ATHENS MEDICAL CENTER S.A.

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005 IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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BOARD OF DIRECTORS REPORT
OF THE ATHENS MEDICAL CENTER SA
FOR THE PERIOD 1.1.2005– 31.12.2005

TO THE

ANNUAL SHAREHOLDERS' GENERAL MEETING

Dear Shareholders,

We submit for approval the financial statements (parent and consolidated) prepared in accordance to the IFRS for the period 1.1.2005 – 31.12.2005 and we ask you release the members of the Board of Directors and of the Company's Auditor from any liability regarding their activity during the fiscal year 2005.

The Financial Statements comprise the balance sheet, the profit and loss account, the cash flow statement, the statement of changes in shareholder's equity as well as the Notes to the accounts.

The Company's Management has increasingly focused on the performance of the existing investments that were part of the five year investment plan of c. 150 mln Euros investments and was completed in Fiscal Year 2004.

One of the major targets of the Management, the improvement in the quality of services offered, is guaranteed by the continuous investment in new, cutting edge, technology of medical equipment in conjunction with the skillful personnel (doctors and nurses).

The Company continues its efforts for the launch of new products targeting mainly the outpatient – primary care health care market, where gradually, but steadily, increases its market share. In addition to that, the company continues to refine existing programs targeting inpatients – secondary health care market.

Among others, top priority in the Management's agenda the last couple of years is also cost containment. This effort is gradually bringing results, something which is verified by the increasing operating profit margin.

All the above led to another successful year, where top line grew significantly both on a parent but also on a consolidated level.

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

1. FINANCIAL RESULTS

On a parent Company level revenues reached 207,7 mln euros, posting an increase of 14.1% relative to the same period last year. Gross profit increased by 19.7% to 37.2 mln euros. EBITDA posted an even larger increase of 38.3% reaching 19.5 mln Euros. Finally, Earning Before Taxes posted an impressive increase of 116.2% at 15.1 mln euros

Similar was the trend marked in the consolidated results. In particular, revenues reached 215.7 mln euros posting an increase of 14.8% relative to 2004. EBITDA posted an impressive increase of 45.1% reaching 38.4 mln Euros. Finally, Earnings Before Taxes more than doubled (+103%) reaching 12 mln Euros.

2. STATISTICS

During the period 1/1-31/12/2005 inpatient flow reached 52.040 inpatients relative to 49.600 in 2004. Patient Days reached 176.103 vs 180.130 the same period last year. The reduction in the total number of patient days in conjunction with the increased inpatient flow clearly marks the improvement in efficiency in hospitals, as the average length of stay was reduced.

The following tables show the three year trend:

A. Patient Days ped month

Years	**2003**	**2004**	**2005**
Months			
JANUARY	15.164	15.478	16.074
FEBRUARY	15.415	15.633	15.495
MARCH	17.264	16.739	16.741
APRIL	15.184	14.476	15.157
MAY	15.743	16.163	14.791
JUNE	15.228	16.069	15.709
JULY	15.293	15.075	13.882
AUGUST	10.142	10.452	10.616
SEPTEMBER	14.541	14.341	14.625
OCTOBER	15.710	15.543	14.989
NOVEMBER	15.643	15.516	15.591
DECEMBER	14.581	14.645	12.433
TOTAL	**179.908**	**180.130**	**176.103**

B. Inpatient per month

Years	**2003**	**2004**	**2005**
Months			
JANUARY	4.218	4.181	4.568
FEBRUARY	3.849	4.109	4.395
MARCH	4.311	4.640	4.918
APRIL	3.879	3.990	4.508
MAY	4.260	4.299	4.531
JUNE	4.036	4.672	4.695
JULY	3.939	3.968	3.999
AUGUST	2.473	2.834	2.929
SEPTEMBER	3.949	4.115	4.265
OCTOBER	4.200	4.086	4.391
NOVEMBER	4.149	4.551	4.872
DECEMBER	3.924	4.155	3.969
TOTAL	**47.187**	**49.600**	**52.040**

Total Assets - Liabilities

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

Total assets and liabilities at 31/12/2005 reached 387,5 mln Euros on a company level. On a consolidated level total assets and liabilities reached 405,3 mln Euros.

3. Fixed Assets

Total Fixed assets and liabilities for the period 1/1/2005 – 31/12/2005 are presented in the following table:

Year	**2005 Parent (Euros Mnl)**	**2005 Consolidated (mln Euros)**
Acquisition Cost	297,4	327.4
Depreciation	45,1	47.7
Remaining Value	252.3	279.7

Fiscal Year 2005 Investment

The company made the following investments in assets (buildings, technical works and equipment) of Euros 4.9 mln. On a consolidated level the corresponding figure was 4,1 mln Euros

The analysis of investment on a parent and consolidated level is presented in the following table

	Parent (Mln 000)	**Consolidated (Mln 000)**
Buildings	1,81	2,15
Machinery	1,14	2,42
Transportation	0,12	-2,41
Furniture and other equipment	0,16	0,31
Assets under construction	1,78	1,67

Assets

The company's real estate is presented in the following table:

A) Land

a) Land of size 5.824,82 sq m. at Distomou, Alamanas and Delfon Str.

b) Land of Total size 39.876,20 sq m. at Pylaia Thessalonikis

c) Land Of total Size 5.143 sm m. at Pylaia Thessalonikis

d) Land of Total Size 28.433 sq m. at Pylaia Thessalonikis

e) Land of Total Size 617,2 sq m at Palaio Faliro (36 Areos str).

f) Land of total size 691,134 sq m at Palaio Faliro (34 Areos str)

g) Land of total size 542,50 134 sq m at Palaio Faliro (34 Areos str)

h) Land of total size 361,08 sq m. in Dafni at 8 Kleious str.

i) Land of total size 205,65 sq m in Dafni at 68 Antistaseos str & Kleious.

j) Land of total size 520,95 sq m at 110 kolokotroni and 99 Notara str .

k) Land of total size 452 sq m in Pagrati at 21 Nikosthenous str.

The total value of the assets described above is 46,4 mln Euros.

For the assets of Psychiko Clinic (land of 2.088 Sq m and building of 3.845 Sq m) in Psychiko at Andersen str the company entered a 10 year sale and leaseback agreement for Euros 8 mln. Unwinding of the above sale and leaseback can be done at the end of the third year.

B) Buildings

a) Building of total size 20.269 sq m in Marousi at Alamanas and Distomou str.

b) Building of total size 52.000 sq m at Pylaia Thessaloniki

c) Building in Paleo Faliro at 36 Areos str of total size 1.620 sq m

d) Building in Paleo Faliro at 34 Areos Str of total size 1.832 sq m.

e) Building of total size 744 sq m in Paleo Faliro at 41 Areos str.

f) Building in Dafni at 9 Kleious Str of total size 1.142,5 sq m

g) Building of total size 2.011,27 sq m in Dafni at 68 Ethnikis Antistaseon str & Kleious

h) Building in Piraeous at 110 Kolokotroni Str & Notara of total size 2.747 sq m.

i) Building in Pagrati at 21 nikosthenous str of total size 1.086 sq m..

To total value of the buildings described above 159,9 mln euros.

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

On a consolidated level, over and above these assets we have:

Iatirki Techniki SA
Land of total surface 10.016 sq m.
Factory of total surface 2011,55 sq m.

Eurosite SA.
The company has a plot of land of 81.600 Sq m.

Cash and Cash Equivalents

Company's cash and cash equivalents:

	Parent (Mln Euros)	**Consolidated (Mln Euros)**
Cash / Checks	0,6	0,54
Deposits / Time Deposits	5,6	7,04
Total	6,2	7,58

3. PROSPECTS

Company's prospects are very positive. In both 2004 and 2005 results posted an impressive uptrend. This uptrend is expected to continue in 2006 as well as the next couple of years because investments are starting to bring results.

However the company, having completed its five year investment plan, has given priority to the efficient use of the hospitals and diagnostic centers in its network aiming to further increase the patient flow (both inpatient and outpatient), to whom it will offer even higher quality of services. The company has already launched special programs targeting primary health care patients (outpatients), which so far have been very impressively successful and very well received.

In addition, the Company will proceed with the inauguration of Peristeri. Peristeri, located in west Attica area, is not covered (served) by any other private clinic. This area on the other hand one of the largest (in terms of population) areas in Attika, having c. 20% of population (c. 1mln people). After the inauguration of Peristeri Clinic, expected in the second half of 2005) the company will have its full network in operation.

On the international front, outside the Greek territory, the company gradually continues its expansion. More specific, in October 2005 the Company opened its second diagnostic center in Bucharest of Romania. It is worth mentioning that its first operation (diagnostic center) already operates at full capacity.

Marousi, March 29th 2006
THE BOARD OF DIRECTORS

GEORGE APOSTOLOPOULOS
PRESIDEND

REPORT OF CERTIFIED AUDITORS ACCOUNTANTS

To the shareholders of ATHENS MEDICAL CENTER S.A.

We have audited the accompanying financial statements as well as the consolidated financial statements of ATHENS MEDICAL CENTER S.A., as of and for the year ended 31st December 2005. These financial statements are the responsibility of the Company's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the account principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group, as of 31st December 2005 and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Without qualifying our opinion, we draw attention to the matters below :

(a) the consolidated and standalone total equity of the Group and the Company as of 1st January 2004 and 31st December 2004 respectively, as well as the related consolidated and standalone income statements for the year ended 31st December 2004, are presented modified in comparison with those previously published in the interim IFRS financial statements for the year ended 31st December 2005.
The above items were adjusted retrospectively to the periods they referred to for the facts that are explained in note 3 (ae) to the attached financial statements.

(b) as explained in note 11 to the financial statements and Appendix II, the tax liabilities of the Company and of its subsidiaries have not been audited by the tax authorities for certain fiscal years, as a result, they have not been finalized to date. The outcome from a future tax examination cannot be predetermined and, accordingly, no respective reserve has been provided in the accompanying financial statements.

Athens, 29 March 2006

Sotiris Sokos
Certified Auditor Accountant
Reg No 17011
BKR Protypos Elegktiki SA
An independent member of BKR INTERNATIONAL

ATHENS MEDICAL CENTER S.A.
FINANCIAL STATEMENTS OF 31ST DECEMBER 2005
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

CONOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005

		The Group		The Company	
	Notes	**1/1-31/12/2005**	**1/1-31/12/2004**	**1/1-31/12/2005**	**1/1-31/12/2004**
INCOME:					
Revenue		215.686	187.848	207.684	182.014
Cost of sales	7	(168.132)	(149.403)	(170.454)	(150.908)
Gross Profit		**47.554**	**38.446**	**37.231**	**31.106**
Administrative expenses and Distribution Costs	8	(23.338)	(25.047)	(20.993)	(22.386)
Other income/ (expenses)	9	3.442	2.585	3.286	2.560
Net financial income/ (costs)	10	(5.809)	(5.220)	(4.420)	(4.294)
PROFIT BEFORE TAX		**21.850**	**10.763**	**15.104**	**6.986**
Income Tax Expense	11	(9.898)	2.346	(7.204)	3.351
PROFIT FOR THE PERIOD		**11.951**	**13.109**	**7.900**	**10.338**
Attributable to:					
Equity holders of the parent company		9.394	11.736	7.900	10.338
Minority Interest		2.557	1.373		
		11.951	**13.109**	**7.900**	**10.338**
Earnings per Share (in Euro)					
Basic	12	0,11	0,14	0,09	0,12
Weighted average number of shares, basic and impaired					
Basic	12	83.985.980	83.985.980	83.985.980	83.985.980

ATHENS MEDICAL CENTER S.A.
FINANCIAL STATEMENTS OF 31ST DECEMBER 2005
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

BALANCE SHEET

31 DECEMBER 2005

	Notes	The Group 31-December 2005	The Group 31-December 2004	The Company 31-December 2005	The Company 31-December 2004
ASSETS					
Non current assets					
Property, plant and equipment	13	277.341	283.818	251.895	257.174
Iintangible assets	14	2.406	409	427	409
Investments in subsidiaries	15			13.586	11.167
Investments in associates consolidated by the equity method		91			
Other long term debtors		360	300	355	295
Deferred tax assets	11	6.702	8.285	6.608	8.128
Total non current assets		**286.900**	**292.813**	**272.870**	**277.174**
Current Assets:					
Inventories	17	5.202	5.387	4.638	5.126
Trade accounts receivable	18	91.580	70.328	89.340	69.347
Prepayments and other receivables	19	14.059	10.118	14.528	14.010
Financial assets at fair value through income statement		1	1		
Cash and cash equivalents	20	7.577	7.026	6.089	6.406
Total current assets		**118.418**	**92.860**	**114.596**	**94.889**
TOTAL ASSETS		**405.318**	**385.673**	**387.466**	**372.063**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	21	26.036	26.036	26.036	26.036
Share premium	21	15.267	15.267	15.267	15.267
Retained Earnings		41.213	35.020	32.636	27.651
Legal, tax free and special reserves	22	74.664	74.028	74.162	73.767
		157.180	**150.351**	**148.102**	**142.721**
Minority Interest		6.065	5.145		
Total equity		**163.245**	**155.496**	**148.102**	**142.721**
Non-current liabilities:					
Long term loans/borrowings	23	54.579	80.505	54.107	80.505
Government Grants	24	71	74	53	73
Deferred tax Liabilities	11	20.063	17.608	17.362	14.927
Provision for retirement indemnities	25	10.258	8.834	10.195	8.781
Deferred income		5.166	5.072	4.512	5.013
Total non-current liabilities		**90.137**	**112.093**	**86.229**	**109.300**
Current liabilities:					
Trade accounts payable	26	73.244	55.936	78.890	61.947
Short term loans/borrowings	23	38.841	24.960	38.273	24.260
Long term liabilities payable in the next year	23	22.999	22.822	22.822	22.822
Current tax payable		7.983	6.684	4.679	4.326
Accrued and other current liabilities	27	8.869	7.681	8.471	6.687
Total current liabilities		**151.936**	**118.083**	**153.135**	**120.043**
TOTAL EQUITY AND LIABILITIES		**405.318**	**385.673**	**387.466**	**372.063**

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

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2005

The Group

	Attributable to equity holders of the parent company					Minority Interest	Total Equity
	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total		
Balance, 1 January 2005, as it was initially published in the a' quarter of 2005	**26.036**	**15.267**	**74.028**	**36.214**	**151.545**	**5.145**	**156.690**
Adjustments of a' semester 2005 (note 3 (αε))				(1.250)	(1.250)		(1.250)
Adjustments of b' semester 2005 (note 3 (αε))				56	56		56
Adjusted Balance, 1 January 2005	**26.036**	**15.267**	**74.028**	**35.020**	**150.351**	**5.145**	**155.496**
Period's profits				9.394	9.394	2.557	11.951
Attribution of profits to legal, tax-free and special reserves			631	(631)			
Exchange Differences			5	(51)	(45)		(45)
Dividend of parent company of 2004				(2.520)	(2.520)		(2.520)
Dividend paid to minority shareholders of subsidiaries						(1.198)	(1.198)
Buyout of Minority interest (Iatriki Tehniki)						(440)	(440)
Balance, 31 December 2005	**26.036**	**15.267**	**74.664**	**41.213**	**157.180**	**6.065**	**163.245**

The Company

	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total
Balance, 1 January 2005, as it was initially published in the a' quarter of 2005	**26.036**	**15.267**	**73.767**	**28.690**	**143.760**
Adjustments of a' semester 2005 (note 3 (αε))				(1.039)	(1.039)
Adjusted Balance, 1 January 2005	**26.036**	**15.267**	**73.767**	**27.651**	**142.721**
Period's profits				7.900	**7.900**
Attribution of profits to reserves			395	(395)	
Dividends				(2.520)	**(2.520)**
Balance, 31 December 2005	**26.036**	**15.267**	**74.162**	**32.636**	**148.102**

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

STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2004

The Group

	Attributable to equity holders of the parent company					**Minority Interest**	**Total Equity**
	Share capital	**Share Premium**	**Legal, Tax-free and special Reserves**	**Retained earnings**	**Total**		
Balance, 1 January 2004, as it was initially published in the a' quarter of 2005	**26.036**	**15.267**	**69.186**	**29.354**	**139.843**	**4.336**	**144.180**
Adjustments of a' semester 2005 (note 3 (αε))				(1.250)	(1.250)		(1.250)
Adjustments of b' semester 2005 (note 3 (αε))				(29)	(29)		(29)
Adjusted Balance, 1 January 2004	**26.036**	**15.267**	**69.186**	**28.075**	**138.564**	**4.336**	**142.901**
Period's profits				11.736	11.736	1.373	13.109
Reserves attributable			(691)	691			
Attribution of profits to legal, tax-free and special reserves			5.491	(5.491)			
Dividend paid to minority						(564)	(564)
Exchange Differences			42	9	50		50
Balance, 31 December 2004	**26.036**	**15.267**	**74.028**	**35.020**	**150.351**	**5.145**	**155.496**

The Company

	Share capital	**Share Premium**	**Legal, Tax-free and special Reserves**	**Retained earnings**	**Total**
Balance, 1 January 2004, as it was initially published	**26.036**	**15.267**	**69.085**	**23.035**	**133.422**
Adjustments of a' semester 2005 (note 3 (αε))				(1.039)	(1.039)
Adjusted Balance, 1 January 2004	**26.036**	**15.267**	**69.085**	**21.996**	**132.383**
Period's profits				10.338	**10.338**
Attribution of profits to legal, tax-free and special reserves			5.374	(5.374)	
Reserves attributable			(691)	691	
Balance, 31 December 2004	**26.036**	**15.267**	**73.767**	**27.651**	**142.721**

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

STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED IN 31 DECEMBER 2005 AND 2004

	The Group		The Company	
	2005	**2004**	**2005**	**2004**
Cash flows from operating activities				
Period's profit before taxation	**21.850**	**10.763**	**15.104**	**6.986**
Adjustments foroperational activities				
Depreciation	10.811	10.519	10.241	10.239
Depreciation of government grants	(20)	(35)	(20)	(35)
Allowance for doubtful accounts receivable	(285)	850	(182)	850
Other provision				
Financial income	(156)	(384)	(1.428)	(1.225)
Interest and other financial expenses	5.964	5.604	5.849	5.519
Impairment expenses of fixed assets		1.436	12	1.465
Gains/ (losses) due to fixed asset sale	(85)	2	(501)	
Exchange differences	(25)	1		
Operational profit before changes in working capital variations	**38.053**	**28.755**	**29.073**	**23.798**
Increase/ (Decrease) in:				
Inventories	186	(231)	488	(137)
Short and long term accounts receivable	(25.068)	(10.226)	(20.388)	(10.906)
Increase/ (Decrease) in:				
Short and long term liabilities	19.093	12.428	18.727	12.586
Interest charges and related expenses paid	(5.964)	(5.604)	(5.849)	(5.519)
Paid taxes	(4.561)	(3.127)	(2.896)	(2.321)
Retirement indemnities	1.424	1.463	1.414	1.455
Net Cash from operating activities	**23.163**	**23.459**	**20.570**	**18.956**
Cash flows from investing activities				
Purchase of tangible and intangible fixed assets	(6.769)	(16.993)	(4.992)	(15.553)
Sale of tangible assets	2.106	9.489		9.489
Interest and related income received	91	72	60	20
Purchase of investments	(2.418)	(1)	(2.418)	
Sale of long and short term investments		473		473
Guarrantees paid		(5)		(19)
Government grants received	18			
Received dividends from subsidiaries	65	63	1.369	955
Net Cash flows used in investing activities	**(6.909)**	**(6.902)**	**(5.982)**	**(4.635)**
Cash flows from financing activities				
Net variation of short term borrowings	14.853	1.009	14.735	1.286
Increase/decrease of Long term debt/borrowings	732			
Long term borrowings payments	(22.822)	(11.729)	(22.822)	(11.411)
Payment of finance lease liabilities	(4.632)	(4.280)	(4.297)	(3.957)
Dividends paid to minority from subsidiaries	(1.316)	(1.245)		
Dividends paid of parent company	(2.520)		(2.520)	(17)
Paid up dividends of others				
Paid up capital by minority				
Net Cash flows used in financing activities	**(15.705)**	**(16.245)**	**(14.904)**	**(14.099)**
Net increase/ in cash and cash equivalents	**550**	**312**	**(317)**	**222**
Cash and cash equivalents at the beginning of the year	7.026	6.714	6.406	6.184
Cash and cash equivalents at the end of the year	**7.577**	**7.026**	**6.089**	**6.406**

(1) CORPORATE IFORMATION:

The Company " ATHENS MEDICAL SOCIETE ANONYME" with the distinctive title "ATHENS MEDICAL CENTER S.A." (hereafter the "Company" or the "Parent Company") and its subsidiaries (hereafter the "Group") are involved in the area of health care services with the organization and operation of hospital units. The Company's and the Group's head offices are located in the Municipality of Amarousion Attica in 5-7 Distomou Street and employ 2.597 and 2.751 employees respectively.

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

The financial statements of the Company and the Group, for the period ended in 30 September 2005, were approved for issuing, by the decision of the Board of Directors in 29 March 2006.

The subsidiaries, which were included in the accompanying consolidated financial statements of the Group, are described in Appendix II.

(2) PREPARATION BASE OF FINANCIAL STATEMENTS:

(a) ***Preparation Base of Financial Statements:*** The accompanying interim financial statements of the Group and the Company (hereafter financial statements) have been prepared under the historical cost convention, except the land and the buildings, which at the date of transition to International Financial Reporting Standards (1st January 2004) were valued at their fair value and this fair value was used as deemed cost at the above date. As more fully discussed in Note 2 (c), the accompanying financial statements have been prepared in accordance to IFRS for the first time, by applying IFRS 1 "First-time Adoption of International Financial Reporting Standards" with the transition date being the 1st of January 2004.

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

The principle out-of-book entries recorded for IFRS purposes on the equity of the 1st of January 2004 and the 31st of December 2004 are presented in Appendix I.

First Time Adoption of International Financial Reporting Standards: Pursuant to EU regulation 1606/2002 and according to Law 3229/2004 (as amended by Law 3301/2004) Greek entities listed on any Stock Exchange (foreign or domestic) are required to prepare their statutory financial statements (stand-alone and consolidated) from fiscal years beginning on January 1, 2005, onwards, in accordance with IFRS.

The Group applied IFRS 1 "First Time Adoption of IFRS" in the preparation of the accompanying financial statements, which is the first full set of financial statements IFRS, as the quarterly financial statements of the fiscal year 2005 prepared and published up to now are interim financial statements that were prepared on the basis of IFRS 34 and were in essence provisional in the context that the final assessment and determination of the items was in the accompanying financial statements.

Based on IFRS 1 "First Time Adoption of IFRS", for the preparation of the first financial statements in accordance with IFRS, an entity should apply the IFRS that are in effect at the year end date of the first full financial statements and for all the periods presented along with the transition balance sheet.

Based on the provisions of IFRS 1 "First Time Adoption of IFRS" and, the above mentioned Greek legislation, above entities are obliged to present at least one year of comparative financial statements in accordance with IFRS.

Consequently, all revised or newly issued Standards applicable to the Group and are in effect as at December 31, 2005, were used for the preparation of the current financial statements, the comparative financial statements as of December 31,2004 as well as the transition balance sheet as of January 1, 2004.

The Company applied the IFRS 1 Rule "First Time Adoption of IFRS " in the preparation of the accompanying financial statements. Based on the respective provisions of IFRS 1, the following exceptions were adopted:

- The Company decided not to apply IFRS 3 "Business Combinations" retrospectively, to business combinations, which occurred prior to the transition date to IFRS (1st of January 2004).

  Consequently, and according to IFRS 1, regarding past business combinations the Company:

  (i) Maintained the same classification as in its previous Greek accounting standards (GAS) financial statements.

  (ii) Recognized all assets and liabilities at the transition date to IFRS, which were acquired or assumed in business combinations except from:

  - Certain financial assets and financial liabilities that were not under previous GAS, and
  - Assets, including goodwill, and liabilities that were not recognized in the Company's consolidated balance sheet under previous GAS and would also not qualify for recognition under IFRS in the separate balance sheet of the acquiree.

  (iii) Excluded/wrote off from its opening IFRS consolidated balance sheet any item recognized under previous GAS that does not qualify for recognition as an asset or liability under IFRS.

- The Company decided to evaluate its land and buildings on the transition date to IFRS at their fair value and used those fair values as deemed cost at that specific date.

- Concerning the provision for retirement indemnities all cumulative actuarial gains and losses were recognized at the transition date to IFRS, while the corridor approach was used for the actuarial gains and losses which were incurred during 2004 . This excemption was used for all relevant plans existing at the transition date.

- The accumulated exchange rate differences that arose due to the currency conversion of balance sheets of the subsidiaries abroad were deemed to be zero at the date of transition to IFRS (they were included in the retained earnings) and the gain or loss on a subsequent sale/disposal of any subsidiary abroad will not include exchange differences that arose before the transition date to IFRS and will include every subsequent exchange difference.

- The Company's estimates under IFRS at the date of transition to the IFRS were consistent with the estimates that took place for the same date under previous GAS (after adjustments to reflect any difference in the accounting policies), unless there was objective evidence that these estimates were wrong.

- The assets and liabilities of certain foreign subsidiaries that had not adopted the IFRS standards prior to the parent company, have been included in the accompanying consolidated financial statements at the same carrying amounts as that reflected in their separate stand alone financial statements after consolidation and adjustment entries and equity adjustments.

(d) ***Approval of Financial Statements:*** The Board of Directors of Athens Medical S.A. approved the interim financial statements for the year ended on December 31, 2005, on March 29, 2005.

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

3. PRINCIPAL ACCOUNTING POLICIES

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

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

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

All intercompany transactions and balances have been eliminated in the accompanying consolidated financial statements. Where necessary, accounting policies of the subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A full list of the consolidated subsidiaries together with the related ownership interests is provided In Appendix II.

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

(c) Investments in Associates:

i) Consolidated financial statements: The Company's investments in other entities in which Delta exercises significant influence and are not subsidiaries or joint-ventures are accounted for using the equity method. Under this method the investment in associates is recognized at cost in addition to the changes in the percentage of the Company in the associate's equity after the initial date of acquisition less possible provisions for impairment in value. The consolidated statement of income reflects the Company's share of the results of operations of the associate.

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

(d) Conversion of foreign currencies: The base currency of the Company and of its Greek subsidiaries is Euro. The transactions involving other currencies are converted into Euro using the exchange rates that were in effect at the time of the transactions.

At the balance sheet date monetary assets and liabilities which are denominated in other currencies are adjusted in order to reflect the current exchange rates.

Gains and losses resulting from year end FX adjustments of monetary assets and liabilities are reflected in the accompanying income statement. Gains and losses resulting from transactions are reflected in the accompanying statement of income also. The base currency of the Group's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Thereafter, at each reporting date all balance sheet accounts of

these subsidiaries are converted into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are converted based on the weighted average rate of exchange that prevailed during the year.

(e) Intangible Assets: Intangible assets are mainly consisted of software and commercial rights. These are amortized over their estimated useful lives which are set to five years.

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

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

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

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

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

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

As more fully described in Note 11, the Company proceeded to a fair valuation of its land, buildings, as at January 1, 2004 and these fair values were used as deemed cost on the date of transition to the IFRS. The resulted revaluation surplus was credited to retained earnings.

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

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

(i) ***Depreciation:*** Depreciation is calculated based on the straight-line method at rates, which approximately reflect the average useful lives of relative assets.

The rates used are the following:

Classification	Annual rate
Buildings	2%

Machinery and Equipment	10%- 10,80%
Equipment of Transportation	6%-10%
Furniture and rest of Equipment	10%- 20%

(j) ***Goodwill:*** As more fully described in Note 2, goodwill on business combinations which occurred prior to the date of transition to IFRS, was written off in the statutory financial statements of the prior to the first time adoption period. Goodwill on acquisitions subsequent to the date of transition to IFRS is initially measured at cost being the excess value of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

At the acquisition date, any goodwill acquired is allocated to each of the cash generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit and part of the operation within that unit, is disposed of, the goodwill associated with the operation disposed of, is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of, in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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

(jb) Inventories: Inventories are reported at the lower value between the cost and the net realizable value. Cost of finished and semi-finished products includes all costs incurred in bringing inventories to their current location and state of manufacture and comprises raw materials, labour, an applicable amount of production overhead (based on normal operating capacity, but excluding borrowing costs) and packaging. The cost of raw materials and finished goods is determined based on the weighted average basis. Net realizable value for finished goods is the estimated

selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary, to make the sale. The net realizable value for raw materials is the estimated replacement cost in the ordinary course of business.

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

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

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

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

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

(jg) Provision for Retirement Indemnities: Staff Retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights throughout the expected working period. Retirement obligations mentioned above are calculated on the basis of financial and actuarial assumptions and are determined using the Projected Unit credit actuarial valuation Method. Net pension costs for the period are included in payroll in the accompanying income statement and consist of the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial gains or losses and any additional pension charges. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested. Unrecognized actuarial gains or losses are recognized over the average remaining service period of active employees and included as a component of net pension cost for a year if, as of the beginning of the year, it exceeds 10% of the future projected benefit obligation. The retirement benefit obligations are not funded.

(jh) State Pension: The Company's personnel is covered by several State sponsored pension funds for private sector employees, (I.K.A., T.S.A.Y.) covering post-retirement pensions, and healthcare benefits. Each employee is required to contribute a portion of its monthly salary to the fund, with the company also contributing a

portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. At such, the company has no legal or constructive obligation to pay future benefits under this plan.

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

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

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

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

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

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

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

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

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

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

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

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

(kb) Provisions and Contingencies: Provisions are recognized when the Company has a present legal or presumed/ imputed obligation as a result of past events, it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability. Contingent liabilities are not recognized in the consolidated financial statements but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

(kc) Earnings per Share: Basic earnings per share (EPS) are computed by dividing net income by the weighted average number of common shares outstanding during each year, excluding the average number of common shares purchased by the group as treasury shares (ownshares).

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

(kd) Segment reporting : The group has one segment, the health care services. It is also involved mainly in the Greek territory and its activities abroad do not have sufficient extend in order to consist a segment. Consequently, the presentation of relevant financial information is not necessary.

(ke) Derivative Financial Instruments: The Group does not use derivative Financial Instruments .

(aa) Investments and other financial assets:

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

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

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

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

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

(ii) Loans and receivables

Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale financial assets

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

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active

market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

Based on prior GAAP (which the Company applied until December 31, 2004) other investments (except for investments in subsidiaries, affiliates and joint ventures, which would fall into this category of financial assets) need not be classified in the above mentioned groups, and thus are presented in the comparative 2004 balance sheet as “other investments” or “investments available for sale” and they were measured at the lower of cost or current value with the current value defined as follows:

- For the listed entities, the average market value during the last month of each reporting period,
- For non-listed entities, the portion of net equity attributable to the Group's percentage of ownership.

(ab) New Standards and Interpretations: The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations whose application is mandatory for the periods beginning January 1, 2006 onwards (except if mentioned otherwise below). The Group's assessment regarding the effect of these new standards and interpretations is as follows:

IFRS 6: Explorations and Evaluation of mineral reserves: Not applicable for the Group and will not affect the financial statements.

IFRS 7: Financial Instruments: Disclosures: This standard is in mandatory force for the periods starting from January 1, 2007 and onwards. It is not expected to affect significantly the Group's financial statements. The standard requires mainly additional disclosures regarding financial instruments.

IFRIC 3: Emission Rights: This interpretation was later withdrawn by the International Accounting Standards Board. It does not apply to the Group and will not affect the financial statements.

IFRIC 4: Determining whether an arrangement contains a lease: the application of the Interpretation 4 is not expected to alter the accounting treatment of any of the Group's contracts in force.

IFRIC 5: Right to Interest arising from Decommisioning, Restoration and Enviornmental Rehabilitation Funds: Not applicable for the Group and will not affect the financial statements.

IFRIC 6: Liabilities arising from participating in a specific market – waste electrical and electronic equipment: Not applicable for the Group and will not affect the financial statements.

IFRIC 7: Applying the restatement approach under IAS 29 financial reporting hyperinflationary economies: Not applicable for the Group and will not affect the financial statements.

IFRIC 8: Scope of IFRS 2: Will not affect the financial statements.

(ac) **Effect of first time adoption of IAS 39 "Financial Instruments: Recognition and Measurement":** The Company using the provisions of IFRS 1 "First time adoption of IFRS" applied IAS 39 "Financial Instruments: Recognition and Measurement" from January 1, 2005 onwards and not from the transitional date to IFRS.

The cumulative effect of the initial application of IAS 39 was recognized directly in equity as of January 1, 2005 and is reflected separately in the accompanying statement of changes in equity.

(ah) Reclassifications: Certain line items of the previous year's financial statements were reclassified in order to conform t the current year's presentation.

(ag) Adjustment of accounting policies of previous publishments:

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

The parent and the Group decided to proceed to the correction of certain line items which relate to the transition balance sheet aw at January 1, 2004 and the comparative financial statements for the year ended December 31, 2004, that had been reported in the interim quarterly financial statements of the year 2005. As mentioned above the accompanying financial statements comprise the first full set of financial statements prepared in accordance with IFRS. The above corrections were accounted for retrospectively in the period/year to which they relate.

The cumulative effect of corrections which relate to periods prior to the transition date was recorded against the beginning equity as at January 1, 2004.

Consequently, the transition balance sheet as of January 1, 2004 the balance sheet as of December 31, 2004, as well as the net profit after taxes for the year then ended 2004 are presented restated in conjunction to those included in the previously reported interim financial statements.

The effect of the above adjustments on the equity and the income statement is as follows:

The Group

		Total Equity		Income statement for the year ended
		1-Jan-05	**1-Jan-04**	**31-Dec-04**
As reported previously in the published interim financial statements of the 1st quarter 2005		**156.690**	**144.180**	**13.120**
Adjustments:				
Impairment of fixed assets of a group subsidiary (Ortelia Ltd) as referred to in the published financial statements of the 1st semester of 2005:	(a)	(1.250)	(1.250)	-
Provision for staff termination indemnity with respect to Iatriki Tchniki S.A. that was accounted for in the annual financial statements of 2005	(b)	(54)	(45)	(9)
Deferred tax asset to the above provision		13	16	(3)
Correction of wrong Dividend payable reversal in the stand alone Financial Statements of 2004, of subsidiary Phisiotherapy center S.A	(c)	**97**		
Total		**155.496**	**142.901**	**13.109**

(1) Within the 2nd quarter of 2005, the Group's subsidiary Ortelia Holding Ltd recognized impairment loss on its fixed asset (helicopter) due to the fact that it did not recognize any depreciation for the years since the acquisition date

until the transition date. The loss that arose came to the amount of € 1.250 and it was recognized in the retained earnings at the transition date. Due to this impairment loss, the balance of the fixed asset was adjusted to its fair value, which is estimated to require no further correction. Thus, the consolidated balance sheets of January 1st and December 31st 2004 are presented adjusted in relation to those included in the financial statements issued for the 1st quarter of 2005. The consolidated Equity included in the accompanying stand alone balance sheets for January the 1st and December 31st 2004 are presented decreased by € 1.250 respectively in relation to those presented in the issued financial statements of the 1st quarter of 2005.

(b) Iatriki Techniki S.A. did not account for staff termination indemnities up to the transition date, as management considered that it was not material.Following the adoption of IFRS by the Group and due to the accounting policies harmonization throughout the group, it was decided to consider such provision and it was estimated to the above mentioned amounts, irrespectively if they were still not material amounts due to the limited number of staff (not exceeding 25 persons) and their respective short period of service.

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

The effect of the above correction to the net profit for the year ended December 31, 2004 as well as for the quartelty periods of 2004, was immaterial and consequently it was not deemed necessary to republish the corrected results and earnings per share respectively.

(bb) During the preparation of IFRS Financial Statements of the subsidiary Phisiotherapy center S.A there was a reverse of the dividend liability to its share holders from year's 2004 profit but by mistake the amount reversed was greater by the correct one by the amount of €97. As a result a debit balance of this liability arose that was transferred as a decrease in the consolidated equity. After the correction of the stand alone financial statements an increase of the consolidated retained earnings arose with no effect in the consolidated results of year 2004.Altougth the relevant amount was of no significance, management decided to disclosure such correction.

The Company

		Total Equity		Income statement for the year ended
		1-Jan-05	**1-Jan-04**	**1-Jan-05**
As reported previously in the published interim financial statements of the 1st quarter 2005		**143.760**	**133.422**	**10.338**
Adjustments:				
Impairment of investment in a Group subsidiary (Ortelia Ltd) as referred to in the published financial statements of the 1st semester of 2005:	(a)	(1.039)	(1.039)	-
Σύνολο		**142.721**	**132.383**	**10.338**

Within the 2nd quarter of 2005 the Company recognized in its stand alone balance sheet the accumulated impairment losses concerning investments in subsidiaries and associates by adopting the relative provisions of IAS 27, in relation to measurement method in the stand alone balance sheet for investments in subsidiaries and associates (acquisition cost less impairment losses). The correction that took place was conducted in accordance with the provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors", that is with retroactive correction of previous period's/year's accounts. The accumulated effect of the adjustments concerning years before January the 1st 2004 was recognized against the retained earnings at the above-mentioned date, while the corrections, concerning periods/fiscal

years included in the accompanying financial statements were made in the respective periods/fiscal years. Hence, stand alone balance sheets of January the 1st and of December the 31st 2004 are presented adjusted in relation to those included in the financial statements issued for the 1st quarter of 2005. The effect of the above corrections was that the Equity included in the accompanying stand alone balance sheets for January the 1st and December the 31st 2004 is presented decreased by € 1.039 respectively in relation to those presented in the issued financial statements of the 1st quarter of 2005. The subsidiary on which the impairment loss took place is fully consolidated and as a result the impairment loss was eliminated at consolidation and has no effect on Group's financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

i)Goodwill impairment test

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

As it is explained in note 14 of the financial statements, the goodwill arose from the purchase of minority's percentage of Group's subsidiary's "IATRIKI TEHNIKI S.A." that took place in the second semester of the closing year.Management has received two valuation reports from two independent appraisals regarding the business value of "IATRIKI TEHNIKI S.A.", which are based in its estimated future cash flows. Considering the significant profitablility of "IATRIKI TEHNIKI S.A."assessed by the company's results of year 2005, also greater by the estimations of valuations , management trusts that the company's operational profits will maintain in the near future and there is no reason for excercising impairment loss.

ii) Provisions for income taxes

Income (current) tax liabilities for the current and prior periods are measured at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted by the balance sheet date. Provision for income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by te tax authorities upon settlement of the open tax years. Accordingly, the financial settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. Further details are provided in Note 11.

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

5. PAYROLL COST:

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

	The Group		The Company	
	2005	2004	2005	2004
Wages and Salaries	51.712	48.679	49.665	46.806
Social security costs	12.596	11.563	12.049	11.085
Provision for retirement indemnities	1.566	1.668	1.525	1.605
Other staff expenses		600		
Total payroll	**65.874**	**62.510**	**63.239**	**59.496**
Less: amounts charged to cost of sales **(Note 7)**	(52.370)	(48.309)	(50.842)	(47.083)
Payroll expensed to to administrative and distribution cost (Note 8)	**13.504**	**14.201**	**12.397**	**12.413**

6. DEPRECIATION AND AMORTISATION:

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

	The Group		The Company	
	2005	2004	2005	2004
Depreciation of property land and equipment (Note 11)	10.792	10.384	10.222	10.104
Amortization of intangible assets (Note 12)	19	135	19	135
	10.811	10.519	10.241	10.239
Less: depreciation and amortization charged to cost of sales	(8.753)	(9.492)	(8.252)	(9.237)
Depreciation and amortization expensed (Note 6)	**2.058**	**1.027**	**1.989**	**1.002**

7. Cost of Sales:

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

	The Group		The Company	
	2005	2004	2005	2004
Payroll cost (Note 4)	52.370	48.309	50.842	47.083
Third party fees	15.143	14.592	14.667	14.166
Depreciation and amortization (Note 5)	8.753	9.492	8.252	9.237
Other third parties expenses	8.500	7.520	9.496	8.634
Taxies and duties	253	1.036	253	1.006
Other expenses and special materials	52.476	38.635	52.325	38.501
Health care materials, medicines and other cunsumables	30.637	29.819	34.619	32.281
	168.132	**149.403**	**170.454**	**150.908**

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

8. Administrative Expenses and Distribution Costs:

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

	The Group		The Company	
	2005	**2004**	**2005**	**2004**
Payroll cost (Note 5)	13.504	14.201	12.397	12.413
Third party fees	878	1.425	834	1.387
Depreciation and amortization (Note 6)	2.058	1.027	1.989	1.002
Other third parties expenses	1.941	1.600	1.589	1.074
Taxies and duties	331	1.190	320	1.160
Other expenses and special materials	4.208	2.945	3.446	2.709
Health care materials, medicenes and other cunsumables	418	344	418	326
Write off of doubtfoul deptors	-	1.465	-	1.465
Provision for doubtfoul deptors	-	850	-	850
	23.338	**25.047**	**20.993**	**22.386**

9. OTHER INCOME / (EXPENSES):

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

	The Group		The Company	
	2005	**2004**	**2005**	**2004**
Income from rentals/other services	2.090	1.954	2.017	1.954
Government Grants	382	183	379	182
Other Income	10	406	10	396
Profit on disposals of fixed assets	501	13	501	-
Income from prior years' provisions	459	29	379	28
	3.442	**2.585**	**3.286**	**2.560**

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

10.FINANCIAL INCOME/(COSTS):

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

The Group	**2005**	**2004**
Interest on non-current loans/borrowings	(3.066)	(3.652)
Interest on current loans/borrowings & relevant expenses	(1.346)	(487)
Factoring commissions	(845)	(913)
Finance lease interest	(708)	(552)
Total financial costs	**(5.965)**	**(5.604)**
Gains from sale of investments & shares (gain from lease back sale)	-	250
Dividends from investments in companies and from shares	65	62
Interest on deposits	91	72
Total financial income	**156**	**384**
Financial income/(costs)	**(5.809)**	**(5.220)**

The company	**2005**	**2004**
Interest on non-current loans/borrowings	(3.066)	(3.652)
Interest on current loans/borrowings & relevant expenses	(1.262)	(430)
Factoring commissions	(845)	(913)
Finance lease interest	(676)	(525)
Total financial costs	**(5.849)**	**(5.520)**
Gains from sale of investments & shares (gain from lease back sale)		250
Dividends from investments in companies and from shares	1.369	956
Interest on deposits	60	20
Total financial income	**1.429**	**1.226**
Financial income/(costs)	**(4.420)**	**(4.294)**

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

11. INCOME TAXES:

According to the tax legislation, the tax rate applicable in companies for the period of 2005 is 32% (35 % until the 31st of December 2004).

In November of 2004 a new tax act was approved, according to which, the tax rate of the companies is gradually reduced from 35% to 25%. In particular, for the periods of 2005 and 2006 the tax rate will be reduced to 32% and 29% respectively, while from the period of 2007 onwards it will reach 25%.

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

	The Group		The Company	
	2005	2004	2005	2004
Current income taxes:				
Current income tax charge	3.862	3.622	1.260	1.772
Prior years' taxes	1.998	121	1.989	
Deferred income taxes	4.038	(6.089)	3.955	(5.123)
Total provision for income taxes	**9.898**	**(2.346)**	**7.204**	**(3.351)**

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

	The group		The company	
	2005	2004	2005	2004
Profit before income taxes	**21.850**	**10.763**	**15.104**	**6.986**
Income taxes calculated at the nominal applicable tax rate (32% and 35%)	6.992	3.767	4.833	2.445
Additional tax assessments	1.998	121	1.988	
Tax effects of non-taxable income and expenses not deductible for tax purposes	(126)	(1.792)	(438)	(2.098)
Expenses not deductible for tax purposes	430	766	233	550
Tax effects of losses from subsidiaries for which no deferred tax asset was recognized	32	(341)		(436)
Tax effects of profits from subsidiaries taxed at different rates	(7)	(43)		
Tax effects of deferred tax from change in statutory tax rate	580	(4.823)	587	(3.811)
Income taxes reported in the statements of income	**9.898**	**(2.346)**	**7.204**	**(3.351)**

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

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

The Company has been audited by the tax authorities up to 31st of December 2004. Regarding its subsidiaries, the tax authorities have not audited their books and their elements for the years mentioned in Appendix II.

In a future tax audit of the related unaudited years, additional taxes and penalties may be assessed to the Company and to its subsidiaries. The Company regards that the outcome of the tax audits and the amount of the possible added taxes and fines, is not possible to estimate and, thus, no estimate has been made in the financial statements related to this subject.

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

	The Group	**The Company**
Opening balance, January 1st 2004	(15.412)	(11.922)
Charged directly to equity		
Charged to the consolidated statement of income	6.089	5.123
Closing balance, December, 31st 2004	**(9.323)**	**(6.799)**

	The Group	**The Company**
Opening balance, January 1st 2005	(9.323)	(6.799)
Charged directly to equity		
Charged to the consolidated statement of income	(4.038)	(3.955)
Closing balance, December, 31st 2005	**(13.361)**	**(10.754)**

	The Group		**The Company**	
Deferred income tax Liabilities	**2005**	**2004**	**2005**	**2004**
- Property plant and equipment	(17.715)	(15.679)	(15.215)	(13.179)
- Leases	(2.157)	(1.701)	(1.970)	(1.521)
- Other	(191)	(228)	(178)	(228)
	(20.063)	**(17.608)**	**(17.363)**	**(14.927)**
Deferred income tax Assets				
- Accounts receivable	800	1.035	800	1.035
- Deferred expenses	2.255	3.788	2.177	3.645
- Investment measurement	1.128	1.253	1.128	1.253
- Provision for retirement indemnities	2.564	2.209	2.549	2.195
- Other	(46)		(46)	
Deferred income tax Assets	**6.701**	**8.285**	**6.608**	**8.128**
Net deferred income tax Liabilities	**(13.362)**	**(9.323)**	**(10.755)**	**(6.799)**

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

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

	The Group		The Company	
	2005	**2004**	**2005**	**2004**
Deferred income tax Liabilities				
- Property plant and equipment	(2.036)	7.874	(2.036)	6.874
- Leases	(456)	(600)	(449)	(573)
- Other	36	(159)	50	(159)
	(2.456)	**7.115**	**(2.435)**	**6.142**
Deferred income tax Assets				
- Accounts receivable	(235)	213	(235)	213
- Deferred expenses	(1.533)	(2.121)	(1.468)	(2.117)
- Investment measurement	(125)	1.253	(125)	1.253
- Provision for retirement indemnities	356	(371)	353	(369)
- Other	(46)		(46)	
	(1.583)	**(1.026)**	**(1.521)**	**(1.020)**
(Debit)/Credit of deferred income tax	**(4.039)**	**6.089**	**(3.956)**	**5.122**

12. EARNINGS PER SHARE:

The calculation of basic earnings per share in the 31st of December 2005 and 2004 is the following:

	The Group		The Company	
	2005	**2004**	**2005**	**2004**
Net profit attributable to equity holders of the parent	9.394	11.736	7.900	10.338
Weighted average number of shares in circulation	83.985.980	83.985.980	83.985.980	83.985.980
Basic earnings per share				
Net profit per shareattributable to equity holders of the parent	**0,11**	**0,14**	**0,09**	**0,12**

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

13. PROPERTY LAND AND EQUIPMENT:

Property, land and equipment is analyzed as follows:

Movement for year 2004 – Group

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 1.1.2004	**59.676**	**159.758**	**51.377**	**4.748**	**24.829**	**7.897**	**308.285**
Additions	3.813	4.373	1.246	86	807	6.540	16.850
Sales/Deletions	(620)	(4.324)					(4.931)
Balance 31.12.2004	**62.869**	**159.807**	**52.623**	**4.834**	**25.636**	**14.437**	**320.204**
Depreciation							
Balance 1.1.2004		(31)	(14.287)	(1.100)	(11.176)		(26.594)
Year's Additions		(3.214)	(4.571)	(165)	(2.433)		(10.383)
Sales/Deletions		568		24			592
Period Total		**(2.646)**	**(4.571)**	**(142)**	**(2.433)**		**(9.792)**
Balance 31.12.2004		**(2.677)**	**(18.857)**	**(1.242)**	**(13.610)**		**(36.386)**
Net Book Value 31.12.2004	**62.869**	**157.129**	**33.765**	**3.592**	**12.026**	**14.437**	**283.818**

Movement for year 2005 – Group

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 1.1.2005	**62.869**	**159.807**	**52.623**	**4.834**	**25.636**	**14.437**	**320.204**
New consolidated company (Medsana SRL)		1	10		3		14
Exchange Differences	3	32	48	3	5	8	99
Additions	89	953	1.995	12	1.078	2.605	6.732
Sales/Deletions			(114)	(2.428)	(45)		(2.587)
Transfers		365	364	1	(730)		0
Transfers from fixed assets under constractions		747	180		8	(935)	0
Balance 31.12.2005	**62.961**	**161.905**	**55.106**	**2.422**	**25.955**	**16.115**	**324.462**
Depreciation							
Balance 1.1.2005		**(2.677)**	**(18.857)**	**(1.242)**	**(13.610)**		**(36.386)**
New consolidated company (Medsana SRL)			(8)		(2)		(10)
Exchange Differences		(2)	(17)	(1)	(1)		(21)
Year's Additions		(3.329)	(4.698)	(210)	(2.554)		(10.792)
Sales/Deletions			51		37		88
Period total		**(3.331)**	**(4.672)**	**(211)**	**(2.520)**		**(10.734)**
Balance 31.12.2005		**(6.008)**	**(23.529)**	**(1.453)**	**(16.130)**		**(47.120)**
Net Book Value 31.12.2005	**62.961**	**155.896**	**31.576**	**969**	**9.825**	**16.115**	**277.342**

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

Movement for year 2004 – Company

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 1.1.2004	**43.148**	**158.204**	**47.080**	**2.231**	**24.391**	**5.993**	**281.048**
Additions	3.772	4.373	1.087	4	747	5.536	15.519
Sales/Deletions	(620)	(4.419)					(5.039)
Balance 31.12.2004	**46.300**	**158.158**	**48.167**	**2.235**	**25.138**	**11.529**	**291.528**
Depreciation							
Balance 1.1.2004			**(12.873)**	**(1.059)**	**(10.881)**		**(24.813)**
Year's Additions		(3.203)	(4.334)	(158)	(2.409)		(10.104)
Sales/Deletions		563					563
Period Total		(2.640)	(4.334)	(158)	(2.409)		(9.541)
Balance 31.12.2004		**(2.640)**	**(17.207)**	**(1.216)**	**(13.291)**		**(34.354)**
Net Book Value 31.12.2004	**46.300**	**155.517**	**30.960**	**1.019**	**11.848**	**11.529**	**257.174**

Movement for year 2005 – Company

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction / Purchases in Progress	Total
Cost or measurement							
Balance 1.1.2005	**46.300**	**158.158**	**48.167**	**2.235**	**25.138**	**11.529**	**291.528**
Additions	89	907	793	12	923	2.232	4.956
Sales -Deletions			(18)		(32)		(50)
Transfers		365	364	1	(730)		0
Transfers from fixed assets under constractions		450				-450	0
Balance 31.12.2005	**46.389**	**159.880**	**49.306**	**2.248**	**25.299**	**13.311**	**296.434**
Depreciation							
Balance 1.1.2005		**(2.640)**	**(17.207)**	**(1.216)**	**(13.291)**		**(34.354)**
Year's Additions		(3.176)	(4.368)	(178)	(2.500)		(10.222)
Sales -Deletions			12		25		37
Period Total		(3.176)	(4.356)	(178)	(2.475)		(10.185)
Balance 31.12.2005		**(5.817)**	**(21.563)**	**(1.394)**	**(15.766)**		**(44.539)**
Net Book Value 31.12.2005	**46.389**	**154.063**	**27.743**	**854**	**9.533**	**13.311**	**251.895**

Use of fair value as deemed cost: Within year 2004 the Group appointed an independent firm of appraisers to conduct a valuation of its land buildings and machinery as of January 1, 2004 (transition date to IFRS). The valuations were performed based on appropriate valuation techniques depending on the nature and the usage of the valued fixed assets.

The main valuation techniques used were as follows:

- The market approach for land,
- The market approach and/or income approach for the urban buildings and,
- The depreciated replacement cost0method for the industrial buildings and the machinery and equipment.

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

In addition, the appraisers determined the economic useful lives of the items of tangible assets from the date of acquisition or construction, which are set forth in Note 3. Depreciation in the accompanying income statements has been determined after deducting from the economic useful life of each fixed asset the years elapsed from the date of acquisition or construction through to the IFRS transition date.

The Company used the fair values determined as above in its opening IFRS balance sheet as deemed cost based on the exception provided in IFRS 1.

The aggregate adjustments to the respective carrying amounts reported under previous GAS, by category of fixed assets, are as follows:

	The Group 1st January 2004			The Company 1st January 2004		
	Increase in Value	Decrease in Value	Total	Increase in Value	Decrease in Value	Total
Land	38.717	-	38.717	28.715	-	28.715
Buildings	30.761	-	30.761	30.761	-	30.761
	69.477	**-**	**69.477**	**59.476**	**-**	**59.476**

Tax revaluation of land and buildings: In accordance with Greek tax legislation, land and the buildings are revaluated every four years based on non industry specific indexes that were announced through respective Ministerial Decisions. The latest of this revaluation, which was applied in December 31,2004, was reversed for IFRS reporting purposes on the basis of not meeting the criteria set forth in IAS 16, however, it resulted to an increase of the tax base of the related assets. The net surplus on land and buildings was taxed at 2% and 8% respectively.

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

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

14. INTANGIBLE ASSETS

The Group

Cost	**Goodwill**	**Rights/ Licenses**	**Other**	**Total**
Balance 1.1.2004		398	671	1.069
Additions			34	34
Sales/Deletions			(135)	(135)
Balance 31.12.2004		398	570	968
Accumulated amortization				
Balance 1.1.2004			(558)	(558)
Additions			(136)	(136)
Sales/Deletions			135	135
Balance 31.12.2004			(559)	(559)
Balance 31 December 2004		**398**	**11**	**409**

Cost	**Goodwill**	**Rights/ Licenses**	**Other**	**Total**
Balance 1.1.2005		398	570	968
Additions	1.979		37	2.016
Transfers - Deletions			8	8
Balance 31.12.2005	**1.979**	**398**	**615**	**2.991**
Accumulated amortization				
Balance 1.1.2005			(559)	(559)
Additions			(19)	(19)
Transfers/ Deletions			(8)	(8)
Exchange differences				
31.12.2005			**(586)**	**(586)**
Net Book Value 31.12.2005	**1.979**	**398**	**29**	**2.406**

The goodwill amounted to € 1.979 resulted from the acquisition of a further 5% of the subsidiary's share capital IATRIKI TECHNIKI S.A., a company that is operating in Greece in the sector of medical and surgical instrument production and trading, as well as of all kinds of sanitary/health equipment. The Group acquires the 56% of the share capital, while the buying-out of the further 5% that was typically completed in the last quarter of 2005, has been recognized according to the buy-out method and represents the difference between the paid up price and the fair value of the assets that were purchased as they were valuated at the respective transaction dates. From the progress of activities until now, no indications have arisen showing that the possibility of an impairment test must be examined.

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

The Company	**Goodwill**	**Rights/ Licenses**	**Other**	**Total**
Cost				
Balance 1.1.2004		398	671	1.069
Additions			34	34
Sales/Deletions			(135)	(135)
Balance 31.12.2004		398	570	968
Accumulated amortization				
Balance 1.1.2004			(558)	(558)
Additions			(136)	(136)
Sales/Deletions			135	135
Balance 31.12.2004			(559)	(559)
Net Book Value e 31 December 2004		**398**	**11**	**409**
Cost				
Balance 1.1.2005		398	570	968
Additions			37	37
Transfers - Deletions			8	8
Balance 31.12.2005		398	615	1.012
Accumulated amortization				
Balance 1.1.2005			(559)	(559)
Additions			(19)	(19)
Transfers/ Deletions			(8)	(8)
Balance 31.12.2005			(586)	(586)
Net Book Value 31.12.2005		**398**	**29**	**427**

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

15. INVESTMENTS IN SUBSIDIARIES

The investments of the Company in subsidiaries at the 31st December 2005 are analyzed as follows:

	Participation	Acquisition cost
Iatriki Techniki S.A.	*56,00%*	4.139
Phisiotherapy center S.A	*33,00%*	19
Axoniki Erevna S.A	*50,50%*	545
Erevna S.A	*51,00%*	503
Hospital Affiliates International	*68,89%*	91
Eurosite S.A	*100,00%*	8.335
Ortelia Holdings	*99,99%*	1.039
Medsana Buch	*100,00%*	33
Medsana Srl	*78,90%*	517
Athens Paediatrics Center	*58,30%*	169
Prostate Institute	*98,90%*	668
Electronystagmografiki S.A.	*100,00%*	18
		16.077
Impairment loss		(2.491)
Balance		**13.586**

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

The acquisition cost in Ortelia Holdings SA and in Medsana Srl has been completely deleted in the stand alone financial statements of the Company, according to the provisions of IAS 27 and 38. These companies, do not present any operation and their accounting value is greater of their recoverable amount. At the transition date in IFRS, an impairment test took place in the above mentioned investments, during which, it was attributed in Company's cash generating units. The recoverable amount, which in this case was the value of use, was lower than the carrying amount and the impairment loss arose and amounted to € 2.491, was charged against the retained earnings of 1st of January 2004.

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

16. INVESTMENTS IN ASSOCIATES CONSOLIDATED BY THE EQUITY METHOD

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

	Percentage	Acquisition cost
Nevrolitourgiki S.A.	25,10%	6
Medisoft S.A.	45,00%	132
Interoptics S.A.(ex-In Health S.A.)	27,33%	340
Aggiologiki Dierevnisi Ltd	20,00%	2
Herodikos Ltd	20,00%	19
		499
Impairment loss		(499)
Net carrying amount		**0**

The carrying amount of the above companies is deleted in the Company's Equity at a time prior the transition date and the same classification is preserved since the 1st January.It is noted that company In Health S.A. was merged through absorbtion from company Interoptics S.A. at 15 March 2005 and as a result group obtains a percentage of 27,33% on the capital of Interoptics S.A.in stead of 30,37% that was obtained on the capital of the absorbed company In Health S.A. Management for the preparation of the financial statements of year 2005, did not proceed in the reversal of the already formed impairment on the acquisition cost of the investment on Interoptics S.A. .(ex-In Health S.A.), due to the short period of time from the merge to the approval of the financial statements of year 2005, as it did not have adequate information to form an estimation for the future profitability of Interoptics S.A.

17. INVENTORIES:

The inventories are analyzed as follows:

	The Group		The Company	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Merchandise	202	170		
Raw materials and consumable materials	4.954	5.172	4.638	5.126
Finished and semi-finished products	46	45		
	5.202	**5.387**	**4.638**	**5.126**

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

18. TRADE ACCOUNTS RECEIVABLE:

The trade accounts receivable are analyzed as follows:

	The Group		The Company	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
Trade debtors - open balances	81.788	64.223	80.945	63.321
Checks receivable (postdated) & bills receivable	12.293	9.061	11.110	8.983
Pass due debtors	517	244	303	244
Less: Provision for impairment	(3.018)	(3.200)	(3.018)	(3.200)
	91.580	**70.328**	**89.340**	**69.347**

19 REPAYMENTS AND OTHER RECEIVABLES:

	The Group		The Company	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
Advance payments for purchases	202	111	187	71
Advances	938	574	901	543
Other accounts receivable	10.836	8.234	8.093	6.745
Short-term receivables from associates	26	33	3.827	5.561
Prepaid expenses and other debtors	2.056	1.165	1.520	1.090
	14.059	**10.118**	**14.528**	**14.010**

20. CASH AND CASH EQUIVALENTS:

The cash and cash equivalents are analyzed as follows:

	The Group		The Company	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
Cash in hand	538	418	504	391
Deposits (sight and time)	7.039	6.608	5.585	6.014
	7.577	**7.026**	**6.089**	**6.405**

The bank deposits are lent at interest with floating interest rates based on the monthly interest rates of bank deposits. The income from sight and time bank deposits interest is recognized in accrual basis of accounting.

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

21. SHARE CAPITAL:

The share capital of the Company consists of 83.985.980 common nominal shares, with nominal value € 0,31 each. The share capital of the Company was not differentiated during the period from 1, January 2004 until the approval date of the interim financial statements. The Company's shares are publicly traded on the Athens Stock Exchange (main market).

According to the Shareholders Record of the Company, in the 31st of December 2005, the shareholders with a holding a percentage in the Company greater than 2 % were the following:

	Number of shares acquired	% 31st December 2005
G. Apostolopoulos Holdings S. A.	47.633.843	56,71%
Georgios Apostolopoulos	1.900.591	2,26%
Credito Italiano Milano	3.096.370	3,69%
Banca Commerciale Italiana Milan	3.461.813	4,12%
Morgan Stanley and Co International Ltd	3.397.400	4,05%
Free float	24.495.963	29,17%
	83.985.980	**100,00%**

The share premium of the Company resulted from the period of 1991 until the period of 2002, with a total amount of € 15.267, by the issuing of shares against cash, in value greater than their nominal value.

22. LEGAL, TAX FREE AND SPECIAL RESERVES:

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

The Group

	31.12.2005	31.12.2004
Legal reserve	6.629	5.998
Less: Impairment of investments	(3.039)	(3.039)
Tax free and specially taxed reserves	70.610	70.548
Other	464	521
	74.664	**74.028**

The Company

	31.12.2005	31.12.2004
Legal reserve	6.213	5.818
Less: Impairment of investments	(3.039)	(3.039)
Tax free and specially taxed reserves	70.548	70.548
Other	440	440
	74.162	**73.767**

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

Tax free and Specially Taxed Reserves: The untaxed and specially taxed reserves represent interest income, which are tax free or taxed by 15% at their source. The particular income is not taxable under the condition that adequate profits exist, from which respective untaxed reserves can be formed. According to the Greek tax legislation, this reserve is excluded from income tax, under the condition that it will not be distributed to the shareholders. The Company does not intend to distribute the particular reserve and thus it has not proceeded to the estimation of deferred income tax that would have been necessary in the case of reserve distribution.

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

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

23. LOANS:

	The Group		The Company	
Non-current loans	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
	45.758	68.467	45.644	68.467
Syndicated bank loan				
Finance leases	8.821	12.038	8.463	12.038
	54.579	**80.505**	**54.107**	**80.505**
Current loans				
Bank loans	24.350	7.445	24.041	7.000
Non-current loans payable within the next 12 months	22.999	22.822	22.822	22.822
Finance leases	3.894	4.551	3.635	4.296
Other loans (factoring)	10.597	12.964	10.597	12.964
	61.840	**47.782**	**61.095**	**47.082**
Total of loans due	**116.419**	**128.287**	**115.202**	**127.587**

	The Group		The Company	
Maturity of non-current loans	**31.12.2005**	**31.12.2004**	**31.12.2005**	**31.12.2004**
Between 1 & 2 years	22.822	22.823	22.822	22.822
Between 2 & 5 years	22.936	45.644	22.822	45.645
Over 5 years				
	45.758	**68.467**	**45.644**	**68.467**

The Group's borrowing mainly concerns the Syndicated Loan, with initial amount of € 102.700.00,00, according to the Syndicated Loan contract from the 21/12/2001, with the Bank "ALPHA BANK" as a manager and lender Banks the following: GENERAL, NATIONAL, COMMERCIAL, EFG EUROBANK ERGASIAS, HVB FINANCE LONDON LTD, and SG FINANCIAL SERVICES. According to the contract, the purpose of this loan was the refunding of existing borrowing by the amount of € 88.000.000 (85,69%) and investments in fixed assets by of the amount of € 14.699.999,99 (14,31%). The loan's duration is seven years. The loan's payment in full, in 9 six-month installments has started in 28/12/2004 and will be completed in 28/12/2008. The interests concerning the above-mentioned loan are estimated according to the Euribor interest rate plus a margin of 1,40%.

The current bank loans are received by the Company and its subsidiaries for serving their needs in working capital. The relevant interest rates vary from 3,51% to 4,5%.

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

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

The liabilities that result from leases concern the leasing of buildings, that arose from the sale and lease back of Company's land building and mechanical – hospital equipment. The liabilities to the lessor are analyzed as follows:

Leasing Liabilities - Minimum payments of leases:

	The Group		The Company	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
Up to one year	4.433	5.302	4.166	5.040
Between 2 & 5 years	5.340	8.320	4.994	8.320
After 5 years	5.903	6.661	5.903	6.661
Total	**15.676**	**20.283**	**15.063**	**20.021**
Future finance charges on finance leases	(2.962)	(3.693)	(2.966)	(3.686)
Present value of lease liability	**12.714**	**16.590**	**12.097**	**16.335**

The present value of the leasing liabilities is the following:

	The Group		The Company	
	31.12.2005	**31.12.2004**	**31.12.2005**	**31.12.2004**
Until one year	3.894	4.551	3.635	4.296
From 2 to 5 years	3.634	6.388	3.276	6.388
After 5 years	5.186	5.651	5.186	5.651
TOTAL	**12.714**	**16.590**	**12.097**	**16.335**

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

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

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

24. GOVERNMENT GRANTS:

The movement in the government grants during the interim period ended in 31st Deceember 2005 and the year ended in 31st December 2004 was the following:

	The Group	The Company
Balance 1.1.2004	109	109
Additions		
Depreciation	(36)	(36)
Balance 31.12.2004	**73**	**73**

	The Group	The Company
Balance 1.1.2005	**73**	**73**
Additions	18	-
Depreciation	(20)	(20)
Balance 31.12.2005	**71**	**53**

25. PROVISION FOR RETIREMENT INDEMNITIES:

(a) Government Insurance Programs: The contributions of the Company and the Group to the insuring funds for the period ended in 30th September 2005, were recognized as expenses and amounted to € 9.055 and € 9.428 respectively.

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

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

The Company	**31st December 2005**	**31st December 2004**
Net liability at the beginning of period	8.781	7.326
Actual benefits paid by the Company	(112)	(150)
Expense recognized in the income statement (Note 4)	1.525	1.605
Net liability at the end of the period	**10.194**	**8.781**

The Group	**31st December 2005**	**31st December 2004**

Net liability at the beginning of period	8.834	7.371
Actual benefits paid by the Company	(142)	(205)
Expense recognized in the income statement (Note 4)	1.566	1.668
Net liability at the end of the period	**10.258**	**8.834**

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

The details and principal assumptions of the actuarial study as at 31ST December 2005 and 31st of December 2004 is the following:

	The Group		**The Company**	
	31st December 2005	**31nd December 2004**	**31st December 2005**	**31nd December 2004**
Present Value of un funded obligations	11.704	9.227	11.640	9.173
Unrecognized actuarial net loss	(1.446)	(392)	(1.446)	(392)
Net liability in balance Sheet	**10.258**	**8.834**	**10.194**	**8.781**
Components of net periodic pension cost:				
Service cost	1.056	869	1.046	860
Interest cost	362	316	362	316
Analogical losses	55	373	55	373
Regular charge to operations/results	**1.473**	**1.558**	**1.463**	**1.549**
Additional cost of extra benefits	44	55	44	55
Total charge to operations/results	**1.517**	**1.613**	**1.507**	**1.604**
Reconciliation of benefit obligation:				
Net liability at start of period	8.834	7.371	8.781	7.326
Service cost	1.056	869	1.046	860
Interest cost	362	317	362	317
Benefits paid	(94)	(150)	(94)	(150)
Additional cost of extra benefits	44	55	44	55
Analogical losses	55	373	55	373
Present value of obligation at the end of the period	**10.258**	**8.834**	**10.194**	**8.781**

Principal assumptions:	**2005 & 2004**
Discount rate	4.0%
Rate of compensation increase	4.0%
Increase in consumer price index	2.5%

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

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

26. TRADE ACCOUNTS PAYABLE:

The trade accounts payable are analyzed as follows:

	The Group		The Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Suppliers	58.422	47.044	64.985	53.320
Checks outstanding (postdated)	14.822	8.892	13.905	8.627
	73.244	**55.936**	**78.890**	**61.947**

27. ACCRUED AND OTHER CURRENT LIABILITIES:

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

	The Group		The Company	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Customers' advances	59	145	59	90
Sundry creditors	4.356	3.846	4.162	3.135
Insurance and pension contributions payable	3.435	3.175	3.287	3.077
Accrued expenses	955	418	900	385
Other	64	97	63	0
	8.869	**7.681**	**8.471**	**6.687**

28. RELATED PARTY DISCLOSURES:

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

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

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

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

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

	The Group	The Group	The Company	The Company
	30st	**30st December**	**30st**	**30st**

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

Receivables/(liabilities) from/to:	December 2005	2004	December 2005	December 2004
	Receivables	*(Liabilities)*	*Receivables*	*(Liabilities)*
LA VIE Assurance	2.452	(55)	2.452	(48)
SYCHRONI ECHODIAGNOSI		(71)		(27)
IKODOMIKI EKMETALEFTIKI S.A.	5		3	
PROSTATE INSTITUTE		(34)		(34)
KORINTHIAKOS RYTHMOS		(201)		(110)
HERODIKOS Ltd	41	(2)	41	(2)
QUS ATH. CENTER OF ENVIRONMENT	85		85	
TRADOR A.E.	14		14	
AGGEIOLOGIKI DIEREVNISI S.A.	6		6	
ATHENS PAEDIATRICS CENTER	14		14	
ELECTRONYSTAGMOGRAFIKI S.A.		(6)		(6)
NEVROLITOURGIKI S.A.		(1)		(1)
MEDISOFT	190		190	
G. APOSTOLOPOULOS Holdings	2			
	2.809	**(370)**	**2.805**	**(228)**

The transactions with the related parties for the period ended in 30th September 2005 are analyzed as follows:

	The Group		The Company	
	Purchases from related parties	**Sales to related parties**	**Purchases from related parties**	**Sales to related parties**
Services				
LA VIE Assurance	181	1.325	181	1.320

	The Group	The Company
Other Company's transactions	**Rents payable**	**Rents payable**
KORINTHIAKOS RYTHMOS	360	254

The fees that were given to the members of the boardfor the years 2005 and 2004 were the following:

	The Group		The Company	
	2005	**2004**	**2005**	**2004**
Director's Fees	181	266	181	266
Director's Salaries	2.152	1.939	1.891	1.678
	2.333	**2.205**	**2.072**	**1.944**

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

29. DIVIDENDS

According to the provisions of the greek legislation for companies , they are obliged to distribute every year dividend, that corresponds at least to the 35% of the profits after taxes and the formation of the legal reserve or at least the amount that reflects the 6% of the share capital, any greater than two. The non distribution of dividends depends on the approval of the total shareholder company's equity. The greek company legislation requires specific terms for the profit distribution to be satisfied , which are:

a) Any distribution of dividend is not valid if the company's equity as that appears on the balance Sheet after the distribution is lees than equity plus the non distributive reserves
b) Any distribution of dividend is not valid, if the balance of the formation expenses is greater than the extraordinary reserves plus the retained earnings

At 29 March 2006, the Board of Directors proposed Dividend amounted to € 3.359 (€ 0,04 per share). This proposition of the Board of Directors submits to the approval of the annual General Assembly of the Shareholders.

30. CONTIGENCIES AND COMMITMENTS:

(a) Lawsuits/Litigation and claims:

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

(b) Commitments:

(i) Commitments from operational leases:

The 31sth of December 2005 the Group and the Company had various agreements of operational lease, concerning the renting of buildings and transportation equipment and they end in several dates.

The renting expenses are included in the accompanying consolidated income statement of the period ended in the 31sth of December 2005 and they amount to € 1.156.

The minimum future payable rental leases based on non-reversible contracts of operational leases in 31sth of December 2005 are as follows:

Commitments from operational leases:	**The Group**	**The Company**
Within one year	1.156	1.078
2-5 years	4.237	3.924
After 5 years	4.017	3.657
	9.409	**8.659**

(ii) Guarantees:

The Group in 31sth of December 2005 had the following contingent liabilities:

- Had issued letters of guarantee for good performance for a total amount of € 335 thousand.

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

(iii) Capital Commitments:

According to the decision of the Regular General Assembly of the Shareholders in 30/6/2005, the acquisition of the remaining 49% of the shares of "Iatriki Techniki" S.A. for the amount of € 23,7 million was approved. Until the 30/9/2005 a further percentage of 5% of the Share Capital of the company was acquired for the amount of € 2,4 million. Consequently for the realization of the above mentioned decision of the General Assembly the amount of € 21,3 million remains to be paid up.

31. SUBSEQUENT EVENTS:

No subsequent events after the 31sth of December 2005 took place, that would have influenced the financial position and the results of the Company and the Group in the 31sth of December 2005.

Marousi, 29/3/2006

THE PRESIDENT OF THE BOD	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
GEORGIOS B. APOSTOLOPOULOS	VASSILIOS G. APOSTOLOPOULOS	PETROS ADAMOPOULOS	PANAGIOTIS KATSICHTIS
ID NUMBER Σ 100951	ID NUMBER. Ξ 350622	ID NUMBER M 253394	ID NUMBER. AB 052569 O.E.E. Rank No.17856 Classification A'

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

ATHENS MEDICAL S.A.

APPENDIX I

RECONCILIATION OF THE FINANCIAL STATEMENTS BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

Balance sheet as at January 1st 2004	**Balance sheet of the parent company as at January 1st 2004**		
	GAS	**Difference**	**IFRS**
ASSETS			
FORMATION EXPENSES			
Other formation expenses	16.575	(16.462)	113
FIXED ASSETS			
Intangible assets	398		398
Property, plant and equipment	183.241	72.994	256.235
Total tangible and intangible assets	**183.639**	**72.994**	**256.633**
Investments in subsidiaries	12.008	(841)	11.167
Investments in associates consolidated by the equity method			
Other long-term claims/Guarantees	276		276
Deferred tax assets		9.148	9.148
	12.285	**8.307**	**20.592**
Total fixed assets	**212.497**	**64.727**	**277.224**
CURRENT ASSETS			
Inventories	4.989		4.989
Trade accounts receivable, prepayments and other receivables	58.456	16.309	74.765
Financial assets at fair value through the income statement	223		223
Cash and cash equivalents	6.184		6.184
Total current assets	**69.852**	**16.309**	**86.161**
Prepayments and accrued income	698	(698)	-
TOTAL ASSETS	**283.047**	**80.452**	**363.499**
LIABILITIES			
EQUITY			
Share capital	26.036		26.036
Share Premium	15.267		15.267
Revaluation differences – Government Grants	109	(109)	-
Reserves	68.887	198	69.085

Retained earnings	-	21.996	21.996

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

Total Equity	**110.299**	**22.085**	**132.384**
Long-term liabilities			
Provisions		7.326	7.326
Government Grants		109	109
Long-term Loans	91.289	8.168	99.456
Deferred tax liabilities		21.070	21.070
Other long-term liabilities	1.851		1.851
Total long-term liabilities	**93.140**	**36.672**	**129.812**
Short-term liabilities			
Trade accounts payable, accrued and other liabilities	60.073		60.073
Short-term loans	14.661	21.694	36.355
Other short-term liabilities	4.875		4.875
Total short-term liabilities	**79.609**	**21.694**	**101.303**
ACCRUALS AND DEFERRED LIABILITIES			-
TOTAL LIABILITIES	**283.048**	**80.451**	**363.499**

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

APPENDIX I

RECONCILIATION OF THE FINANCIAL STATEMENTS BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

	Balance sheet of the parent company as at December 31st 2004		
	GAS	**Difference**	**IFRS**
ASSETS			
FORMATION EXPENSES			
Other formation expenses	**12.569**	**(12.160)**	**409**
FIXED ASSETS			
Intangible assets			
Property, plant and equipment	179.744	77.430	257.174
Total tangible and intangible assets	**179.744**	**77.430**	**257.174**
Long-term claims			
Investments in subsidiaries	11.494	(327)	11.167
Investments in associates consolidated by the equity method			
Other long-term claims/Guarantees	295	-	295
Deferred tax assets	-	8.128	8.128
Total long-term claims	**11.789**	**7.801**	**19.590**
Total fixed assets	**204.102**	**73.072**	**277.174**
CURRENT ASSETS			
Inventories	5.126	-	5.126
Trade accounts receivable, prepayments and other receivables	79.452	3.905	83.358
Cash and cash equivalents	6.406	-	6.406
Total current assets	**90.984**	**3.905**	**94.889**
		-	-
TOTAL ASSETS	**295.086**	**76.977**	**372.063**
LIABILITIES			
EQUITY			
Share capital	26.036	-	26.036
Share Premium	15.267	-	15.267
Revaluation differences – Government Grants	73	(73)	
Reserves	74.072	(304)	73.767

Retained earnings	11	27.640	27.651
Total Equity	**115.459**	**27.263**	**142.722**

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

Long-term liabilities			
Provisions	-	8.781	8.781
Government Grants	-	73	73
Long-term Loans	68.467	12.038	80.505
Deferred tax liabilities		14.927	14.927
Other long-term liabilities		5.013	5.013
Total long-term liabilities	**68.467**	**40.832**	**109.299**
Short-term liabilities			
Trade accounts payable, accrued and other liabilities	77.012	(2.520)	61.946
Short-term loans	29.822	11.402	47.082
Other short-term liabilities	4.326	-	11.014
Total short-term liabilities	**111.161**	**8.882**	**120.043**
TOTAL LIABILITIES	**295.086**	**76.977**	**372.063**

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

ATHENS MEDICAL S.A.
APPENDIX I

RECONCILIATION OF THE FINANCIAL STATEMENTS BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

	Income Statement of parent company at December 31st 2004		
	GAS	**Difference**	**IFRS**
Turnover	182.014		182.014
Less: cost of sales	151.671	(763)	150.908
Gross profit	**30.343**	**763**	**31.106**
Plus: Other operating income	7.573	(5.013)	2.560
Total	**37.916**	**(4.250)**	**33.666**
Less:			
Administrative and distribution expenses	23.766	(1.379)	22.387
Operating results before financial transactions	**14.150**	**(2.871)**	**11.279**
Financial income/expenses	(5.166)	872	(4.294)
Plus or less: extraordinary results	-		-
Depreciation not charged to the operating cost			
PROFIT BEFORE TAXES	**8.984**	**(1.998)**	**6.986**
Income taxes	(1.771)	5.123	3.351
PROFIT FOR THE PERIOD	**7.213**	**3.125**	**10.338**

APPENDIX I

ATHENS MEDICAL CENTER S.A.
FINANCIAL STATEMENTS OF 31ST DECEMBER 2005
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

RECONCILIATION OF THE FINANCIAL STATEMENTS BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

	Consolidated Balance Sheet at January 1st 2004			
	Greek Accounting Standards	**Difference**		**IFRS**
ASSETS				
Long-term assets:				
Tangible fixed assets	198.931	82.759		281.690
Goodwill				
Intangible fixed assets	18.479	(17.968)		511
Investments in associates consolidated using the equity method.	1.284	(1.284)		
Other investments				
Other long-term claims	296			296
Deferred tax assets		9.311		9.311
Total long-term assets	218.990	72.818	0	291.808
Current Assets:				
Inventories	5.156	1		5.157
Trade accounts receivable,	49.980	22.433		72.413
Prepayments and other receivables	6.797	(6.797)		
Other investments	223			223
Cash and cash equivalents	6.738	(24)		6.714
Total current assets	68.894	15.613		84.507
TOTAL ASSETS	287.884	88.430		376.314
EQUITY AND LIABILITIES				
Equity relative to parent company shareholders				
Share capital	26.036			26.036
Share Premium	15.267			15.267
Treasury stock (own shares)				
Retained earnings	617	27.458		28.075
Legal,tax free and special reserves	70.470	(1.284)		69.186
Other reserves	109	(109)		
Consolidation differences	354	(354)		
	112.853	25.711		138.564
Minority interest	4.932	(596)		4.336
Total equity	117.785	25.115		142.900

Long-term liabilities:			
Long-term loans	91.552	8.477	100.029

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

Other long-term liabilities	1.907	(55)	1.852
Provision for retirement indemnities		7.371	7.371
Government Grants		109	109
Deferred tax liabilities		24.723	24.723
Total long-term liabilities	93.459	40.625	134.084
Short-term liabilities:			
Trade accounts payable	47.663	8.198	55.861
Short-term loans	3.973	33.426	37.399
Long-term liabilities payable in the next period	11.411	(11.411)	
Accrued and other current liabilities	7.508	(7.508)	
Income taxes	6.069		6.069
Dividends	17	(17)	
Total short-term liabilities	76.641	22.688	99.329
TOTAL LIABILITIES AND EQUITY	287.885	88.428	376.313

APPENDIX I

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

RECONCILIATION OF THE FINANCIAL STATEMENTS BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

	Consolidated Balance Sheet at December 31st 2004		
	Greek Accounting Standards	**Difference**	**IFRS**
ASSETS			
Long-term assets:			
Tangible fixed assets	196.774	87.044	283.818
Goodwill			
Intangible fixed assets	14.079	(13.670)	409
Investments in associates consolidated with the equity method	770	(770)	
Other investments			
Other long-term claims	300		300
Deferred tax assets		8.285	8.285
Total long-term assets	211.923	80.889	292.812
Current Assets:			
Inventories	5.387		5.387
Trade accounts receivable,	66.533	3.795	70.328
Prepayments and other receivables	10.007	111	10.118
Claims from associated companies			
Other investments	1		1
Cash and cash equivalents	7.026		7.026
Total current assets	88.954	3.906	92.860
TOTAL ASSETS	300.877	84.795	385.672
EQUITY AND LIABILITIES			
Equity relative to parent company shareholders			
Share capital	26.036		26.036
Share Premium	15.267		15.267
Treasury stock (own shares)			
Retained earnings	1.024	33.996	35.020
Legal,tax free and special reserves	75.737	(1.709)	74.028
Other reserves	73	(73)	
Consolidation differences	354	(354)	
	118.491	31.860	150.351
Minority interest	5.037	108	5.145

Total equity	123.528	31.968	155.496

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

Long-term liabilities:			
Long-term loans	68.526	11.979	80.505
Deferred income		5.072	5.072
Provision for retirement indemnities		8.834	8.834
Government Grants		74	74
Deferred tax liabilities		17.608	17.608
Total long-term liabilities	68.526	43.567	112.093
Short-term liabilities:			
Trade accounts payable	56.014	(78)	55.936
Short-term loans	7.445	34.479	47.782
Long-term liabilities payable in the next period	22.822	(22.822)	
Accrued and other current liabilities	13.338	297	7.681
Income taxes	6.684		6.684
Dividends	2.520	(2.520)	
Total short-term liabilities	108.823	9.260	118.083
TOTAL LIABILITIES AND EQUITY	300.877	84.795	385.672

APPENDIX I

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

RECONCILIATION OF THE FINANCIAL STATEMENTS BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

	Consolidated Income Statement– at December 31st 2004		
	Greek Accounting Standards	**Difference**	**IFRS**
INCOME:			
Turnover	187.848		187.848
Cost of sales	(150.365)	962	(149.403)
Gross profit	37.483	962	38.445
Administrative and distribution expenses	(21.906)	(3.141)	(25.047)
Other income/ (expenses)	2.163	422	2.585
Financial income/(expenses)	(5.116)	(104)	(5.220)
Profit/(loss) from exchange differences			
Loss from investment in associates			
Extraordinary income/(expenses)	3.776	(3.776)	
Depreciation not charged to the operating cost	(2.250)	2.250	
PROFIT BEFORE TAXES	14.150	(3.387)	10.763
Income taxes	3.743	(1.397)	2.346
PROFIT FOR THE PERIOD	**10.407**	**2.702**	**13.109**
Attributable to:			
Equity holders of the parent company	8.864	2.872	11.736
Minority interest	1.543	(170)	1.373
	10.407	2.702	13.109

APPENDIX I
RECONCILIATION OF EQUITY BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

ADJUSTMENT TABLE OF EQUITY OF PERIOD BEGINNING (01/01/2005 AND 01/01/2004 RESPECTIVELY) BETWEEN GREEK ACCOUNTING STANDARDS (G.A.S.) AND INTERNATIONAL ACCOUNTING STANDARDS (I.A.S.)

		THE GROUP		THE COMPANY	
(The amounts are presented in thousands of Euro)		31/12/2004	1/1/2004	31/12/2004	1/1/2004
Total equity, as presented according to G.A.S.		**123.528**	**117.785**	**115.459**	**110.298**
Adjustments					
Deletion of intangible assets which are not recognized		(13.588)	(17.968)	(12.159)	(16.461)
Valuation of fixed assets at fair value and differences due to depreciation rates		66.429	68.385	56.428	58.384
Provision for retirement indemnities		(8.835)	(7.371)	(8.781)	(7.326)
Provision/allowance for doubtful accounts		(3.200)	(2.350)	(3.200)	(2.350)
Transfer of payable dividends' recognition in their approval time by the G.A.		2.520	(672)	2.520	0
Reversal of fixed assets' valuation adjustment, according to L.2065		(502)	0	(502)	0
Accounting of leases		5.502	3.146	5.169	2.710
Reversal of real estate lease back gain		(5.013)	0	(5.013)	0
Effect due to investment measurement/valuation		(796)	(1.392)	711	89
Impairment of investments in subsidiaries	**(1)**			(1.039)	(1.039)
Recognition of deferred taxation		(9.323)	(15.412)	(6.799)	(11.922)
Transfer of government grants to deferred income		(73)	0	(73)	0
Impairment of assets	**(2)**	(1.250)	(1.250)		
Correction of Phisiotherapy center S.A Dividends (see note 3ae)		97			
Total adjustments		**31.968**	**25.116**	**27.262**	**22.085**
Invested capitals according to International Accounting Standards		**155.496**	**142.901**	**142.721**	**132.383**

(1)Within the 2nd quarter of 2005 the Company recognized in its stand alone balance sheet the accumulated impairment losses concerning investments in subsidiaries and associates by adopting the relative provisions of IAS 27, in relation to measurement method in the stand alone balance sheet for investments in subsidiaries and associates (acquisition cost less impairment losses). The correction that took place was conducted in accordance with the provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors", that is with retroactive correction of previous period's/year's accounts. The accumulated effect of the adjustments concerning years before January the 1st 2004 was recognized against the retained earnings at the above-mentioned date, while the corrections, concerning periods/fiscal years included in the accompanying financial statements were made in the respective periods/fiscal years. Hence, stand alone balance sheets of January the 1st and of December the 31st 2004 are presented adjusted in relation to those included in the financial statements issued for the 1st quarter of 2005. The effect of the above corrections was that the Equity included in the accompanying stand alone balance sheets for January the 1st and December the 31st 2004 is presented decreased by € 1.039 respectively in relation to those presented in the issued financial statements of the 1st quarter of 2005.

(2) Within the 2nd quarter of 2005, the Group's subsidiary Ortelia Holding Ltd recognized impairment loss on its fixed asset (helicopter) due to the fact that it did not recognize any depreciation for the years since the acquisition date until the transition date. The loss that arose came to the amount of € 1.250 and it was recognized in the retained earnings at the transition date. Due to this impairment loss, the balance of the fixed asset was adjusted to its fair value, which is estimated to require no further correction. Thus, the consolidated balance sheets of January 1st and December 31st 2004 are presented adjusted in relation to those included in the financial statements issued for the 1st quarter of 2005. The consolidated Equity included in the accompanying stand alone balance sheets for January the 1st and December 31st 2004 are presented decreased by € 1.250 respectively in relation to those presented in the issued financial statements of the 1st quarter of 2005.

APPENDIX I

RECONCILIATION OF RESULTS BETWEEN GREEK ACCOUNTING STANDARDS AND IFRS

(All amounts are presented in thousands of Euro)

	THE GROUP 31-Dec-04	THE COMPANY 31-Dec-04
Period's profits, as presented according to GAS	**10.407**	**7.213**
Adjustments:		
Effect due to the de-recognition of intangible assets (Amortization write off in accounting books)	4.299	4.302
Depreciation of tangible fixed assets according to their useful lives	(1.956)	(1.956)
Provision for retirement indemnities	(1.463)	(1.455)
Effect of deferred taxation	6.089	5.123
Income from investments	(949)	
Provision/allowance for doubtful accounts	(850)	(850)
Accounting of leases	2.632	2.459
Reversal of lease back gain	(5.013)	(5.013)
Adjustments of impairment in investments	514	514
Board of Director's fees	(600)	
Total adjustments	**2.703**	**3.124**
Period's profits according to International Accounting Standards	**13.109**	**10.338**

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

APPENDIX II

COMPANY'S SUBSIDIARIES AND TAX UNAUDITED YEARS PER COMPANY

Company's name	Company's location country	Activity	Participation (%)	Tax audited years
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	56,00%	2003-2005
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51,00%	2005
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50,50%	2005
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A..	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33,00%	2003-2005
HOSPITAL AFFILIATES INTERNATIONAL	GREECE	Organization & Administration of Hospitals and Clinics.	68,89%	2001-2005
MEDSANA BMC	ROMANIA	Diagnostic Center	100,00%	1997-2005
MEDSANA SRL	ROMANIA	Diagnostic Center	78,90%	1997-2005
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics	100,00%	2003-2005
ORTELIA HOLDINGS	CYPRUS	Establishment, Organization & Operation of Hospitals and Clinics	99,99%	1998-2005