

Explanatory report of the Board of Directors

This explanatory report of the Board of Directors of the Company IASO S.A. addressed to the shareholders Annual General Assembly contains detailed information in respect of the issues set forth in par.1 of article 11a of Law. 3371/2005.

1. Structure of the Share Capital. The Company's share capital amounts to €7,435,515 divided in 44,075,500 common registered shares bearing a vote right, each one of nominal value of €1.53. Following the approval of the Company's share capital increase by €2,023,065.45 through cash payment and issuance of 1,322,265 new common registered shares with voting right, each one of nominal value of €1,53 and subscription price (4) euros, decided by the Extraordinary General Meeting on 11.4.2007, provided that the share capital increase is fully completed, the Company's share capital shall amount to €9,458,580.45 divided in 45,397,765 common registered shares with voting right and nominal value of €1.53 each. The Company's shares are listed for trading in the Securities Market (Big Capitalization Segment) of Athens Exchange. Each share provides for all rights contemplated by the law and the Company's articles of association, and in specific: (a) The right on the dividend from the Company's annual or wind up profits. A proportion of 35% of net profits, deducting only the regular reserve, or 6% of the paid up capital (and specifically the greater of these two sums) is distributed to the shareholders from the profits of every fiscal year, as a first dividend while the granting of an additional dividend is decided by the General Meeting. Every shareholder is entitled to a dividend on the dividend cut-off date. Each share's dividend is paid to the shareholder not later than two months after the Annual General Meeting approving the Annual Financial Statements. The means and place of payment is announced through the Press and on the Daily Price Bulletin on the ATHEX website. The right to collect the dividend is prescribed after 5 years from the end of the year during which the General Meeting approved the dividend's distribution, and the corresponding amount is paid to the Greek State. (b) The right to receive contribution during wind up or capital depreciation corresponding to the share, respectively, provided that the General Meeting reaches such decision. (c) Preemption right in every share capital increase of the Company through cash amounts and subscription to new shares. (d) The right to receive copies of the financial statements and Chartered Auditors reports and reports of the Company's Board of Directors. (e) The right to participate in the General Meeting in which each share gives the right to one vote. (f) The shareholders General Meeting reserves all its rights during wind up (according to par. 4 article 37 of its Articles of Association). Shareholders shall not be held liable beyond the nominal capital of each share.

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

3. Material direct or indirect participations, as such are described in Presidential Decree 51/1992. As of 25.4.2007, EUROMEDICA S.A. has a proportion of 6,12% of the Company's share capital. No other person or legal entity owns a participation greater than 5% of the share capital.

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

6. Limitations in voting rights - Term limit for the exercise of such rights. There are no limitations in the voting rights.

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

8. Rules regarding appointment and replacement of the members of the Board of Directors and amendment of the Articles of Association. The rules set forth in the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors and amendment of the Articles of Association are no different from Codified Law 2190/1920.

9. Board of Directors competence in respect of issuance of new shares or purchase of own shares. (a) According to the provisions of article 13 par. 1 sec. b? and c? of codified law 2190/1920 and article 5 par. 2 of the Articles of Association, during the first five years after a relevant decision of the General Meeting, subject to the formalities of article 7b of codified law 2190/1920, the Company's Board of Directors is entitled to increase the Company's share capital with the issuance of new shares by virtue of a decision taken in a majority of at least 2/3 of its members. If this is the case, share capital may be increased no more than the amount of the capital having been paid on the date of the General Meeting's relevant decision. The aforementioned authority may be renewed by the General Meeting for a period of no more than five years for each renewal which is deemed valid after the expiration of each five year period. (b) If however the Company's reserves exceed - of paid up share capital, then a decision of the General Meeting is always required and must be taken in the special quorum and majority set forth in article 15 of the Articles of Association (article 29 par. 3 and 4 and 31 par. 2 of codified law 2190/1920 as currently in force). (c) According to the provisions of article 13 par. 9 of codified law 2190/1920, by virtue of a decision of the General Meeting a stock option program may be established amongst the members of the Board of Directors and the Company's personnel, in the form of stock option under the special terms of the aforementioned decision, a summary of which is subject to the formalities of article 7b of codified law 2190/1920. The decision of the General Meeting in question, specifically designates the number of shares that may be issued -which may not exceed 1/10 of existing shares, according to the law - if the persons entitled to purchase shares exercise such right, the price and the terms of the disposal of the shares to those entitled to receive them. The Board of Directors, through a decision, regulates all other details, not being otherwise regulated by the General Meeting, issues the

share purchase rights Certificates and on December of every year issues shares for the persons having exercised their right (to purchase shares), increasing the Company's share capital and certifying such increase. (d) According to the provisions of 5-13 of article 16 of codified law 2190/1920, by virtue of a decision of their shareholders General Meeting, companies listed in Athens Stock Exchange may acquire, through the Athens Stock Exchange, its own shares up to 10% of their total shares, in order to support their market price and under the special terms and procedures of the aforementioned paragraphs of article 16 of codified law 2190/1920.

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

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