to L.3556/2007	""
8/9/2008	Announcement of Regulated Information according to L.3556/2007	""
4/9/2008	Announcement of Regulated Information according to L.3556/2007	""
2/9/2008	Announcement of Regulated Information according to L.3556/2007	""
1/9/2008	Announcement of Regulated Information according to L.3556/2007	""
7/8/2008	Announcement of Regulated Information according to L.3556/2007	""
4/8/2008	Announcement of Regulated Information according to L.3556/2007	""
1/8/2008	Announcement of Regulated Information according to L.3556/2007	""



30/7/2008	Announcement of Regulated Information according to L.3556/2007	""
28/7/2008	Announcement of Regulated Information according to L.3556/2007	""
23/7/2008	Announcement of Regulated Information according to L.3556/2007	""
21/7/2008	Announcement of Regulated Information according to L.3556/2007	""
18/7/2008	Announcement of Regulated Information according to L.3556/2007	""
18/7/2008	Announcement of Regulated Information according to L.3556/2007	""
17/7/2008	Announcement of Regulated Information according to L.3556/2007	""
2/7/2008	Announcement of Regulated Information according to L.3556/2007	""
30/6/2008	Announcement of Regulated Information according to L.3556/2007	""
20/6/2008	Announcement of Regulated Information according to L.3556/2007	""
18/6/2008	Announcement of Regulated Information according to L.3556/2007	""
17/6/2008	Announcement of Regulated Information according to L.3556/2007	""
15/5/2008	Announcement of Regulated Information according to L.3556/2007	""
13/5/2008	Announcement of Regulated Information according to L.3556/2007	""
9/5/2008	Announcement of Regulated Information according to L.3556/2007	""
12/3/2008	Announcement of Regulated Information according to L.3556/2007	""
3/3/2008	Announcement of Regulated Information according to L.3556/2007	""
22/2/2008	Announcement of Regulated Information according to L.3556/2007	""
13/2/2008	Announcement of Regulated Information according to L.3556/2007	""
11/2/2008	Announcement of Regulated Information according to L.3556/2007	""

## G. ACCESSIBILITY TO THE FINANCIAL STATEMENTS

The Group's and the Company's Annual Financial Statements, the financial statements of the consolidated companies, the Auditor's Reports and the Managements Reports of the Boards of Directors of all consolidated companies, for the fiscal year ended on 31/12/2008, have been posted on the internet, at the address [www.iaso.gr](http://www.iaso.gr).

Maroussi, 27/03/2009

**CHAIRMAN OF THE  
BOARD OF DIRECTORS**

**MANAGING DIRECTOR**

**GROUP'S GENERAL  
MANAGER**

**GROUP'S CHIEF  
FINANCIAL OFFICER**

**GROUP'S CHIEF  
ACCOUNTING OFFICER**

**IOANNIS CH. ZOLOTAS**  
I.D. : A 005562

**GEORGIOS I. STAMATIOU**  
I.D. : K 030874

**TAKIS I. GIANNIRIS**  
I.D. : S 582609

**VASSILIOS E.  
ANASTASSAKIS**  
I.D. : AA 58349

**STYLIANOS D.  
TSIROPOULOS**  
I.D. : T 123040  
A' CLASS REG. No 21907