

**ATHENS MEDICAL CENTER S.A.**  
**INTERMEDIATE FINANCIAL STATEMENTS OF 31st MARCH 2006**

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



**ATHENS MEDICAL CENTER S.A.**

**INTERMEDIATE FINANCIAL STATEMENTS**  
**FOR THE A' THREE MONTH PERIOD OF 2006**

**IN ACCORDANCE WITH INTERNATIONAL**  
**FINANCIAL REPORTING STANDARDS (IFRS)**

It is certified that the attached intermediate Financial Statements are those approved by the board of directors of “ATHENS MEDICAL CENTER S.A.” in March 29<sup>th</sup> 2006 and they are uploaded to the internet address: [www.iatriko.gr](http://www.iatriko.gr). The records and information published to the press aim at providing to the reader some general financial records and information, but they do not provide the whole picture of the financial condition and the profits of the Company, according to the International Accounting Standards and the International Financial Reporting Standards.

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

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**CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 MARCH 2006**

		The Group		The Company	
	Notes	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005	31 <sup>st</sup> March 2006	31 <sup>st</sup> March 2005
<b>INCOME:</b>					
Revenue		65.452	53.227	64.294	51.223
Cost of sales		(50.417)	(40.668)	(51.634)	(41.237)
<b>Gross Profit</b>		<b>15.035</b>	<b>12.559</b>	<b>12.660</b>	<b>9.985</b>
Administrative expenses and Distribution Costs	7	(5.758)	(6.044)	(5.077)	(5.693)
Other income/ (expenses)	8	601	490	600	490
Net financial income/ (costs)	9	(1.174)	(774)	(589)	(760)
<b>PROFIT BEFORE TAX</b>		<b>8.705</b>	<b>6.232</b>	<b>7.594</b>	<b>4.023</b>
Income Tax Expense	10	(2.578)	(1.880)	(2.006)	(1.208)
<b>PROFIT FOR THE PERIOD</b>		<b>6.127</b>	<b>4.352</b>	<b>5.588</b>	<b>2.815</b>
<b>Attributable to:</b>					
Equity holders of the parent company		5.722	3.665	5.588	2.815
Minority Interest		405	687		
		<b>6.127</b>	<b>4.352</b>	<b>5.588</b>	<b>2.815</b>
<b>Earnings per Share (in Euro)</b>					
Basic	11	0,07	0,04	0,07	0,03
<b>Weighted average number of shares, basic and impaired</b>					
Basic	11	83.985.980	83.985.980	83.985.980	83.985.980

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**BALANCE SHEET**  
**31 DECEMBER 2005**

		The Group		The Company	
		31 <sup>st</sup> March 2006	31- December 2005	31 <sup>st</sup> March 2006	31- December 2005
Notes					
<b>ASSETS</b>					
<b>Non current assets</b>					
Property, plant and equipment	12	274.956	277.341	250.637	251.895
Intangible assets	13	2.421	2.406	426	427
Investments in subsidiaries	14	-	-	13.586	13.586
Investments in associates consolidated by the equity method	15	70	91	-	-
Other long term debtors		364	360	360	355
Deferred tax assets	10	6.577	6.702	6.486	6.608
<b>Total non current assets</b>		<b>284.388</b>	<b>286.900</b>	<b>271.494</b>	<b>272.870</b>
<b>Current Assets:</b>					
Inventories	16	4.887	5.202	4.507	4.638
Trade accounts receivable	17	99.764	91.580	98.712	89.340
Prepayments and other receivables	18	22.161	14.059	22.553	14.528
Financial assets at fair value through income statement		1	1	-	-
Cash and cash equivalents	19	7.810	7.577	6.268	6.089
<b>Total current assets</b>		<b>134.623</b>	<b>118.418</b>	<b>132.040</b>	<b>114.595</b>
<b>TOTAL ASSETS</b>		<b>419.011</b>	<b>405.318</b>	<b>403.534</b>	<b>387.466</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent company</b>					
Share capital	20	26.036	26.036	26.036	26.036
Share premium	20	15.267	15.267	15.267	15.267
Retained Earnings		46.935	41.213	38.225	32.636
Legal, tax free and special reserves	21	74.691	74.664	74.162	74.162
		<b>162.929</b>	<b>157.180</b>	<b>153.690</b>	<b>148.102</b>
Minority Interest		6.414	6.065	-	-
<b>Total equity</b>		<b>169.343</b>	<b>163.245</b>	<b>153.690</b>	<b>148.102</b>
<b>Non-current liabilities:</b>					
Long term loans/borrowings	22	53.842	54.579	53.550	54.107
Government Grants	23	70	71	53	53
Deferred tax Liabilities	10	20.345	20.063	17.831	17.362
Provision for retirement indemnities	24	10.690	10.258	10.617	10.195

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Deferred income		5.041	5.166	4.387	4.512
<b>Total non-current liabilities</b>		<b>89.989</b>	<b>90.137</b>	<b>86.438</b>	<b>86.229</b>
<b>Current liabilities:</b>					
Trade accounts payable	25	77.649	73.244	87.376	78.890
Short term loans/borrowings	22	40.357	38.841	39.965	38.273
Long term liabilities payable in the next year	22	22.961	22.999	22.822	22.822
Current tax payable		9.026	7.983	4.883	4.679
Accrued and other current liabilities	26	9.686	8.869	8.360	8.471
<b>Total current liabilities</b>		<b>159.678</b>	<b>151.936</b>	<b>163.406</b>	<b>153.135</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>419.011</b>	<b>405.318</b>	<b>403.534</b>	<b>387.466</b>

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**STATEMENT OF CHANGES IN EQUITY**

**31 MARCH 2006**

	<b>The Group</b>					<b>Minority</b>	<b>Total</b>
	<b>Attributable to equity holders of the parent company</b>					<b>Interest</b>	<b>Equity</b>
			<b>Legal, Tax-free, and special Reserves</b>	<b>Retained earnings</b>	<b>Total</b>		
	<b>Share capital</b>	<b>Share Premium</b>					
<b>Adjusted Balance, 1 January 2006</b>	<b>26.036</b>	<b>15.267</b>	<b>74.664</b>	<b>41.213</b>	<b>157.180</b>	<b>6.065</b>	<b>163.245</b>
Period's profits				5.722	5.722	405	6.127
Exchange Differences			27		27	0	27
Dividend paid to minority shareholders of subsidiaries					0	(56)	(56)
<b>Balance, 31 March 2006</b>	<b>26.036</b>	<b>15.267</b>	<b>74.691</b>	<b>46.935</b>	<b>162.929</b>	<b>6.414</b>	<b>169.343</b>

	<b>The Company</b>						
			<b>Legal, Tax-free, and special Reserves</b>	<b>Retained earnings</b>	<b>Total</b>		
	<b>Share capital</b>	<b>Share Premium</b>					
<b>Adjusted Balance, 1 January 2006</b>	<b>26.036</b>	<b>15.267</b>	<b>74.612</b>	<b>32.636</b>	<b>148.102</b>		
Period's profits				5.588	5.588		
Dividends					0		
<b>Balance, 31 March 2006</b>	<b>26.036</b>	<b>15.267</b>	<b>74.162</b>	<b>38.224</b>	<b>153.689</b>		

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**STATEMENT OF CHANGES IN EQUITY**  
**31 MARCH 2005**

	<b>The Group</b>						
	<b>Attributable to equity holders of the parent company</b>				<b>Minority Interest</b>	<b>Total Equity</b>	
	<b>Share capital</b>	<b>Share Premium</b>	<b>Legal, Tax-free and special Reserves</b>	<b>Retained earnings</b>	<b>Total</b>		
<b>Adjusted Balance, 1 January 2005</b>	<b>26.036</b>	<b>15.267</b>	<b>74.028</b>	<b>35.020</b>	<b>150.351</b>	<b>5.145</b>	<b>155.496</b>
Period's profits				3.665	3.665	687	4.352
Exchange Differences			(5)	225	219	0	219
<b>Balance, 31 March 2005</b>	<b>26.036</b>	<b>15.267</b>	<b>74.022</b>	<b>38.910</b>	<b>154.235</b>	<b>5.832</b>	<b>160.067</b>

	<b>The Company</b>					
	<b>Share capital</b>	<b>Share Premium</b>	<b>Legal, Tax-free and special Reserves</b>	<b>Retained earnings</b>	<b>Total</b>	
<b>Adjusted Balance, 1 January 2005</b>	<b>26.036</b>	<b>15.267</b>	<b>73.767</b>	<b>27.651</b>	<b>142.721</b>	
Period's profits				2.815	<b>2.815</b>	
<b>Balance, 31 March 2005</b>	<b>26.036</b>	<b>15.267</b>	<b>73.767</b>	<b>30.466</b>	<b>145.536</b>	

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**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED IN 31 MARCH 2006 AND 2005**

	<b>The Group</b>		<b>The Company</b>	
	<b>31<sup>st</sup> March 2006</b>	<b>31<sup>st</sup> March 2005</b>	<b>31<sup>st</sup> March 2006</b>	<b>31<sup>st</sup> March 2005</b>
<b>Cash flows from operating activities</b>				
<b>Period's profit before taxation</b>	<b>8.705</b>	<b>6.232</b>	<b>7.594</b>	<b>4.023</b>
<i>Adjustments for operational activities</i>				
Depreciation	2.811	2.772	2.716	2.706
Depreciation of government grants	(1)	0	0	0
Provision for retirement indemnities	433	353	423	353
Allowance for doubtful accounts receivable	208	0	0	0
Gains/losses due to fixed assets sale	(125)	(125)	(125)	(125)
Impairment expenses of fixed assets	448	0	0	0
Interest and Financial income	(5)	(314)	(554)	(313)
Interest and other financial expenses	1.158	1.213	1.143	1.198
Losses from group's associates	21	0	0	0
Exchange differences due to consolidation of subsidiaries abroad	(37)	0	0	0
<b>Operational profit before changes in working capital variations</b>	<b>13.616</b>	<b>10.130</b>	<b>11.196</b>	<b>7.842</b>
<b>Increase/ (Decrease) in:</b>				
Inventories	315	498	131	438
Short and long term accounts receivable	(16.498)	(8.276)	(16.848)	(5.454)
<b>Increase/ (Decrease) in:</b>				
Short and long term liabilities	4.818	4.854	7.888	3.538
Interest charges and related expenses paid	(1.158)	(1.028)	(1.143)	(1.022)
Paid taxes	(724)	0	(724)	0
<b>Net Cash from operating activities</b>	<b>368</b>	<b>6.178</b>	<b>499</b>	<b>5.342</b>
<b>Cash flows from investing activities</b>				
Purchase of tangible and intangible fixed assets	(1.197)	(2.220)	(1.456)	(1.904)
Interest and related income received	5	5	1	3
Received dividends from subsidiaries	0	0	0	0
Received dividends from other companies	0	0	0	0
Purchase of of long and short term investments	0	0	0	0
<b>Net Cash flows used in investing activities</b>	<b>(1.192)</b>	<b>(2.215)</b>	<b>(1.455)</b>	<b>(1.901)</b>
<b>Cash flows from financing activities</b>				
Share capital issuance		2		
Net variation of short term borrowings	1.801	(135)	1.831	0
Increase/decrease of Long term debt/borrowings	386	240	374	0
Payment of finance lease liabilities	(1.074)	(1.399)	(1.071)	(1.263)
Dividends paid to minority from subsidiaries	(56)	0	0	0
Dividends paid of parent company				
<b>Net Cash flows used in financing activities</b>	<b>(1.057)</b>	<b>(1.292)</b>	<b>1.135</b>	<b>(1.263)</b>
<b>Net increase/ in cash and cash equivalents</b>	<b>234</b>	<b>2.670</b>	<b>179</b>	<b>2.177</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>7.577</b>	<b>7.026</b>	<b>6.089</b>	<b>6.406</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>7.810</b>	<b>9.696</b>	<b>6.268</b>	<b>8.583</b>



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**(1) CORPORATE INFORMATION:**

The Company “ATHENS MEDICAL SOCIETE ANONYME” with the distinctive title “ATHENS MEDICAL CENTER S.A.” (hereafter the “Company” or the “Parent Company”) and its subsidiaries (hereafter the “Group”) are involved in the area of health care services with the organization and operation of hospital units. The Company’s and the Group’s head offices are located in the Municipality of Amarousion Attica in 5-7 Distomou Street and employ 2.642 and 2.768 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 31 March 2006, were approved for issuing, by the decision of the Board of Directors in 29 May 2006.

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

**(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 (1<sup>st</sup> 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 1<sup>st</sup> 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.

***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.

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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 (1<sup>st</sup> 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 exemption 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.

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- 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 March 31, 2006, on May 29, 2006.

*(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.

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**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 I.

**(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.

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***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 12, 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:

<u>Classification</u>	<u>Annual rate</u>
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.

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

**(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 doubtful debtors are assessed by management in order to determine the necessity for relevant provision, with criteria such as the customer's ability to pay and the aging of his balance.. The balance of such allowance for doubtful accounts is appropriately adjusted at each balance sheet date in order to reflect all possible risks. Any amount written-off with respect to customer account balances is charged against the existing allowance for doubtful accounts. It is the Group's policy not to write-off an account until all possible legal action has been exhausted.

**(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.

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**(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.

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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.



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**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being 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 or have amended valid standards, whose application is mandatory for the periods beginning January 1, 2006 onwards (except if mentioned otherwise below). The Group's and company's management's assessment regarding the effect of these new standards and interpretations is as follows:

**IAS 19 (amendment) Employee benefits (valid since January 1, 2006):** This amendment provides entities the choice of an alternative method for actuarial gain or loss recognition. It is probable that this amendment will set new recognition criteria for cases where multi-employer retirement plans exist, for which no sufficient information, in order to apply fixed grants accounting. In addition new disclosures are added. This amendment is not applicable for the group.

**IAS 39 (amendment) Cash flow hedges accounting for anticipated group transactions (valid since January 1, 2006):** This specific amendment allows the exchange difference risk due to a highly probable anticipated group transaction, to be recognized as a hedging item in the consolidated financial statements, under the condition that (a) this transaction is performed in a currency different from the one used by the company, involved in the transaction and (b) the exchange difference risk will influence the consolidated income statement. This amendment is not expected to have effect in the group's financial statements under the condition that the structure and the relevant transactions will remain as they are.

**IAS 39 (amendment) fair value measurement considerations (valid since January 1, 2006):** This amendment alters the definition of the financial instruments at fair value through profit or loss and limits the ability to classify financial instruments in this category. The group considers that this specific amendment will not materially affect its financial instruments classification, as the group has not classified other financial instruments at fair value through profit or loss, except these held for trading. The group and the company will apply this amendment since January 1, 2006

**IAS 39 and IFRS 4 (amendment) Financial guarantee contracts (valid since January 1, 2006):** This amendment requires that financial guarantee contracts issued, except the ones that proved by the company to be insurance contracts, to be initially recognized at fair value and later to be valued at the greater value between (a) the balance of

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relevant fees that have been received and postponed and (b) the expense required to regulate the commitment at the Balance Sheet date. The management has come to the conclusion, that this amendment is not applicable for the group and the company.

**IFRS 1 (amendment) First time adoption of International Financial Reporting Standards and IFRS 6 Exploration for and Evaluation of mineral resources (valid since January 1, 2006):** These amendments are not relevant with the group's operations.

**IFRS 6 Explorations and Evaluation of mineral reserves (valid since January 1, 2006) :** Not applicable for the Group and will not affect the financial statements.

**IFRS 7 Financial Instruments: Disclosures and supplementary adjustment in IAS 1 Presentation of Financial Statements (valid since January 1, 2007):** IFRS 7 introduces added disclosures in order to improve the incoming information relating to the financial instruments. It requires the disclosure of quality and quantity information regarding the risk exposure due to financial instruments. More specifically it defines minimum required disclosures relating to credit risk, cash flow risk as well as market risk (imposes the sensitivity analysis concerning the market risk). IFRS 7 replaces the IAS 30 (Disclosures in the Financial Statements of banks and similar Financial Institutions) and the disclosure requirements of IAS 32, (Financial Instruments: disclosure and presentation) It is applicable in all entities that prepare financial statements according to IFRS. The adjustment to IAS 1 introduces disclosures relating the amount of entities' capital as well as its management. The group and the company has assessed the effect of IFRS 7 and the adjustment of IAS 1 and came to the conclusion that the additional disclosure required by their application is the sensitivity analysis regarding the market risk and the capital disclosures. The group will apply IFRS 7 and the amendment of IAS 1 from January 1, 2007

**IFRIC 3, Emission Rights:** This interpretation was not adopted by the E.U. and 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 (valid since January 1, 2006):** IFRIC 4 requires to be determined, whether a business agreement is or includes a lease or not. More specifically it requires an assessment of the following data (a) whether the fulfilment of the agreement depends on the use of specific fixed asset(s) and (b) whether the agreement gives the lessee only the right to use the asset. 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 Decommissioning, Restoration and Environmental Rehabilitation Funds (valid since January 1, 2006):** IFRIC 5 is not applicable for the Group and the company.

**IFRIC 6: Liabilities arising from participating in a specific market – waste electrical and electronic equipment (valid since January 1, 2005):** IFRIC 6 is not applicable for the Group and the company.

**IFRIC 7: Applying the restatement approach under IAS 29 financial reporting hyperinflationary economies (valid since March 1, 2006):** IFRIC 7 is not applicable for the Group and the company.

**IFRIC 8: Scope of IFRS 2 (valid since May 1, 2006):** Is not applicable for the Group and will not affect the financial statements.

**IFRIC 9: Remeasurment of embedded derivatives (valid since June 1, 2006):** Is not applicable for the Group and will not affect the financial statements.

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#### **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:

##### **Significant accounting estimates and relative uncertainty:**

##### **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 13 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 profitability of "IATRIKI TEHNIKI S.A." assessed by the company's results of year 2005, as well as the ones of the three month period of 2006, 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 exercising 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 the tax authorities upon settlement of the open tax years. Accordingly, the financial settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. Further details are provided in Note 10.

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**5. PAYROLL COST:**

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

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>
Wages and Salaries	13.161	12.928	12.796	12.048
Social security costs	2.767	2.146	2.682	2.498
Provision for retirement indemnities	472	353	454	353
Other staff expenses	296	324	296	324
<b>Total payroll</b>	<b>16.696</b>	<b>15.751</b>	<b>16.228</b>	<b>15.223</b>
Less: amounts charged to cost of sales	(13.378)	(12.601)	(13.183)	(12.178)
<b>Payroll expensed to to administrative and distribution cost (Note 8)</b>	<b>3.318</b>	<b>3.150</b>	<b>3.045</b>	<b>3.045</b>

**6. DEPRECIATION AND AMORTISATION:**

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

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>
Depreciation of property land and equipment (Note 12)	2.803	2.720	2.713	2.654
Amortization of intangible assets (Note 13)	8	52	3	52
	<b>2.811</b>	<b>2.772</b>	<b>2.716</b>	<b>2.706</b>
Less: depreciation and amortization charged to cost of sales	(2.546)	(2.529)	(2.493)	(2.489)
<b>Depreciation and amortization expensed (Note 6)</b>	<b>265</b>	<b>243</b>	<b>223</b>	<b>217</b>

**7. ADMINISTRATIVE EXPENSES AND DISTRIBUTION COSTS:**

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

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>
Payroll cost (Note 5)	3.318	3.150	3.045	3.045
Depreciation and amortization (Note 6)	265	243	223	217
Other expenses	1.967	2.651	1.809	2.431
Provision for doubtful debtors	208	-	-	-
<b>Total</b>	<b>5.758</b>	<b>6.044</b>	<b>5.077</b>	<b>5.693</b>

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• **8. OTHER INCOME / (EXPENSES):**

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

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>
Income from rentals/other services	413	510	412	510
Government Grants	40		40	
Other Income				
Profit on disposals of fixed assets	125		125	
Other expenses	23		23	
Income from prior years' provisions		(20)		(20)
	<b>601</b>	<b>490</b>	<b>600</b>	<b>490</b>

**9.FINANCIAL INCOME/(COSTS):**

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

<b>The Group</b>	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>
Interest on non-current loans/borrowings	(667)	(818)
Interest on current loans/borrowings & relevant expenses	(188)	(61)
Factoring commissions	(156)	(129)
Finance lease interest	(147)	(205)
Losses from associates	(21)	
<b>Total financial costs</b>	<b>(1.179)</b>	<b>(1.213)</b>
Gains from sale of investments & shares (gain from lease back sale)		125
Interest on deposits, other	5	314
<b>Total financial income</b>	<b>5</b>	<b>439</b>
<b>Financial income/(costs)</b>	<b>(1.174)</b>	<b>(774)</b>

<b>The company</b>	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>
Interest on non-current loans/borrowings	(667)	(818)
Interest on current loans/borrowings & relevant expenses	(173)	(56)
Factoring commissions	(156)	(129)
Finance lease interest	(147)	(195)
<b>Total financial costs</b>	<b>(1.143)</b>	<b>(1.198)</b>
Gains from sale of investments & shares (gain from lease back sale)		125
Dividends from investments in companies and from shares	553	309
Interest on deposits	1	3
<b>Total financial income</b>	<b>554</b>	<b>438</b>
<b>Financial income/(costs)</b>	<b>(589)</b>	<b>(760)</b>

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**10. INCOME TAXES:**

According to the tax legislation, the tax rate applicable in companies for the period of 2006 is 29% (32 % until the 31<sup>st</sup> of December 2005).

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:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/3/2005</u></b>
Current income taxes:				
Current income tax charge	2.124	1.151	1.416	495
Prior years' taxes	47			
Deferred income taxes	407	729	590	713
<b>Total provision for income taxes</b>	<b>2.578</b>	<b>1.880</b>	<b>2.006</b>	<b>1.208</b>

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.

The Company has been audited by the tax authorities up to 31<sup>st</sup> 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.

	<b><u>The Group</u></b>	<b><u>The Company</u></b>
Opening balance, January 1 <sup>st</sup> 2004	(9.323)	(6.799)
Charged directly to equity		
Charged to the consolidated statement of income	(4.038)	(3.955)
<b>Closing balance, December, 31<sup>st</sup> 2004</b>	<b>(13.361)</b>	<b>(10.754)</b>

	<b><u>The Group</u></b>	<b><u>The Company</u></b>
Opening balance, January 1 <sup>st</sup> 2005	(13.361)	(10.754)
Charged directly to equity		
Charged to the consolidated statement of income	(407)	(591)
<b>Closing balance, December, 31<sup>st</sup> 2005</b>	<b>(13.768)</b>	<b>(11.345)</b>

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	<u>The Group</u>		<u>The Company</u>	
	31 <sup>η</sup> Μαρτίου 2006	31 <sup>η</sup> Δεκεμβρίου 2005	31 <sup>η</sup> Μαρτίου 2006	31 <sup>η</sup> Δεκεμβρίου 2005
<b>Deferred income tax Liabilities</b>				
- Property plant and equipment	(18.017)	(17.715)	(15.517)	( 15.215)
- Leases	(2.136)	(2.157)	(2.136)	( 1.970)
- Other	(191)	(191)	(178)	( 178)
	<b>(20.344)</b>	<b>(20.063)</b>	<b>17.831</b>	<b>( 17.363)</b>
<b>Deferred income tax Assets</b>				
- Accounts receivable	800	800	800	800
- Deferred expenses	2.053	2.255	1.981	2.178
- Investment measurement	1.097	1.128	1.097	1.128
- Provision for retirement indemnities	2.673	2.564	2.654	2.549
- Other	(47)	(47)	(46)	(46)
<b>Deferred income tax Assets</b>	<b>6.576</b>	<b>6.701</b>	<b>6.486</b>	<b>6.609</b>
<b>Net deferred income tax Liabilities</b>	<b>(13.768)</b>	<b>(13.361)</b>	<b>(11.345)</b>	<b>( 10.754)</b>

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

	<u>The Group</u>		<u>The Company</u>	
	31 <sup>η</sup> Μαρτίου 2006	31 <sup>η</sup> Δεκεμβρίου 2005	31 <sup>η</sup> Μαρτίου 2006	31 <sup>η</sup> Δεκεμβρίου 2005
<b>Deferred income tax Liabilities</b>				
- Property plant and equipment	(302)	(2.036)	(302)	(2.036)
- Leases	20	(456)	(167)	(449)
- Other	(0)	36	0	50
	<b>(282)</b>	<b>(2.456)</b>	<b>(469)</b>	<b>(2.435)</b>
<b>Deferred income tax Assets</b>				
- Accounts receivable	0	(235)	0	(235)
- Deferred expenses	(202)	(1.533)	(197)	(1.468)
- Investment measurement	(31)	(125)	(31)	(125)
- Provision for retirement indemnities	108	356	106	353
- Other	0	(46)	0	(46)
	<b>(125)</b>	<b>(1.583)</b>	<b>(122)</b>	<b>(1.521)</b>
<b>(Debit)/Credit of deferred income tax</b>	<b>(407)</b>	<b>(4.039)</b>	<b>(591)</b>	<b>(3.956)</b>

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**11. EARNINGS PER SHARE:**

The calculation of basic earnings per share in the 31st of March 2006 and 2005 is the following:

	<u>The Group</u>		<u>The Company</u>	
	31 <sup>η</sup> Μαρτίου 2006	31 <sup>η</sup> Μαρτίου 2005	31 <sup>η</sup> Μαρτίου 2006	31 <sup>η</sup> Μαρτίου 2005
Net profit attributable to equity holders of the parent	6.127	4.352	5.588	2.815
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 share attributable to equity holders of the parent	0,07	0,04	0,07	0,03
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**12. PROPERTY LAND AND EQUIPMENT:**

Property, land and equipment is analyzed as follows:

*Movement for year 2005 – Group*

	Land	Buildings and installations	Machinery and equipment	Transporta tion equipment	Furniture and fixtures	Constructio n / Purchases in Progress	Total
<b><u>Cost or measurement</u></b>							
<b>Balance 1.1.2005</b>	<b>62.869</b>	<b>159.807</b>	<b>52.623</b>	<b>4.834</b>	<b>25.636</b>	<b>14.437</b>	<b>320.204</b>
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 constructions		747	180		8	(935)	0
<b>Balance 31.12.2005</b>	<b>62.961</b>	<b>161.905</b>	<b>55.106</b>	<b>2.422</b>	<b>25.955</b>	<b>16.115</b>	<b>324.462</b>
<b>Depreciation</b>							
<b>Balance 1.1.2005</b>		<b>(2.677)</b>	<b>(18.857)</b>	<b>(1.242)</b>	<b>(13.610)</b>		<b>(36.386)</b>
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
<b>Period total</b>		<b>(3.331)</b>	<b>(4.672)</b>	<b>(211)</b>	<b>(2.520)</b>		<b>(10.734)</b>
<b>Balance 31.12.2005</b>		<b>(6.008)</b>	<b>(23.529)</b>	<b>(1.453)</b>	<b>(16.130)</b>		<b>(47.120)</b>
<b>Net Book Value 31.12.2005</b>	<b>62.961</b>	<b>155.896</b>	<b>31.576</b>	<b>969</b>	<b>9.825</b>	<b>16.115</b>	<b>277.342</b>



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*Movement of a' three month period of 2006 – Group*

	Land	Buildings and installations	Machinery and equipment	Transporta tion equipment	Furniture and fixtures	Constructio n / Purchases in Progress	Total
<b><u>Cost or measurement</u></b>							
<b>Balance 1.1.2006</b>	<b>62.961</b>	<b>161.905</b>	<b>55.106</b>	<b>2.422</b>	<b>25.955</b>	<b>16.115</b>	<b>324.462</b>
Exchange Differences	2	28	45	1	6		83
Additions		82	1.002		196	193	1.474
Sales/Deletions			(1.504)				(1.504)
Impairment			(448)				(448)
Transfers from fixed assets under constructions		113				(113)	
<b>Balance 31.3.2006</b>	<b>62.963</b>	<b>162.128</b>	<b>54.201</b>	<b>2.423</b>	<b>26.157</b>	<b>16.195</b>	<b>324.067</b>
<b>Depreciation</b>							
<b>Balance 1.1.2006</b>		(6.008)	(23.529)	(1.453)	(16.130)		(47.120)
Exchange Differences		(3)	(15)	(1)	(1)		(20)
Year's Additions		(953)	(1.175)	(48)	(628)		(2.804)
Sales/Deletions			833				833
<b>Period total</b>		<b>(956)</b>	<b>(357)</b>	<b>(49)</b>	<b>(629)</b>		<b>(1.989)</b>
<b>Balance 31.3.2006</b>		<b>(6.964)</b>	<b>(23.886)</b>	<b>(1.502)</b>	<b>(16.759)</b>		<b>(49.111)</b>
<b>Net Book Value 31.3.2006</b>	<b>62.963</b>	<b>155.164</b>	<b>30.314</b>	<b>921</b>	<b>9.398</b>	<b>16.195</b>	<b>274.956</b>

*Movement for year 2005 – Company*

	Land	Buildings and installations	Machinery and equipment	Transporta tion equipment	Furniture and fixtures	Constructio n / Purchases in Progress	Total
<b><u>Cost or measurement</u></b>							
<b>Balance 1.1.2005</b>	<b>46.300</b>	<b>158.158</b>	<b>48.167</b>	<b>2.235</b>	<b>25.138</b>	<b>11.529</b>	<b>291.528</b>
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 constructions		450				-450	0
<b>Balance 31.12.2005</b>	<b>46.389</b>	<b>159.880</b>	<b>49.306</b>	<b>2.248</b>	<b>25.299</b>	<b>13.311</b>	<b>296.434</b>
<b>Depreciation</b>							
<b>Balance 1.1.2005</b>		(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
<b>Period Total</b>		<b>(3.176)</b>	<b>(4.356)</b>	<b>(178)</b>	<b>(2.475)</b>		<b>(10.185)</b>
<b>Balance 31.12.2005</b>		<b>(5.817)</b>	<b>(21.563)</b>	<b>(1.394)</b>	<b>(15.766)</b>		<b>(44.539)</b>
<b>Net Book Value 31.12.2005</b>	<b>46.389</b>	<b>154.063</b>	<b>27.743</b>	<b>854</b>	<b>9.533</b>	<b>13.311</b>	<b>251.895</b>

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***Movement of a' three month period of 2006 – Group***

	<b>Land</b>	<b>Buildings and installations</b>	<b>Machinery and equipment</b>	<b>Transporta tion equipment</b>	<b>Furniture and fixtures</b>	<b>Constructio n / Purchases in Progress</b>	<b>Total</b>
<b><u>Cost or measurement</u></b>							
<b>Balance 1.1.2006</b>	<b>46.389</b>	<b>159.880</b>	<b>49.306</b>	<b>2.248</b>	<b>25.299</b>	<b>13.311</b>	<b>296.434</b>
Additions		82	998		182	193	1.454
Sales -Deletions							
Transfers from fixed assets under constructions		113				(113)	
<b>Balance 31.3.2006</b>	<b>46.389</b>	<b>160.075</b>	<b>50.304</b>	<b>2.248</b>	<b>25481</b>	<b>13.391</b>	<b>297.888</b>
<b>Depreciation</b>							
<b>Balance 1.1.2006</b>		<b>(5.817)</b>	<b>(21.563)</b>	<b>(1.394)</b>	<b>(15.766)</b>		<b>(44.539)</b>
Year's Additions		(942)	(1.115)	(41)	(615)		(2.713)
Sales -Deletions							
<b>Period Total</b>		<b>(942)</b>	<b>(1.115)</b>	<b>(41)</b>	<b>(616)</b>		<b>(2.713)</b>
<b>Balance 31.3.2006</b>		<b>(6.759)</b>	<b>(22.678)</b>	<b>(1.435)</b>	<b>(16.381)</b>		<b>(47.252)</b>
<b>Net Book Value 31.3.2006</b>	<b>46.389</b>	<b>153.316</b>	<b>27.626</b>	<b>814</b>	<b>9.100</b>	<b>13.391</b>	<b>250.637</b>

***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 cost method for the industrial buildings and the machinery and equipment.

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:

	<b><u>The Group</u></b> <b><u>1<sup>st</sup> January 2004</u></b>			<b><u>The Company</u></b> <b><u>1<sup>st</sup> January 2004</u></b>		
	<b><u>Increase in Value</u></b>	<b><u>Decrease in Value</u></b>	<b><u>Total</u></b>	<b><u>Increase in Value</u></b>	<b><u>Decrease in Value</u></b>	<b><u>Total</u></b>
Land	38.717	-	38.717	28.715	-	28.715
Buildings	30.761	-	30.761	30.761	-	30.761
	<b>69.477</b>	<b>-</b>	<b>69.477</b>	<b>59.476</b>	<b>-</b>	<b>59.476</b>

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**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.

### 13. INTANGIBLE ASSETS

#### The Group

Cost	Goodwill	Rights/ Licenses	Other	Total
<b>Balance 1.1.2005</b>		398	570	968
Additions	1.979		37	2.016
Transfers /Deletions			8	8
<b>Balance 31.12.2005</b>	1.979	398	615	2.991
<b>Accumulated amortization</b>				
<b>Balance 1.1.2005</b>			(559)	(559)
Additions			(19)	(19)
Sales/Deletions			(8)	(8)
<b>Balance 31.12.2005</b>			(586)	(586)
<b>Balance 31 December 2005</b>	<b>1.979</b>	<b>398</b>	<b>29</b>	<b>2.406</b>
<b>Cost</b>	<b>Goodwill</b>	<b>Rights/ Licenses</b>	<b>Other</b>	<b>Total</b>
<b>Balance 1.1.2006</b>	1.979	398	615	2.991
Additions			23	23
Transfers - Deletions				
<b>Balance 31.3.2006</b>	1.979	398	638	3.014
<b>Accumulated amortization</b>				
<b>Balance 1.1.2006</b>			(586)	(586)
Additions			(7)	(7)
Sales / Deletions				
<b>31.3.2006</b>			(593)	(593)
<b>Net Book Value 31.3.2006</b>	<b>1.979</b>	<b>398</b>	<b>45</b>	<b>2.421</b>

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.

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<b>The Company</b>	<b>Goodwill</b>	<b>Rights/ Licenses</b>	<b>Other</b>	<b>Total</b>
<b>Cost</b>				
<b>Balance 1.1.2005</b>		398	570	968
Additions			37	37
Sales/Deletions			8	8
<b>Balance 31.12.2005</b>		398	615	1.012
<b>Accumulated amortization</b>				
<b>Balance 1.1.2005</b>			(559)	(559)
Additions			(19)	(19)
Sales/Deletions			(8)	(8)
<b>Balance 31.12.2005</b>			(586)	(586)
<b>Net Book Value e 31 December 2005</b>		<b>398</b>	<b>29</b>	<b>427</b>
<b>Cost</b>				
<b>Balance 1.1.2006</b>		398	615	1.012
Additions			1	1
Transfers - Deletions				
<b>Balance 31.3.2006</b>		398	616	1.014
<b>Accumulated amortization</b>				
<b>Balance 1.1.2006</b>			(586)	(586)
Additions			(2)	(2)
Transfers/ Deletions				
<b>Balance 31.3.2006</b>			(588)	(588)
<b>Net Book Value 31.3.2006</b>		<b>398</b>	<b>28</b>	<b>426</b>

#### 14. INVESTMENTS IN SUBSIDIARIES

The investments of the Company in subsidiaries at the 31<sup>st</sup> March 2006 are analyzed as follows:

	<b>Participation</b>	<b>Acquisition cost</b>
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
		<b>16.077</b>
Impairment loss		(2.491)
<b>Balance</b>		<b>13.586</b>

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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 1<sup>st</sup> of January 2004.

#### **15. 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.

	<u>Percentage</u>	<u>Acquisition cost</u>
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
		<b>499</b>
Impairment loss		(499)
<b>Net carrying amount</b>		<b>0</b>

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 1<sup>st</sup> January. It is noted that company In Health S.A. was merged through absorption 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 a' three month period of 2006, 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 a' three month period of 2006, as it did not have adequate information to form an estimation for the future profitability of Interoptics S.A.

#### **16. INVENTORIES:**

The inventories are analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>
Merchandise	160	202		
Raw materials and consumable materials	4.681	4.954	4.507	4.638
Finished and semi-finished products	45	46		
	<b>4.887</b>	<b>5.202</b>	<b>4.507</b>	<b>4.638</b>

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**17. TRADE ACCOUNTS RECEIVABLE:**

The trade accounts receivable are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>
Trade debtors - open balances	90.232	81.788	89.411	80.945
Checks receivable (postdated) & bills receivable	12.240	12.293	12.016	11.110
Pass due debtors	517	517	302	303
Less: Provision for impairment (trade debtors)	(3.018)	(3.018)	(3.018)	(3.018)
Less: Provision for impairment (debtors)	(208)	0	0	0
	<b>99.764</b>	<b>91.580</b>	<b>98.712</b>	<b>89.340</b>

**18. REPAYMENTS AND OTHER RECEIVABLES:**

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>
Advance payments for purchases	11	202		187
Advances	1.029	938	980	901
Other accounts receivable	12.951	10.836	9.579	8.093
Short-term receivables from associates	61	26	3.870	3.827
Prepaid expenses and other debtors	8.109	2.056	8.123	1.520
	<b>22.161</b>	<b>14.059</b>	<b>22.553</b>	<b>14.528</b>

**19 CASH AND CASH EQUIVALENTS:**

The cash and cash equivalents are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>
Cash in hand	610	538	564	504
Deposits (sight and time)	7.200	7.039	5.703	5.585
	<b>7.810</b>	<b>7.577</b>	<b>6.267</b>	<b>6.089</b>

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.

**20. 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 31<sup>st</sup> of March 2006, the shareholders with a holding a percentage in the Company greater than 2 % were the following:

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	Number of shares acquired	% 31st March 2006
G. Apostolopoulos Holdings S. A.	47.633.843	56,72%
Georgios Apostolopoulos	1.903.101	2,27%
2S Banca Milan	2.666.370	3,17%
Banca Commerciale Italiana Milan	3.864.264	4,60%
Morgan Stanley and Co International Ltd	2.967.000	3,533%
UBS Ag London branch –International prime brokerage client account	2.282.561	2,72%
Free float <2%	22.668.841	26,99%
	<b>83.985.980</b>	<b>100,00%</b>

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.

**21. LEGAL, TAX FREE AND SPECIAL RESERVES:**

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

**The Group**

	<u>31/3/2006</u>	<u>31/12/2005</u>
Legal reserve	6.629	6.629
Less: Impairment of investments	(3.039)	(3.039)
Tax free and specially taxed reserves	70.610	70.610
Other	491	464
	<b>74.691</b>	<b>74.664</b>

**The Company**

	<u>31/3/2006</u>	<u>31/12/2005</u>
Legal reserve	6.213	6.213
Less: Impairment of investments	(3.039)	(3.039)
Tax free and specially taxed reserves	70.548	70.548
Other	440	440
	<b>74.162</b>	<b>74.162</b>

**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.

**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.

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**22. LOANS:**

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>
<b>Non-current loans</b>				
Syndicated bank loan	45.763	45.758	45.644	45.644
Finance leases	8.079	8.821	7.906	8.463
	<b>53.842</b>	<b>54.579</b>	<b>53.550</b>	<b>54.107</b>
<b>Current loans</b>				
Bank loans	24.816	24.350	24.500	24.041
Non-current loans payable within the next 12 months	22.961	22.999	22.822	22.822
Finance leases	3.572	3.894	3.496	3.635
Other loans (factoring)	11.969	10.597	11.969	10.597
	<b>63.318</b>	<b>61.840</b>	<b>62.787</b>	<b>61.095</b>
<b>Total of loans due</b>	<b>117.160</b>	<b>116.419</b>	<b>116.338</b>	<b>115.202</b>

  

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>
<b>Maturity of non-current loans</b>				
Between 1 & 2 years	22.961	22.822	22.822	22.822
Between 2 & 5 years	22.802	22.936	22.822	22.822
Over 5 years				
	<b>45.763</b>	<b>45.758</b>	<b>45.644</b>	<b>45.644</b>

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%.

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:



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*Leasing Liabilities - Minimum payments of leases:*

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>
Up to one year	4.063	4.433	3.992	4.166
Between 2 & 5 years	4.668	5.340	4.514	4.994
After 5 years	5.714	5.903	5.714	5.903
<b>Total</b>	<b>14.445</b>	<b>15.676</b>	<b>14.220</b>	<b>15.063</b>
Future finance charges on finance leases	(2.794)	(2.962)	(2.818)	(2.966)
<b>Present value of lease liability</b>	<b>11.651</b>	<b>12.714</b>	<b>11.402</b>	<b>12.097</b>

*The present value of the leasing liabilities is the following:*

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>	<b><u>31/3/2006</u></b>	<b><u>31/12/2005</u></b>
Until one year	3.572	3.894	3.496	3.635
From 2 to 5 years	3.014	3.634	2.840	3.276
After 5 years	5.065	5.186	5.065	5.186
<b>TOTAL</b>	<b>11.651</b>	<b>12.714</b>	<b>11.402</b>	<b>12.097</b>

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.

### **23. GOVERNMENT GRANTS:**

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

	<b><u>The Group</u></b>	<b><u>The Company</u></b>
<b>Balance 1.1.2005</b>	<b>73</b>	<b>73</b>
Additions	18	-
Depreciation	(20)	(20)
<b>Balance 31.12.2005</b>	<b>71</b>	<b>53</b>

  

	<b><u>The Group</u></b>	<b><u>The Company</u></b>
<b>Balance 1.1.2006</b>	<b>71</b>	<b>53</b>
Additions		
Depreciation	(1)	
<b>Balance 31.3.2006</b>	<b>70</b>	<b>53</b>

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**24. 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 31<sup>st</sup> March 2006, were recognized as expenses and amounted to € 2.682 and € 2.767 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:

	<b>31<sup>st</sup> March 2006</b>	<b>31<sup>st</sup> December 2005</b>
<b>The Company</b>		
Net liability at the beginning of period	10.194	8.781
Actual benefits paid by the Company	(31)	(112)
Expense recognized in the income statement (Note 4)	454	1.525
<b>Net liability at the end of the period</b>	<b>10.617</b>	<b>10.194</b>

	<b>31<sup>st</sup> March 2006</b>	<b>31<sup>st</sup> December 2005</b>
<b>The Group</b>		
Net liability at the beginning of period	10.258	8.834
Actual benefits paid by the Company	(40)	(142)
Expense recognized in the income statement (Note 4)	472	1.566
<b>Net liability at the end of the period</b>	<b>10.690</b>	<b>10.258</b>

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 31<sup>st</sup> March 2006 and 31<sup>st</sup> of December 2005 is the following:

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	<u>The Group</u>		<u>The Company</u>	
	<b>31st March 2006</b>	<b>31st December 2005</b>	<b>31st March 2006</b>	<b>31st December 2005</b>
Present Value of un funded obligations		11.704		11.640
Unrecognized actuarial net loss		(1.446)		(1.446)
<b>Net liability in balance Sheet</b>		<b>10.258</b>		<b>10.194</b>
<b>Components of net periodic pension cost:</b>				
Service cost	324	1.056	315	1.046
Interest cost	102	362	102	362
Analogical losses	6	55	6	55
Regular charge to operations/results	<b>432</b>	<b>1.473</b>	<b>423</b>	<b>1.463</b>
Additional cost of extra benefits		44		44
<b>Total charge to operations/results</b>	<b>432</b>	<b>1.517</b>	<b>423</b>	<b>1.507</b>
<b>Reconciliation of benefit obligation:</b>				
Net liability at start of period	10.258	8.834	10.194	8.781
Service cost	324	1.056	315	1.046
Interest cost	102	362	102	362
Benefits paid		(94)		(94)
Additional cost of extra benefits		44		44
Analogical losses	6	55	6	55
<b>Present value of obligation at the end of the period</b>	<b>10.690</b>	<b>10.258</b>	<b>10.617</b>	<b>10.194</b>
<b>Principal assumptions:</b>			<b>2005</b>	
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.

**25. TRADE ACCOUNTS PAYABLE:**

The trade accounts payable are analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<b>31/3/2006</b>	<b>31/3/2005</b>	<b>31/3/2006</b>	<b>31/3/2005</b>
Suppliers	66.296	58.422	76.349	64.985
Checks outstanding (postdated)	11.353	14.822	11.027	13.905
	<b>77.649</b>	<b>73.244</b>	<b>87.376</b>	<b>78.890</b>

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**26. ACCRUED AND OTHER CURRENT LIABILITIES:**

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

	<u><b>The Group</b></u>		<u><b>The Company</b></u>	
	<u><b>31/3/2006</b></u>	<u><b>31/12/2005</b></u>	<u><b>31/3/2006</b></u>	<u><b>31/12/2005</b></u>
Customers' advances	18	59	18	59
Sundry creditors	4.074	4.356	3.859	4.162
Insurance and pension contributions payable	2.175	3.435	2.133	3.287
Accrued expenses	1.151	955	1.085	900
Other	2.268	64	1.265	63
	<b>9.686</b>	<b>8.869</b>	<b>8.360</b>	<b>8.471</b>

**27 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.

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

	<b>The Group</b>	<b>The Group</b>	<b>The Company</b>	<b>The Company</b>
	<b>31st Marhc</b>	<b>31st Marhc</b>	<b>31st Marhc</b>	<b>31st Marhc</b>
<i>Receivables/(liabilities) from/to:</i>	<b><u>2006</u></b>	<b><u>2006</u></b>	<b><u>2006</u></b>	<b><u>2006</u></b>
	<i>Receivables</i>	<i>(Liabilities)</i>	<i>Receivables</i>	<i>(Liabilities)</i>
LA VIE Assurance	2.664	(30)	2.664	(27)
SYCHRONI ECHODIAGNOSI	0	(71)	0	(27)
IKODOMIKI EKMETALEFTIKI S.A.	5	0	3	0
PROSTATE INSTITUTE	0	(34)	0	(34)
KORINTHIAKOS RYTHMOS	0	(249)	0	(133)
HERODIKOS Ltd	41	(2)	41	(2)
QUS ATH. CENTER OF ENVIRONMENT	85	0	85	0
TRADOR A.E.	14	0	14	0
AGGEOLOGIKI DIEREVNISI S.A.	6	(13)	6	(13)
ATHENS PAEDIATRICS CENTER	14	0	14	0
ELECTRONYSTAGMOGRAFIKI S.A.	0	(2)	0	(2)
NEVROLITOURGIKI S.A.	0	(1)	0	(1)
MEDISOFT	190	0	190	0
MEDICAFE CATERING SERVICES S.A.	8	0	8	0
DOMINION INSURANCE BROKERAGE S.A.	0	(19)	0	(19)
G. APOSTOLOPOULOS Holdings	2	0	0	0
<b>Total</b>	<b>3.029</b>	<b>(421)</b>	<b>3.025</b>	<b>(258)</b>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>Purchases from related parties</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Sales to related parties</b>
<i>Services</i>				
LA VIE Assurance	17	264	17	264
MEDICAFE CATERING SERVICES S.A.	0	21	0	21
<b>Other Company's transactions</b>			<b>The Group</b>	<b>The Company</b>
KORINTHIAKOS RYTHMOS			<b>Rents payable</b>	<b>Rents payable</b>
			81	49

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## **28.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 less than equity plus the non distributive reserves
- b) Any distribution of dividend is not valid, if the balance of the formation expenses is greater than the extraordinary reserves plus the retained earnings

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.

## **29. 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 31<sup>st</sup> of Marhc 2006 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 31<sup>st</sup> of March 2006 and they amount to € 319 thous.

The minimum future payable rental leases based on non-reversible contracts of operational leases in 31<sup>st</sup> of March 2006 are as follows:

<b>Commitments from operational leases:</b>	<b>The Group</b>	<b>The Company</b>
Within one year	1.292	1.057
2-5 years	7.355	7.046
After 5 years	4.996	4.609
	<b>13.643</b>	<b>12.712</b>

#### **(ii) Guarantees:**

The Group in 31<sup>st</sup> of March 2006 had the following contingent liabilities:

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

#### **(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. Furthermore in May 2006 an additional percentage of 15,83% by € 7,7 mil. was acquired. Consequently for the realization of the above mentioned decision of the General Assembly the amount of € 13,6 million remains to be paid up.

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**30. SUBSEQUENT EVENTS:**

No subsequent events after the 31<sup>st</sup> of March 2006 took place, that would have influenced the financial position and the results of the Company and the Group in the 31<sup>st</sup> of March 2006.

*Marousi, 29/5/2006*

*THE PRESIDENT OF THE BOD*

*GEORGIOS B.  
APOSTOLOPOULOS*

*ID NUMBER Σ 100951*

*THE CHIEF EXECUTIVE  
OFFICER*

*VASSILIOS G.  
APOSTOLOPOULOS*

*ID NUMBER. Ξ 350622*

*THE CHIEF FINANCIAL  
OFFICER*

*PETROS ADAMOPOULOS*

*ID NUMBER M 253394*

*THE CHIEF ACCOUNTANT*

*PANAGIOTIS KATSICHTIS*

*ID NUMBER. AB 052569  
O.E.E. Rank No.17856  
Classification A'*

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**APPENDIX I**

**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



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