ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL, CHEMICAL & ORGANIC PRODUCTS
(FORMER "VETERIN S.A.")

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR NINE MONTH CLOSING PERIOD
30 SEPTEMBER 2007
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

It is confirmed that the attached Interim Financial Statements are the ones approved by the Board of Directors of «ALAPIS S.A.» on 2th of November 2007 and that they have been made public by their posting on the internet, at www.alapis.eu It is noted that the brief financial data published in the press aim at providing the reader with certain financial data in general but they do not give a full picture of the financial status and the results of the Company and the Group, according to the International Accounting Standards. Furthermore, it should be noted that in the brief financial data published in the press, a number of abbreviations and reclassification of funds have been made for simplification purposes.

Lavrentios Lavrentiadis

Executive Chairman of the Board of Directors

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ALAPIS SA

Interim Financial Statements

For the nine month period from 1 January to 30 September 2007

CONSOLIDATED INCOME STATEMENT (All amounts in thousands of Euro, except per share data)

		The Group				The Company			
	Notes	1.1-30.9.2007	1.1-30.9.2006	1.7-30.9.2007	1.7-30.9.2006	1.1-30.9.2007	1.1-30.9.2006	1.7-30.9.2007	1.7-30.9.2006
CONTINUING OPERATIONS									
Net sales	6	222.791	32.125	89.551	10.560	151.960	18.270	46.331	5..363
Cost of sales		(131.550)	(22.431)	(51.483)	(7.909)	(83.022)	(10.973)	(17.214)	(3.056)
Gross Profit		**91.241**	**9.694**	**38.068**	**2.651**	**68.938**	**7.297**	**29.117**	**2.307**
General and administrative expenses		(12.391)	(2.077)	(5.457)	(465)	(6.896)	(1.455)	(2.761)	(494)
Selling expenses		(22.995)	(5.971)	(8.841)	(1.779)	(14.605)	(4.873)	(5.360)	(1.656)
Other income/(expenses)		1.322	611	510	(16)	475	747	75	603
EBITDA		**66.952**	**3.610**	**27.682**	**715**	**57.072**	**2.975**	**24.194**	**1.093**
EBIT		**57.177**	**2.257**	**24.280**	**391**	**47.912**	**1.716**	**21.071**	**760**
Finance costs (net)		(5.560)	(1.294)	(2.059)	(210)	(3.622)	(1.635)	(837)	(707)
Profit before tax		**51.617**	**963**	**22.221**	**181**	**44.290**	**81**	**20.234**	**53**
Income taxes	10	(5.994)	(1.092)	(801)	8	(4.427)	(771)	(350)	(42)
Profit/ loss after tax from continuous operations		**45.623**	**(129)**	**21.420**	**189**	**39.863**	**(690)**	**19.884**	**11**
Profit/ loss after tax from discontinuous (actually sold) operations			**317**		**266**		**317**		**266**
NET PROFIT/(LOSS) FOR THE PERIOD		**45.623**	**188**	**21.420**	**455**	**39.863**	**(373)**	**19.884**	**277**
Attributable to:									
Equity holders of the parent		45.623	189	21.420	455	39.863		19.884	
Minority interests			(1)						
Earnings per share basic (after tax) (in Euro)	12	0,15	0,01	0,03	0,02	0,13	(0,01)	0,03	0,01

As the investors to be fully informed, the Company submits additional information (proforma) (Note 5) for the Statement of Results of the merged groups for the period 1.1-30.9.2007 assuming that they had been merged on 01.01.2007.

BALANCE SHEET (amounts in thousand Euro)

	Notes	The Group 30-Sep 2007	The Group 31-Dec 2006	The Company 30-Sep 2007	The Company 31-Dec 2006
ASSETS					
Non-Current Assets:					
Property, plant and equipment	7	271.882	40.626	202.744	38.787
Goodwill and other Intangible assets	8	797.504	3.984	582.311	1.979
Investment in subsidiaries				245.085	6.913
Investment property		127	127	59	59
Investment and other long term assets		9.874	163	218	76
Deferred income taxes		3.702	2.317	2.808	2.142
Total non-current assets		**1.083.089**	**47.217**	**1.033.225**	**49.956**
Current assets:					
Inventories		91.748	8.497	69.116	5.143
Trade accounts receivable		57.369	25.179	18.184	21.708
Prepayments and other receivables		42.165	2.192	169.262	1.844
Cash and cash equivalents		457.672	1.998	441.260	696
Total Current Assets		**648.954**	**37.865**	**697.822**	**29.390**
Assets of disposal group classified as held for sale		3.861	4.978	3.861	4.978
TOTAL ASSETS		**1.735.904**	**90.061**	**1.734.908**	**84.325**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of parent					
Share Capital	11	294.180	9.057	294.180	9.057
Paid-in surplus	11	1.080.989		1.180.989	
Adjustment's differences		30.848	20.950	30.847	20.950
Other Reserves		32.266	8.162	32.266	8.162
Retained earnings		38.718	(7.874)	33.761	(6.957)
		1.577.001	**30.295**	**1.571.905**	**31.212**
Minority Interests		0	0		0
Total Equity		**1.577.001**	**30.295**	**1.571.905**	**31.212**
Non-Current Liabilities:					
Long term borrowings at amortized cost	9	60.000	20.000	60.000	20.000
Deferred tax liabilities		9.673	3.957	4.918	3.850
Provisions for dismissal indemnities		1.255	1.712	565	1.500
Other long-term Liabilities		17.171	14.880	14.860	14.860
Total non-current liabilities		**88.099**	**40.549**	**80.343**	**40.210**
Short-term liabilities:					
Trade accounts payable		51.548	7.730	72.657	5.677
Short-term borrowings	9	56	7.973	49	3.078
Income taxes payable		9.534	797	4.421	716
Accrued and other current liabilities		9.165	2.014	5.032	2.729
Total current liabilities		**70.303**	**18.514**	**82.159**	**12.201**
Liabilities directly associated with the assets classified as held for sale		501	703	501	703
TOTAL LIABILITIES AND EQUITY		**1.735.904**	**90.061**	**1.734.908**	**84.325**

The accompanying notes and appendix are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (amounts in thousand Euro)

	The Group						
	Attributable to equity holders of the parent					Minority interest	Total Equity
	Share Capital	Paid-in Surplus	Reserves from value adjustments and other reserves	Retained Earnings/Loss(Accumulated deficit)	Total		
Balance, January 1, 2006	**4.557**	**36.592**	**29.112**	**(40.441)**	**29.820**	**68**	**29.888**
Other				(2)	(2)	(67)	(69)
Capital increase	4.500				4.500		4.500
Profit for the period				188	188		188
Balance 30/6/2006	**9.057**	**36.592**	**29.112**	**(40.255)**	**34.506**	**1**	**34.507**
Balance, January 1, 2007	**9.057**		**29.112**	**(7.874)**	**30.295**		**30.295**
Capital increase	245.150	572.017			**817.167**		**817.167**
Business combinations(merger of LAMDA DETERGENT)	18.329	262.710	30.548	10.579	**322.167**		**322.167**
Business combinations (merger of EBIK)	1.824	25.193	2.883	1.541	**31.441**		**31.441**
Business combinations (merger of ELPHARMA)	21.716	349.621	622	1.317	**373.276**		**373.276**
Business combinations (merger of VETERIN)	(1.896)	1.896			**0**		**0**
Elimination of pre-acquisition reserves			(189)	(10.033)	**(10.221)**		**(10.221)**
Dividends				(2.551)	**(2.551)**		**(2.551)**
Expenses for capital increases		(30.448)			**(30.448)**		**(30.448)**
Others				(115)	**(115)**		**(115)**
Exchange Differences			138		**138**		**138**
Profit for the period				**45.623**			
Balance 30/9/2007	**294.180**	**1.180.989**	**63.114**	**38.718**	**1.577.001**	**0**	**1.577.001**

The accompanying notes and appendix are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (amounts in thousand Euro)

	The Company				
	Share Capital	**Paid-in Surplus**	**Reserves from value adjustments and other reserves**	**Retained Earnings/Loss(Accumulated deficit)**	**Total Equity**
Balance, January 1, 2006	**4.557**	**36.592**	**29.112**	**(40.711)**	**29.550**
Capital increase	4.500				**4.500**
Profit for the period				(373)	**(373)**
Balance 30/9/2006	**9.057**	**36.592**	**29.112**	**(41.084)**	**33.677**
Balance, January 1, 2007	**9.057**		**29.112**	**(6.957)**	**31.212**
Capital increase	245.150	572.017			**817.167**
Business combinations (merger of LAMDA DETERGENT)	18.329	262.710	30.378	2.321	**313.738**
Business combinations (merger of EBIK)	1.824	25.193	2.863	1.332	**31.212**
Business combinations (merger of ELPHARMA)	21.716	349.621	622	(247)	**371.712**
Business combinations (merger of VETERIN)	(1.896)	1.896			**0**
Expenses for capital increases		(30.448)			**(30.448)**
Dividends				(2.551)	**(2.551)**
Profit for the period				39.863	**19.979**
Balance 30/9/2007	**294.180**	**1.180.989**	**62.975**	**33.761**	**1.571.905**

The accompanying notes and appendix are an integral part of these financial statements

CASH FLOW STATEMENT	GROUP		COMPANY	
FOR THE PERIOD ENDED SEPTEMBER 30, 2007 (amounts in thousand Euro)	1/1-30/09/2007	1/1-30/09/2006	1/1-30/09/2007	1/1-30/09/2006
Profit before income taxes	**51.617**	**963**	**44.290**	**81**
Plus/ less adjustments for:				
Depreciation/ amortisation	9.775	1.353	9.160	1.259
Profits from sale of tangible	22	(499)	25	46
Provisions	865	205	1.232	205
Credit interest and similar income	(3.180)	0	(3.151)	0
Debit interest and similar charges	8.823	1.817	6.773	1.597
Credit interest and similar income receivable	3.180	24	3.151	8
Profit/Losses from exchange differences	5	(97)		(39)
Plus/less changes in working capital				
Increase/Decrease:				
Increase/Decrease Inventories	(53.064)	(3.077)	(49.206)	(861)
Increase/Decrease Receivables	(33.141)	651	(62.655)	3.506
Increase/Decrease Liabilities (except banks)	34.039	(2.904)	10.830	(5.029)
Income tax paid	(5.365)	(1.092)	(1.306)	(771)
Interest paid	(6.514)	(1.817)	(4.486)	(1.597)
Payments for personnel indemnities	(2.167)	0	(2.167)	0
Total inflows/outflows from operating activities (a)	**4.625**	**(4.473)**	**(47.510)**	**(1.595)**
Investing activities				
Purchase of tangible and intangible assets	(215.469)	(4.936)	(132.103)	(1.110)
Sales of tangible and intangible assets	783	859	491	360
Participations	(34.931)	(60)	(131.774)	(3.147)
Guaranties paid	(73)	0	(73)	0
Total inflows/outflows from investing activities (b)	**(249.690)**	**(4.137)**	**(263.459)**	**(3.897)**
Cash Flows from Financing Activities				
Capital increase	786.045	4.500	786.045	4.500
Proceeds from short-term loans	(52.440)	(29.086)	(9.930)	(30.351)
Proceeds from long-term loans	(28.000)	20.000	(28.000)	20.000
Dividends paid	(2.418)	0	(2.418)	0
Leasing payments	(65)	0	0	0
Other long term liabilities changes	0	14.680	0	14.213
Expenses for capital increase	(10.534)	0	0	0
Total inflows/outflows from financing activities	**692.588**	**10.094**	**745.697**	**8.362**
Net Increase/ (decrease) in cash and cash equivalents for the period (a+b+c)	**447.523**	**1.484**	**434.728**	**2.870**
Cash and cash equivalents at the beginning of the period	**1.998**	**8.792**	**696**	**5.607**
Cash and cash equivalents - merged entities	**8.151**	**0**	**5.836**	**0**
Cash and cash equivalents at the end of the period	**457.673**	**10.276**	**441.260**	**8.477**

The accompanying notes and appendix are an integral part of these financial statements

1. Company and Group Information

1.1 General Information

ALAPIS Holding Industrial and Commercial Societe Anonyme of Pharmaceutical, Chemical & Organic Products with the distinctive title ALAPIS S.A. former VETERIN S.A. (''The Company'') presents the interim condensed financial statements for the period closed on 30th September 2007, of the Company and its subsidiaries, along with the "Notes" which are part of them. The subsidiaries, (''Group''), which have been included at the attached integrated Financial Statements of the Group are being analyzed at note 3.3.

According to the Decision No. K2- 7289 of the Minister of Development and its registration as societe anonyme, the Company merged by absorption of the companies LAMDA DETERGENT S.A., EBIK S.A. and ELPHARMA S.A. while the rename of the Company to "ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF CHEMICAL, PHARMACEUTICAL AND ORGANIC PRODUCTS" with the distinctive title "ALAPIS S.A." was also approved. The merger procedure had began after the relevant approving decisions of the Boards of Directors of the Company and the absorbed Companies on 11 February 2007 and the submission from the shareholders of the Merger Plan according to which , the date of merger was the 15th February 2007. The Extraordinary General Meetings of the shareholders of the companies ALAPIS S.A., LAMDA DETERGENT S.A., EBIK S.A. and ELPHARMA S.A. which occurred on 11 May 2007, approved the Merger Plan of the companies LAMDA DETERGENT S.A., EBIK S.A. and ELPHARMA S.A..

The trading of the company's share in the Athens Stock Exchange–Small and medium cap commenced on 01.06.2007. On 12th of June the Trading Symbol of the company renamed from Veterin to Alapis.

The rights issue offered to existing shareholders by means of pre-emption rights, which was decided on 18/06/2007 by the extraordinary General Assembly and took place from 09/07/2007 until 23/07/2007, has been fully subscribed with a payment of a total amount of 817,166,850 euros and the issuance of 817,166,850 new, common, dematerialised and registered voting shares, each having a nominal value of 0.30 euro and a subscription price of 1.00 euro. The total amount of shares requested by those who exercised the pre-emption rights and those who exercised the oversubscription rights oversubscribed the share capital increase 1.35 times. In light of the above, the share capital of the company will be increased to 245,150,055 euros with the issuance and distribution of 817,166,850 new, common, dematerialised and registered voting shares, each having a nominal value of 0.30 euro. The difference between the nominal value of the shares and the subscription price of the shares amounting in total to 572,016,795 euros has been credited, after the deduction of the expenses in respect of the rights issue, to the account “Reserves from the issuance of shares above par”.

The Company and the group have their headquarters in Paleo Faliro in Athens and the number of employees at the end of current period for the Group and the Company is 731 and 263 respectively. Company’s shares are listed in the Athens Stock Exchange.

The attached financial statements of the Company and the Group for the period ended 30 September 2007 were approved by the Board of Directors on its meeting of November 2nd, 2007.

1.2 Range of Activities

Following the Merger the Company organised its businesses into two divisions:

- Healthcare (including pharmaceuticals, medical devices and health advisory services)
- Non health care

The Healthcare Division focuses on the processing and packaging of pharmaceuticals as well as the import and distribution of medical equipment for multinational companies under long term agreements and the trade and distribution of veterinary pharmaceutical products, nutritional supplements and accessories for both livestock and pets in Greece and south-eastern Europe under licence from multinational companies under long term agreements.

The Non Healthcare sectors of the group focus on the production of detergents and cosmetics on behalf of a number of multinational companies and supermarket chains in Greece and also to the production, distribution and trade of organic products and nutritional supplements. The Company is one of the few suppliers with a sole focus on organic produce and has a broad product portfolio, a reputation for high quality products and excellent relationships with organic suppliers.

Healthcare Division includes:

a) Pharmaceuticals, Medical Devices and Health Advice Services

It comprises the entities of the subsidiaries of the holding company Elpharma and the companies acquired within 2007.

Elpharma was established on September 24, 2004 and prior to the Merger was a holding company in the general pharmaceuticals market. The Elpharma group consisted of Remek Pharmaceuticals S.A.
(''Remek''), Omikron Medical S.A. (''Omikron''), El Spedipharm S.A. (''El Spedipharm''), OME
Expomed Ltd (''OME Expomed'') and Therapeutiki S.A. (''Therapeutiki'').

- Remek is the oldest pharmaceutical company in Greece and was formed in 1936.

- Omikron was formally established on May 31, 1991, and is primarily involved in the import and distribution of medical devices and equipment to hospitals and clinics.

- El Spedipharm was formed in September 2004, as a holding company for companies engaging in the production and distribution of pharmaceutical and chemical products.

- OME Expomed was formed in October 1996 and is involved in the import and distribution of medical devices and equipment to hospitals and clinics in Cyprus.

- Therapeftiki was formed in September 2001, and is engaged in the provision of dietary and nutritional advice as well as complimentary medicines.

The Healthcare division includes also the companies: Pharmagora SA, Moisoglou SA, Revold SA, Sante SA and Farmalex SA which were acquired on August 2007 and had acquisition cost € 36,9 million. The above companies are active in distributing and trading of pharmaceutical and parapharmaceutical products, while Farmalex owns a medicine product factory in Pallini in Attica.

b) Veterinary and Animal Products Division

It comprises the activities of one of the Merged Companies, Veterin.

Veterin was formed in 1973. Prior to the Merger, Veterin was the parent company of a group of companies involved in the manufacturing, trade and distribution of veterinary pharmaceutical products and nutritional supplements for both livestock and pets.

In 1994 Veterin acquired Provet S.A. (''Provet''). Provet is involved in the distribution of pet foods and pet accessories.

Veterin was listed on the Athens Stock Exchange in April 1999.

Between 2000 and 2005, Veterin diversified into fish farming, cotton ginning and agricultural supplies distribution but divested these to focus on manufacturing and distribution of veterinary products and the distribution of pet food and pet accessories.

In April 2004, Veterin purchased 99.8% of Veterin Impex SRL, a Romanian supplier of veterinary pharmaceutical products and nutritional supplements in Romania. The Company currently owns 100% of Veterin Impex SRL's share capital.

In 2006, Veterin purchased 99.97% of Ktiniatriki Promitheutiki S.A., a veterinary pharmaceutical producer and distributor for a total consideration of € 2.6 million.

Also in 2006, Veterin purchased Veterin Bulgaria S.A., a Bulgarian veterinary pharmaceutical and nutritional products business for a total consideration of approximately € 260,000.

In July 2006, Veterin established Veterin International S.A. that will be involved, inter alia, in theproduction and distribution of pharmaceutical and chemical products.

During the nine month period of 2007 ALAPIS SA established VETERIN HUNGARY in Hungary, VETERIN FARMACEUTICA DOO in Croatia, and ALAPIS CROPSCIENSE in Greece whose scope is the production and trade of medicines and the undertaking of agencies in Greece and abroad for relevant products.

Non health care divisions include:

a) Detergents and Cosmetics

It comprises the activities of one of the Merged Companies, Lamda Detergent.

Lamda Detergent (involved in the production and distribution of detergents) was established in 1999.

In 2000, Lamda Detergent acquired the chemical and detergent production unit of Henkel Hellas, based in Atalanti, Greece.

In November 2005, Lamda Detergent acquired 69.78% of the listed company Ballis Chemicals S.A., an industrial detergents manufacturer. The two companies merged in March 2006 and Lamda Detergent became a listed company on the ATHEX.

In March 2006, Lamda Detergent Ltd, a wholly-owned Cyprus based subsidiary of Lamda Detergent, acquired the entire share capital of Makro B, a liquid and powder detergent producer based in Sofia, Bulgaria, for a total consideration of approximately € 10.5 million.

In November 2006, Lamda Detergent acquired the entire share capital of Lamda Cosmetics S.A., a cosmetics producer and distributor, for total consideration of approximately € 12 million. Lamda Detergent S.A. and Lamda Cosmetics S.A. merged on February 9, 2007.

b) Organic Products Division

It comprises the activities of the absorbed company, EBIK SA.

EBIK was incorporated on September 15, 2000. EBIK operated in the wholesale sector for domestic and foreign organic products as well as the distribution of such products. EBIK traded in both finished products and raw materials for processing by organic food producers. Such products included meat, dairy, fruit, snacks and nutritional supplements.

Also, in 2000 EBIK opened, through a subsidiary, two retail stores selling organic products under the name ‘‘EBIK Organic Cycle’’ (‘‘Biologikos Kyklos’’). Another subsidiary, LYD S.A. (‘‘LYD’’) was also founded in 2001. LYD engages in the provision of non-certified organic products to the wholesale market.

Between 2002 and 2005, 12 new stores were opened in the Athens area, thus expanding the network of Biologikos Kyklos stores to 14 stores, of which five outlets are franchised. In addition, the Company owns two independent food related outlets.

In May 2005 EBIK’s shares were listed and admitted to trading on the ATHEX.

At the beginning of 2007, EBIK founded two companies: (i) Vitro Logist SA (now EBIK S.A.) involved in the distribution, storage and transport of goods and the provision of logistics services and (ii) Glykeia Ygeia S.A. involved in the marketing of biological and ecological products and banqueting facilities.

2. Preparation basis of financial statements

The financial statements have been drafted according to the International Financial Reporting Standards (IFRS), which have been issued by the International Accounting Standards Board and the Interpretations have been issued by the Institution for the Interpretation of Standards, as adopted by the European Union.

These consolidated statements are based on the financial statements that are drafted by the Group companies, pursuant to Greek Trade Law or the local trade laws of the countries in which they operate with the appropriate non-accounting adjustments made in order to comply with the IFRS.

The preparation of the financial statements according to the generally acceptable accounting principles, requires the use of evaluations and assumptions that affect the balances of the assets and liabilities as well as the notification of the contingent receivables and payables on the date of drafting of the financial statements and the reported income and expenses during the financial years in question. Even though these specific evaluations are based on the vast knowledge of the Group's Management, the actual results may eventually, differ from these evaluations.

The financial statements of the financial year 2006, that cover the period between 1st January up to 31st December 2006 have been drafted on the basis of the historical cost principle, as same is amended with the re-adjustment of certain assets and liabilities in current values, and the going concern principle, and they are in accordance with the International Financial Reporting Standards (IFRS).

All the I.F.R.S. that have been published by the I.A.S.B and are in force at the time of drafting of the financial statements, have been adopted by the European Council through the validation process of the European Committee, excluding International Accounting Standard (I.A.S.) 39 "Financial Instruments: Recognition and Measurement". Following a recommendation by the Accounting Standardisation

Committee, the Council adopted Regulations 2086/2004 and 1864/2005 that require the use of IAS 39, excluding certain provisions referring to deposit portfolio hedging, by all the companies admitted to the stock exchange as of January 1st, 2005.
The financial statements have been drafted according to the IFRS as those have been issued by IASB and adopted by the EU. The Group is not affected by the provisions referring to deposit portfolio hedging, as stated in IAS 39.

Some of the amounts from previous period have been reclassed in order to be comparable and similar to those of current period. The amounts of cheques for the Company and the Group, amount to 6.782 € th. and 7.077 € th. respectively, which in comparatives were included in cash and cash equivalents have been reclassified to trade receivables.

3. Basic accounting principles

The auditing principles according to which the annual financial statements were drafted are consistent with those used for the drafting of the financial statements of financial year 2006 and they have been consistently applied to all the periods presented herein.
Some of the previous period amounts have been reclassed in order to be comparable and similar to those of current period

3.1. New standards, interpretations and amendment of existing standards

New IAS, amendments and interpretations have been issued which are mandatory for accounting years that begin on or after 1 January 2007. The new standards are as follows and had no effect to the Company and the Group:

IAS 1 (amendment) Capital Disclosures (effective for financial years beginning on or after 1 January 2007).

Due to the issuance of IFRS 7 some amendments were added to IAS 1 that an entity should disclose information that enables users of its financial statements to evaluate the aims, policies and procedures of managing its equity. The group will apply this amendment of IAS 1 in the annual financial statements for the year ending 31/12/2007.

IFRS 7: Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures: (effective for financial years beginning on or after 1 January 2007).

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS. The Group will implement the disclosures of IFRS 7 to the financial statements for the year ends December 31, 2007 as the accompanying interim financial statements are condensed.

IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyper-inflationary Economies: (effective for financial years beginning on or after 1 March, 2006).

IFRIC 7 requires entities to apply *IAS 29 Financial Reporting in Hyper-inflationary Economies* in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency as if the economy had always been hyperinflationary. IFRIC 7 is not relevant to the Group's operations.

IFRIC 8: Scope of IFRS 2 (effective for financial years beginning on or after 1 May 2006).

IFRIC 8 clarifies that IFRS 2 *Share-based payment* will apply to any arrangement when equity instruments are granted or liabilities (based on the value of an entity's equity instrument) are incurred by an entity, when the identifiable consideration appears to be less that the fair value of the instruments given. IFRIC 8 is not relevant to the Group's operations.

IFRIC 9, Reassessment of Embedded Derivatives: (effective for financial years beginning on or after 1 June 2006).

IFRIC 9 requires an entity to assess whether a contract contains an embedded derivative at the date an entity first becomes a party to the contract and prohibits reassessment unless there is a change to the contract that significantly modifies the cash flows. IFRIC 9 is not relevant to the Group's operations.

IFRIC 10, Interim Financial Reporting and Impairment: (effective for financial years beginning on or after 1 November 2006).

This interpretation may impact the financial statements should any impairment losses be recognized in the interim financial statements in relation to goodwill or available for sale equity investments or unquoted equity instruments carried at cost as these may not be reversed in later interim periods or when preparing the annual financial statements. This Interpretation is expected to be adopted by the EU in the near future.

b) to be in effect since the beginning of the next financial year:

The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations whose application is mandatory for future accounting periods. The Group's assessment regarding the effect of these new standards and interpretations is as follows:

IFRS 8, Operating Segments: (effective for financial years beginning on or after 1 January 2009)

IFRS 8 replaces IAS 14 Segment Reporting and adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is in the process of assessing the impact this new standard will have on its financial statements. This Interpretation has not yet been endorsed by the EU.

IFRS 23 (amendment) Borrowing Cost (effective for financial years beginning on or after January 1, 2009).

In the revised standard, the previous benchmark treatment of recognising borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of the asset. The Group is considering possible effects from the specific amendment.

IFRIC 11, IFRS 2- Group and Treasury Share Transactions (effective for financial years beginning on or after 1 March 2007).

This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instrument to be accounted for as an equity-settled scheme by an entity even if the entity chooses or is required to buy those equity instruments from another party, or the shareholders of the entity provide the equity instruments needed. The Interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for schemes when their employees receive rights to equity instruments of the parent. IFRIC 11 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

IFRIC 12, Service Concession Arrangements (effective for financial years beginning on or after 1 January 2008).

The Interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides for the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset or an intangible asset. IFRIC 12 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

IFRIC 13 Customer Loyalty Programmes (effective for financial years beginning on or after July 1, 2008)

The International Financial Reporting Interpretations Committee (IFRIC) issued a new interpretation relating to the application of IAS 18 Revenue Recognition. IFRIC 13 "Customer Loyalty Programmes" clarifies that where entities grant award credits (e.g. loyalty points or reward miles) as part of a sales transaction and customers can redeem those award credits in the future for free or discounted goods or services, IAS 18 paragraph 13 applies. This requires that the award credits are treated as a separate component of the sales transaction and an amount of the consideration received or receivable needs to be allocated to the award credits. The timing of the recognition of this element of revenue is deferred until the entity satisfies its obligations relating to the award credits, either by supplying the rewards directly or by transferring the obligation to a third party. The Group is considering possible effects from the specific amendment.

3.2 Primary Reporting Segment - Business Sectors

Business sector is defined to be a group of assets and activities that provide products and services, which are subject to different risks and returns than those of other business sectors.

Geographical sector is defined to be a geographical area, in which products and services are provided and which is subject to different risks and returns than other areas.

The Group is active in the sector of production and distribution of medicines for human use, distribution of medi-technological equipment, production and distribution of veterinary pharmaceuticals, distribution of animal-feed and accessories for small animals, also in production and distribution of detergents and cosmetics and in production and distribution of organic products. Geographically, the Group is active in Greece and Other Countries, which are mainly countries of subsidiaries presence, Bulgaria, Romania and Cyprus.

3.3 Consolidation

a) Subsidiaries: These are all the companies managed and controlled, directly or indirectly, by another company (parent), either through holding the majority of the company's shares or through the latter's dependence on know-how provided to it by the Group. That is, subsidiaries are the businesses over which the control is exercised by the parent company. The parent company acquires and exercises control through the voting rights. The existence of any voting rights that may be exercised during the time of drafting of the financial statements is taken into account, in order to substantiate whether the parent company exercises control over the subsidiaries. The subsidiaries are fully consolidated (total consolidation) using the buy-out method from the date when control over them is acquired and they stop being consolidated from the date when such a control ceases to exist.

The buy-out of a subsidiary by the Group is accounted for based on the purchase method. The acquisition cost of a subsidiary is the fair value of the assets provided, shares provided, and liabilities undertaken on the date of the transaction, plus any cost directly associated with the transaction. The individual assets, liabilities and possibly obligations acquired in a business purchase are accounted for during the buy-out at their fair values irrespective of the percentage of participation. The purchase cost beyond the fair value of the individual assets acquired is recorded as goodwill. If the total purchase cost is less than the fair value of the individual assets acquired, the difference is recorded directly in the results (P&L).

The exception of IFRS 1 was used especially for corporate purchases that were carried out before the Group's transition date to IFRS (1st January 2004), whereas the buy-out method was not used in retrospect. In the context of the above exception, the Company did not re-calculate the acquisition cost of the subsidiaries that were acquired before the transition date to IFRS, or the fair value of the acquired assets and liabilities on the acquisition date Therefore, the goodwill that was recognised on the transition date, supported by the exception of IFRS 1, was calculated according to the previous accounting principles and it is reported in the exact same way as reported in the last published financial statements of the group before the transition to IFRS. On the transition date, the audit carried out a goodwill impairment audit.

Cross-company transactions, balances and non-realised profit from transactions between the companies of the Group are written-off. The non-realised losses are also written-off, unless the transaction provides indications of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so that they conform to those adopted by the Group.

b) Affiliates: These are the enterprises over which the Group can exercise a significant influence but do not satisfy the conditions to be designated either as subsidiaries or as participation in a joint venture. The assumptions used by the group imply that, a percentage between 20% and 50% of the company's voting rights indicate significant influence over that Company. Investments in affiliates are initially accounted at cost and then considered as using the net position method. On the end of each financial year, the cost increases by the ratio of the investing company in the changes of the net position of the invested company and decreases by the dividends received by the affiliate.

As to the acquisition goodwill, when its value is reduced, it reduces participation value by being added to the financial year results.

The Group's share in the profits or losses of the affiliate companies after the buy-out is accounted for in the results, while the share of the changes in the reserves after the buy-out is accounted for in the reserves. The accumulated changes influence the book value of the investments in affiliated companies. When the Group participation in the losses of an affiliate company is equal to or exceeds its participation in the affiliate, including any other bad debt receivables, the Group does not record further losses, unless it has covered the liabilities or has made payments on behalf of the affiliate and, in general, those arising from the shareholder capacity.

Non-realised profit from transactions between the Group and affiliated companies are written-off at a percentage equal to the Group's participation in the affiliated companies. Non-realised losses are written-off, unless the transaction provides indications of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended in order to conform to those adopted by the Group.

c) Consolidation Basis

Consolidated financial statements consist of financial statements of the Parent company and its before the merger direct Subsidiaries, to which have been added, as a result of the merger the direct (and indirect) subsidiaries of the merged companies LAMDA DETERGENT SA, EBIK SA and ELPHARMA SA. In the below table the subsidiaries that have been included in the consolidation along with the relevant percentages of participation after the Merger are presented.

CORPORATE NAME	% CONSOLIDATION
ALAPIS S.A. (EX VETERIN)	PARENT
1.OMIKRON MEDICAL S.A.	100,00%
2.REMEK PHARMACEUTICAL S.A.	100,00%
3.OME EXPOMED LTD	100,00%
4.THERAPEFTIKI S.A.	100,00%
5.PROVET S.A.	100,00%
6.VETERIN INTERNATIONAL S.A.	100,00%
7.KTINIATRIKI PROMITHEFTIKI S.A.	100,00%
8.VETERIN IMPEX SRL	100,00%
9.VETERIN BULGARIA LTD	100,00%
10. VETERIN HUNGARY SA	100,00%
11. VETERIN FARMACEUTICA DOO	100,00%
12. ALAPIS CROPSCIENCE	100,00%
13. VETERIN PHARMA DOO BEOGRAD	100,00%
14.LAMDA DETERGENT LTD	100,00%
15.LAMDA DETERGENT EOOD	100,00%
16.LAMDA COSMETICS LTD	100,00%
17.LYD S.A.	100,00%
18.EBIK PRODUCTS S.A.	100,00%

19.CERTIFIED ORGANIC PRODUCTS LTD	100,00%
20.GLYKEIA GEFSI S.A.	100,00%
21.EBIK S.A. (ex VITRO LOGIST S.A.)	100,00%
22.GLYKEIA EGEA S.A.	100,00%
23.MOYSOGLOU S.A.	100,00%
24.FARMAGORA S.A.	100,00%
25.REVOLD S.A.	100,00%
26.SANTE HELLAS S.A	100,00%
27.FARMALEX S.A.	100,00%

The companies VETERIN HUNGARY SA, VETERIN FARMACEUTICA DOO and ALAPIS CROPSCIENCE have been established during the 1st semester 2007 while VETERIN PHARMA DOO BEOGRAD, VETERIN FARMACEVTSKA DRUŽBA D.O.O. and VETERIN UKRAINE have been established in the third trimester of 2007. Until 30/9/2007 none of the above mentioned companies were active.
The companies FARMAGORA S.A., MOYSOGLOU S.A., S.A., REVOLD HEALTHCARE PRODUCTS S.A., SANTE S.A. and FARMALEX S.A. have been acquired from the group in August 2007.

In accordance with the protocol No. 14805/7.08.2007 decision of the Prefecture of Athens, the merger of the companies "REMEK - PHARMACEUTICAL INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME", with distinctive title "R+N PHARMACEUTICALS S.A." and "EL SPEDIPHARM INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL PRODUCTS", with distinctive title "EL SPEDIPHARM S.A." is completed, with the absorption of the second from the first.

3.4 Conversion of Foreign Currency

The items in the financial statements of the Group companies are calculated according to the currency of the primary financial environment, in which the Group operates (operating currency). The consolidated financial statements are presented in Euro, which is the functional currency and the presentation currency of the parent Company.

Transactions in foreign currency are converted to the functional currency using the applicable exchange rates on the date of the transaction.

Profits and losses from foreign exchange differences arising from settlement of such transactions throughout the financial period and from the conversion of the monetary items denominated in foreign currencies at current exchange rates, on the balance sheet date are recorded in the results account. Foreign exchange differences from non-monetary items measured at their fair value are deemed to be part of fair value and are therefore recorded along with the differences in fair value.

The Group's overseas activities in foreign currencies for companies operating within Greece are converted to the operating currency using the exchange rates applicable on the date of the transaction, whereas assets and liabilities items of overseas activities, including goodwill and fair value adjustments arising after the consolidation are converted in Euro using the exchange rates applicable on the balance sheet date.

The individual financial statements of the companies included in the consolidation, which initially are presented in a currency other than the Group's presentation currency, have been converted into euro. Assets and liabilities have been translated into euro at the closing exchange rate on the balance sheet date. Income and expenses have been converted into the Group's presentation currency at the average exchange rates for each reference period. Any differences arising from this procedure have been charged (credited) to the reserve, in the net financial position, for conversion of subsidiaries' foreign currency balance sheets.

3.5 Tangible Assets

The fixed assets are reported in the financial statements at their acquisition cost or their presumed cost value, as same was determined according to fair value on the transition date, minus, firstly the accumulated amortizations and secondly impairment of fixed assets. The acquisition cost includes all the expenses directly attributable to the acquisition of the assets.

Subsequent expenses are recorded as an increase in the book value of tangible fixed assets or as a separate fixed asset only to the degree that the said expenses increase the future financial rewards anticipated from the use of the fixed asset and their cost can be measured reliably. The cost of repairs and maintenance is recorded in the operating results when those are carried out.

Amortizations of other tangible assets (besides land plots, which are not amortised) is calculated based on the standard method over their estimated useful life using the following factors:

Buildings	2%-3,3%
Mechanical Equipment	5%-10%
Vehicles	5%-7,5%
Other Equipment	4%-30%

The residual values and useful lives of tangible fixed assets are reassessed on each balance sheet date. When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is recorded immediately as an expense in the results.

When tangible assets are sold, any difference between the proceeds and their book value is recorded as profit or loss in the results. Repairs and maintenance are recorded as expenses of the period in which they were carried out.

Self-constructed tangible assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of wages of employees involved in the construction (corresponding employer contributions), cost of materials used and other general costs.

The Group has chosen to follow the basic operation of IAS 23 "Borrowing Costs" and record borrowing costs as an expense during the period it was incurred, irrespective of the manner in which the loans were used.

3.6 Intangible Assets

Goodwill , software licences and dossier of pharmaceutical products are included as intangible assets.

Goodwill: Is the difference between the acquisition cost and fair value of the assets and liabilities of a subsidiary / affiliate company on the date of acquisition. On the date of acquisition, the company recognises the goodwill that amounted from the acquisition as an asset item and it records it at cost. This cost is equal to the amount by which the consolidation cost exceeds the company's share in the assets and liabilities items and the contingent liabilities of the acquired company.

After the initial recognition of goodwill, same is measured at cost, minus the accumulated losses due to loss in value. Goodwill cannot be amortised, however it is evaluated annually for any loss in value, if events have occurred that provide grounds for losses according to IAS 36.

In the event that the acquisition cost is less than the company's share in the acquired company's equity, then the former re-calculates the acquisition cost, measures the assets and liabilities items and the contingent liabilities of the acquired company and records directly to the financial year results as a profit any difference remaining after the re-calculation.

Software and dossier of pharmaceutical products: Software licences and dossier of pharmaceutical products are measured at acquisition cost minus amortizations. The amortisation is estimated using the standard method throughout the useful life of these items, which may range from 1 to 5 years.

3.7 Impairment of the Value of Assets

Assets that have an indeterminate useful life are not amortised and are audited for impairment once a year and whenever events or circumstances indicate that the book value may not be recoverable. Assets that are amortised are audited for impairment of their value when indications exist that their book value is not recoverable. The recoverable value is the amount of the net selling value or value-in-use, whichever is higher. Damage due to value loss of asset items is recognised by the company when the book value of these items (or Cash-Flow Generating Units) is greater than their recoverable amount.

Net sale price is considered the amount obtained from the sale of an asset in the framework of a reciprocal transaction between knowledgeable, willing parties, after subtracting all additional direct costs for the sale of the asset, whereas value in use is the present value of estimated future cash flows expected to accrue to the company from the use of an asset and from its sale at the end of its estimated useful life.

3.8 Financial Instruments

Financial instrument is every contract that creates a financial asset in a company and a financial liability or equity holding in another company.

The Group's financial instruments are classified in the following categories based on the subject matter of the contract and the purpose for which they were acquired.

i) Financial assets measured at their fair value through the results (P&L) of the Financial Year Statement

This involves financial assets that satisfy any of the following conditions:

- Financial assets held for commercial purposes (including derivatives, excluding those that are specified and effective as hedges, those that are acquired or created with the intent of sale or re-purchase and finally those that are part of a portfolio of recognised financial instruments).
- Upon initial recognition, the company specifies it as an item measured at fair value by recording the changes in the Financial Year Results Statement.

ii) Loans and Receivables

These comprise non-derivative financial assets with fixed or defined payments, which are not traded in active markets. This category (Loans and Receivables) does not include

a) Receivables from advance payments for the purchase of goods or services,

b) Receivables involving tax transactions, which have been imposed by the state through legislation,

c) Anything not covered by an agreement, in order to give the company the right to receive cash or other financial fixed assets.

The Loans and receivables are included in the floating assets, apart from those with a maturity term longer than 12 months from the date of the balance sheet. The latter are included in the non-floating assets.

iii) Investments Held to Their Maturity

Includes non-derivative financial assets with fixed or determined payments and specific maturity, which the Group has the intention and possibility to retain until their maturity.

The Group does not hold any investments of this category.

iv) Financial Assets Available for Sale

Includes non-derivative financial assets which, are either determined in this category or they cannot be included in any of the above.

Subsequently, the financial assets available for sale are measured at fair value and the relevant profits or losses are recorded in the equity reserves until these assets are sold or designated as impaired.

During the sale or when designated as impaired, the profits and losses are carried over to the results. Impairment losses that have been accounted for in the results are not reversed through results.

The purchase and sales of investments are recorded on the date of the transaction, which is the date that the Group commits itself to purchase or sell the asset. The investments are initially accounted for at their fair value plus the direct expenses ascribed to the transaction, with the exception of direct expenses ascribed to the transaction for those assets that are measured at their fair value with changes in the results (P&L). The investments are written-off when the right to the cash flows from investments expires or is transferred and the Group has essentially transferred all of the risks and rewards of ownership.

The loans and receivables are recorded in the non-amortized cost, based on the actual interest rate method.

The realized and non-realised profits or losses arising from the changes in the fair values of the financial assets measured at fair value with changes in the results, are recorded in the results during the period that they arise.

The fair values of the financial assets that are traded in active markets are determined by the current demand prices. For the non-traded assets, the fair values are determined using evaluation techniques like the analysis of recent transactions, comparative assets that are traded and discount of cash flows. The equity instruments, non-traded in an active market, that have been classified in the category Financial instruments available for sale and the fair value of which cannot be determined in a reliable way, are evaluated at their acquisition cost.

On every balance sheet date the Group estimates whether there is objective evidence leading to the conclusion that the financial assets have been subject to impairment. For shares of companies that have been classified as financial assets available for sale, such an indication would be the significant or extended drop of fair value in relation to the acquisition cost. If impairment is substantiated, the accumulated loss to equity, namely the difference between acquisition cost and fair value, is carried over to the results.

v) Cash Flow Hedges

The Group does not use derivative financial instruments (Futures) as cash flow hedges.

3.9 Inventories

On the date of the balance sheet, the reserves are measured per type between their cost and the net liquidating value, whichever is lower. The net liquidating value is the estimated sale price in the company's usual course of business, minus any relevant sale costs. The cost of the reserves does not include financial expenses.

3.10 Commercial Receivables

The receivables from clients are recorded initially at their fair value and later they are measured at un-amortized cost using the method of effective rate minus every estimate for a reduction in their value. In the event that the amortised value or the cost of the financial assets exceeds its current value, then the asset is measured in its recovered cost, namely the current value of the asset's future cash flows that is calculated on the basis of the initial actual interest rate. The relevant loss is carried over directly to the results. Impairment loss, i.e. when there is actual evidence that the Group is in no position to collect all of the amounts due pursuant to the contractual terms, is recorded in the results.

3.11 Cash-In-Hand and Cash Equivalents

The cash-in-hand and cash equivalents include the cash in the bank and at the cashier's office as well as the short-term investments of high liquidity instruments, such as money market products and bank deposits. Money market products are financial assets that are measured at fair value through the results statement. Cash equivalents include receivable cheques that are due three months after the period end date of the financial statements.

3.12 Non-Floating Assets Classified as Held for Sale

Assets held for sale include the remaining assets (including goodwill) as well as tangible assets that the Group intends to sell within a year from their classification as "held for sale".

Assets classified as "held for sale" are measured either at their book value, immediately after their classification as held for sale, or at the fair value minus sales cost, whichever is lower. Assets classified as "held for sale" are not subject to amortisation. Profits or losses arising from the sale and re-evaluation of assets "held for sale" are recorded in the "other profits" and "other losses" respectively, in the financial year results statement.

The Group has not classified non floating assets as held for sale, with the exception of those assets relating to discontinued operations for which special reference is made.

3.13 Share Capital

Expenses that were made for the issuance of shares are recorded following the subtraction of the relevant income tax, minus the issue product. Expenses that are related to the issuance of shares for the acquisition of companies are included in the acquisition cost of the company acquired.
During the acquisition of own shares, the price paid, including the relevant expenses, is depicted minus equity (reserve above par).
At the end of the financial year the Group did not have equity shares.

3.14 Income Tax & Deferred Tax

The charge of the financial year with income taxes consists of the current taxes and deferred taxes, i.e. taxes or tax relief related to the economic benefits arising in the period but which have already been accounted for or will be accounted for by the tax authorities in other periods. The income tax is recorded in the financial year results account, apart from the tax that refers to transactions recorded directly to equity, in which case it is recorded directly to equity accordingly.

The current income taxes include the short-term liabilities and/or receivables to the fiscal authorities that are related to the taxes payable on the taxable income of the financial year and any additional income taxes of previous financial years.
The current taxes are calculated in accordance to the tax rates and tax laws applied during the financial periods with which they are related, based on the taxable profit for the year. All of the changes in the short-term tax assets or liabilities are accounted for as part of the tax expenses in the financial year results statement.

The deferred income tax is determined using the method of obligation arising in all of the provisional differences between the book value and the tax base of the assets and liabilities. Deferred income tax is not accounted for when it arises from the initial recording of an asset or liability in transaction, with the exception of company unification, which when the transaction was made did not affect neither the book nor the tax profit or loss.

The deferred tax receivables and liabilities are evaluated based on the tax rates expected to be applied during the period in which the liability or obligation will be settled, taking into account the tax rates (and tax laws) that are into effect or are essentially in effect until the date of the Balance Sheet. In the event that the precise reversal time of the provisional differences cannot be determined, the tax scale in force for the subsequent balance sheet date of the financial year is applied.

Deferred tax receivables are accounted for to the extend that there will be future taxable profit for the use of the provisional difference generated by the deferred tax liability.

Deferred income tax is accounted for the provisional differences arising from investments in subsidiaries and affiliated companies, except in the case where the reversal of the provisional differences is controlled by the Group and it is likely that the provisional differences will not be reversed in the foreseeable future.

The changes in the deferred tax receivables or liabilities are accounted for as a part of the tax expenses in the financial year results statement. Only the changes in assets or liabilities temporarily affecting the differences are accounted for directly in the Group's equity, such as re-evaluation of real estate value and which result in a relevant change in deferred tax receivables or liabilities being charged against the relevant account of the net position.

3.15 Personnel Benefits

Short-term Benefits: The short-term benefits to the employees (apart from the benefits for the termination of the labour relationship) in cash and in goods are recorded for as an expense when they become payable. Any outstanding amount is recorded as a liability, while in the case where the amount already paid exceeds the amount of the benefits, the company records the excess amount as its asset (prepaid expense) only to the extend that the prepayment will lead to the reduction of future payments or to a return.

Benefits after Exiting From the Service:
The Group has no benefit liabilities for personnel exiting from the service, excluding those provided by labour legislation referring to compensation due to termination of employment or retirement.

Termination of Employment Benefits:
The benefits (compensations) for termination of employment or retirement are estimated at the end of each financial year by an actuary and the account affecting the financial year is included in the results, whereas the accumulated amount of the contingent liability arising from this cause is recorded in a provision account in the liabilities.
If extraordinary retirements are expected to happen that will have a significant effect, then an additional provision for personnel compensations is created against the results.

3.16 Subsidies

The Group records the state subsidies, which satisfy the following criteria cumulatively: a) there is a presumed certainty that the company has complied or will comply with the terms of the subsidy and b) it is likely that the amount of the subsidy will be collected. Those are recorded at fair value and accounted in a systematic way in the income, based on the principle of correlation of the subsidies with the respective costs that they subsidize.

Subsidies that involve assets are included in the long-term liabilities as income of future financial years and are recorded systematically and reasonably in the income item throughout the useful life of the fixed asset.

3.17 Provisions

Provisions are recorded when the Group has current legal or presumed liabilities as a result of past events, and their settlement is likely through the outflow of resources; also the estimation of the exact amount of the liability may be effected in a reliable way. The provisions are reviewed on the date of drafting of each balance sheet and adjusted in order to reflect the current value of the expenditure expected to be required for the settlement of the liability. Contingent liabilities are not recorded in the financial statements but they are notified, unless the likelihood of a resource outflow, which incorporates economic benefits, is minimal. Contingent receivables are not recorded in the financial statements but they are notified when the inflow of economic benefits is likely.

Provisions for losses that have been created and refer to assets are subtracted from those items in the Balance Sheet.

Each year a re-evaluation of those provisions is made, regarding liabilities not being paid and the difference with respect to the provision of the previous financial year is carried over to the results.

3.18 Recognition of Income and Expenses

Income: The income includes the fair value of sales of goods, free from Value Added Tax, discounts and returns. Cross-company income within the Group is written-off entirely. The accounting of income is carried out as follows:

- **Sales of Goods:** Sales of goods are recorded when the Group delivers the goods to the client and those are accepted and the payment of the price is reasonably guaranteed.
- **Services Rendered:** The income from services rendered is accounted for in the period during which the services are provided, based on the completion phase of the provided service with respect to all the provided services.
- **Income from Interest:** Income from interest is recorded based on the time ratio and by applying the actual interest rate method. When there is impairment of receivables, their book value is reduced at their recoverable amount, which is the current value of the expected cash flows discounted at the initial actual rate. Subsequently, the interest is calculated using the same interest rate on the reduced (new accounting) value.
- **Dividends:** Dividends are recorded as income, when the right for their collection is established.

Expenses: The expenses are recorded in the results when they become payable. Payments made for operational leases during lease time are carried over to the results as expenses. Expenses from interest are recorded when they payable.

3.19 Leases

Group Company as the Lessee: Financial leasing is the leasing of fixed assets according to which, all risks and benefits related to the ownership of an asset, are transferred to the Group, irrespective of whether the ownership title of the said asset is transferred in the end or not. Such leasing is capitalized upon the start of the lease either at the fair value of the fixed asset or at the current value of the minimum number of leases, whichever is lowest. Each lease is allocated between the liability and the financial expenses so that a fixed interest rate can be achieved for the remaining financial liability. The respective liabilities from leases, free of financial expenses, are depicted in the liabilities. Part of the financial expense from financial leases is recorded in the financial year results of the lease period. Assets acquired through financial leasing are amortized either in the period of useful life of the fixed assets or in the duration of their lease, whichever is the shortest.

Leasing agreements, through which the lessor transfers the right of use of an asset for an agreed time period, without however transferring the risks and benefits of ownership of the fixed asset, are classified as operating leasing. Payments made for operating leasing (not including any incentives offered by the lessor) are recorded in the financial year results pro rata, throughout the term of the leasing.

Group Company as the Lessor: No Group Company is acting as a lessor of financial leases.
Fixed assets leased by operating leasing are included in the tangible assets of the balance sheet. They are amortized during their expected useful life on a basis consistent with similar owned tangible assets. The income from the rent (not including any incentives offered to the lessees) is recorded by applying the fixed method of the period of the leasing.

Sale and Leaseback

When a sale and subsequent financial leasing of the items sold is carried out, the result arising as a difference between the sale price and the unamortized balance of the asset is carried over to a transitional account and is “amortised” based on the duration of the financial leasing.

3.20 Construction Contracts

The Company does not have construction contracts.

3.21 Distribution of Dividends

The distribution of dividends to shareholders of the parent company is recorded as a liability in the consolidated financial statements on the date on which the distribution is approved by the General Meeting of shareholders.

4. Risk management

Financial Risk Factors

The Group is exposed to several financial risks such as market risk (interest rate, market prices), credit risk, liquidity risk, cash flow risk and fair value risk from interest rate fluctuations. There are no significant currency risks, considering that the bulk of the transactions are made in Euro. The Company's management monitors the significant risks and takes measures in each case to deal with them.

Market Risk

Currency Risk

The Group does not face any significant currency risks, considering that the bulk of the transactions, inducing overseas purchases are made in Euro. The risk of this category is focused primarily on the operation of the subsidiary Company in Romania and the transactions of the parent company with same.

Price Risk

The Group is exposed to price fluctuations of the raw materials it processes and the merchandise it distributes. This risk is faced with a respective sale price change of the products and merchandise distributed by the Company.

Credit Risk

The Group has significant concentrations of credit risk, given that it has a leading position in the veterinary sector and a broad clientele throughout the country, which is based on small financial units. The risk in this sector is sought to be reduced by accepting securities from clients (receivable cheques) upon delivery of the goods, as well as with the establishment of a satisfactory margin of gross profit.
For the discontinued operations and primarily in the distribution of agricultural supplies, but also in the operations that were developed in the fish-farming sector, the credit risk proved to be extremely high with limited gross profit margins. That was the main reason for the discontinuation of these operations.

Cash Flow Risks and Fair Value Fluctuation Risk due to Interest Rate Fluctuations

The Group's operating income and cash flows are essentially independent from interest rate fluctuations. The Group does not have any interest-bearing items in its assets account.

The risk from interest rate fluctuation arises mainly from loans, most of which have a fluctuating interest rate.

5. Business combinations

a) Merger by absorption of companies LAMDA DETERGENT SA, EBIK SA and ELPHARMA SA.

The Board of Directors of the company ALAPIS SA announced on February 11th 2007, according to the provisions of law 2166/1993 the merger of the companies LAMDA DETERGENTS S.A.,EBIK S.A. and EL PHARMA S.A. by absorption. The Board of Directors of the absorbed companies, which holded the meeting at the same date, agreed to the absorption of the three companies from Alapis SA and the Merger Plan was signed by the representatives of the above mentioned companies on 6 March 2007. The issuance date of the Merger Balance Sheets according to the desicions of the Boards of Directors and according to the provisions of the law N.2166/1993 was appointed to be February 15th 2007 which was also appointed as the date of taken of the control according to the provisions of IFRS 3.

The Extraordinary General Meetings of Shareholders of Alapis SA, Lamda Detergent Sa Ebik SA and Elpharma SA at 11th of May 2007 approved the Merger Plan Of Alapis SA with the companies Lamda Detergent S.A. Ebik S.A. and Elpharma SA.

The share capital of the Absorbing Company, which became nine million fifty seven thousand one hundred and five (9,057,105) Euros, due to the Merger, at the same time and in parallel, was increased by the amount of the contributed share capitals of the Absorbed Companies which amount in total to thirty nine million nine hundred and seventy two thousand eight hundred and ninety five (39,972,895) Euros, and analyzed, for the Lamda Detergents amounts to (11,725,162.50), for the Elpharma SA amounts to (24,217,732.50) and for the Ebik SA amounts to (4,030,000) Euros, The participation of the shareholders to the share Capital of the Absorbing Company was:

Former Shareholders :

- ALAPIS S.A.	14,61%
- LAMDA DETERGENT SA	37,38%
- ELPHARMA SA	44,29%
- EBIK SA.	3,72%

Based on the above scope of values between the Absorbing Company and each Absorbed Company the Merging Companies specify the value ratio to the above meant value of each Absorbed Company.

- For the shareholders of the Absorbing Company ("ALAPIS S.A."): 30,190,350/23,869,947 i.e. every shareholder of the Absorbing Company will exchange one share of nominal value € 0.30 per every share he owns on the Absorbing Company with 0.79064823 new shares of the Absorbing Company, with a nominal value of € 0.30 per share, i.e. the shareholders of the Absorbing Company will receive in total 30,190,350 X 0.79064823 = 23,869,947 new shares, with a nominal value of € 0.30 per share.
- For the shareholders of the First Absorbed company ("LAMDA DETERGENT S.A."): 39,083,875/61,097,626 i.e. every shareholder of the First Absorbed company will exchange one share of nominal value of € 0.30 per every share he owns on the First Absorbed company with 1.56324382 new shares of the Absorbing Company, with a nominal value of € 0.30 per share, i.e. the shareholders of the first Absorbed Company will receive in total 39,083,875 X 1.56324382 = 61,097,626new shares, with a nominal value of € 0.30 per share.
- For the shareholders of the Second Absorbed company ("ELPHARMA S.A."): 80,725,775/72,387,636 i.e. every shareholder of the Second Absorbed company will exchange one share of nominal value of € 0.30 per every share he owns in the Second Absorbed company with 0.89671033 new shares of the Absorbing Company, with a nominal value of € 0.30 per share, i.e. the shareholders of the Second Absorbed will receive in total 80,725,775 X 0.89671033 = 72,387,636 new shares, with a nominal value of € 0.30 per share.

- For the shareholders of the Third Absorbed company ("EBIK S.A."): 4,030,000/6,078,161 i.e. every shareholder of the Third Absorbed company will exchange one share of nominal value of one (€ 1) per share he owns in the Third Absorbed company with 1.50822857 new shares of the Absorbing Company, with a nominal value of € 0.30 per share, i.e. the shareholders of the Third Absorbed company will receive in total 4,030,000 X 1.50822857 = 6,078,161 new shares, with a nominal value of € 0.30 per share.

The activities of merged companies analyzed at note 1.2 from the previous financial statements.

The goodwill arose on due the above acquisition/ merger was tentatively determined based on the book values of the acquired Entity (LAMDA DETERGENT S.A., EBIK S.A.. and ELPHARMA S.A.) as of February 15th, 2007 and thus is considered provisional. The determination of the fair values of identifiable assets, liabilities and contingent liabilities of the acquiree, the Purchase Price Allocation on the basis and the provisions of IFRS 3 ¨Business Combinations¨ and the resulting final determination of goodwill will be concluded subsequently, as the acquirer has opted to use the option provided in the standard. Based on such option the acquirer shall recognise any adjustments to those provisional values as a result of completing the initial accounting within twelve months of the acquisition date. Due to the size and the number subsidiaries, of which some act abroad, we adopted the aforementioned policy provided in the standard.

The carrying values, the cost of acquisition and the provisional goodwill on the merger transaction with as of 15th February 2007, were as follows:

	LAMDA DETERGENTS S.A. GROUP	EBIK S.A. GROUP	ELPHARMA S.A. GROUP	TOTAL
ASSETS				
Tangibles assets	122.715	16.165	10.475	149.355
Intangibles assets	455	240	135	830
Goodwill	952	3.578	119.689	124.219
Deferred tax assets	81	67	626	774
Other long term assets	55	76	28	159
Inventories	13.339	3.198	3.255	19.792
Short term Liabilities	64.499	7.678	110.141	182.318
Cash	2.989	1.150	4.011	8.150
Total Assets	**205.085**	**32.152**	**248.360**	**485.597**
LIABILITIES				
Short and Long term Loan loans	70.450	9.950	29.722	110.122
Deferred Tax Liabilities	1.791			1.791
Other long term liabilities	104	68	267	439
Other Short term liabilities	78.987	11.733	76.196	166.916
Total Liabilities	**151.332**	**21.751**	**106.185**	**279.268**
Net Assets	**53.753**	**10.401**	**142.175**	**206.329**
Total cost of acquisition	**313.738**	**31.212**	**371.712**	**716.662**
Assets acquired	53.753	10.401	142.175	206.329
Provisional negative goodwill	**259.985**	**20.811**	**229.537**	**510.333**

The acquisition cost of € 716.662 was determined according to the provisions of IFRS, on the basis of the number of the new shares issued by VETERIN S.A. (15.993.532) in exchange for the old shares of LAMDA DETERGENT S.A., EBIK S.A. and ELPHARMA S.A. multiplied by the share price at the date of acquisition (€ 4,06).

According to the account policy which is practiced in similar cases of transactions (mergers Greek L.2166/93), the commercial and other transactions carried out from the absorbed companies after the date of the merger (15.02.2007) are being carried out on behalf of the absorbing company. Consequently, the results that are showed in the attached financial statements of the Parent Company for the nine month period of 2007, include also the transactions of the three absorbed companies since 16th February 2007. As a result, the financial statements of the nine month period of 2007 are not comparable with the equivalent statements of the nine month period of 2006 which only include the Company.

In order to get full view of the size and comparison, the statement of results for the closing period of 30st September 2007 which were issued in accordance with the hypothesis of the proforma that the merger of ALAPIS SA by absorption of LAMDA DETERGENT S.A., EBIK S.A. and ELPHARMA S.A. has taken place on 31.12.2006, is being presented below.

Pro-forma Statement of income	**The Group**	**The Company**
	1.1. - 30.09.2007	**1.1. - 30.09.2007**
Income:		
Net Sales	253.050	180.345
Cost of sales	(154.885)	(107.016)
Gross profit	**98.165**	**73.329**
Administrative and selling cost	(36.932)	(22.574)
Other incomes/expenses	1.329	489
Financial Income/expenses	(6.194)	(4.204)
EBITDA	**73.254**	**60.512**
Profit before tax	**56.368**	**47.040**
Income taxes	(6.445)	(4.580)
Net Profit	**49.923**	**42.460**

b) Acquisition of companies in the period 16.02-30.09.2007

The Group in the period 16.02-30.09.2007 purchased the following companies:

Name of Company	Activities	Headquarters	% Participation
THERAPEFTIKI SA	Provision of dietary and nutritional advice as well as complimentary medicines	Greece	100,00%
FARMAGORA S.A.	Distribution of pharmaceuticals	Greece	100,00%
SANTE S.A.	Distribution of pharmaceuticals	Greece	100,00%
REVOLD S.A.	Distribution of pharmaceuticals	Greece	100,00%
FARMALEX S.A.	Distribution of pharmaceuticals	Greece	100,00%
MOYSOGLOU S.A.	Distribution of pharmaceuticals	Greece	100,00%

The goodwill from the above acquired companies which is presented in the attached balance sheet is specified on basis of the book values of acquired companies on the date of purchase and it is temporary. The specification of the fair value of assets, liabilities and expected liabilities of acquired companies, the purchase price allocation according the IFRS 3 «Business Combinations» and the following definition of the goodwill will be finalized within 12 months, according the specific IFRS.

The book value of the acquired companies, the value of purchase and the temporary Goodwill for the group is as follows:

	THERAPEFTIKI	FARMAGORA (INCLUDING SANTE)	REVOLD	FARMALEX	MOYSOGLOU	TOTAL
ASSETS						
Tangible assets & Intangible assets	201	4.583	29	14.518	33	19.364
Other long term assets	28	9.935	12	3	8	9.986
Inventories	0	8.602	0	0	1.325	9.927
Short term receivables	4	28.011	140	88	2.231	30.474
Cash and cash equivalents	5	2.059	472	184	635	3.355
Total assets	**239**	**53.190**	**653**	**14.793**	**4.232**	**73.106**
LIABILITIES						
Long term loans	0	3.166	0	0	0	3.166
Short term loans	0	14.370	0	0	899	15.269
Provisions for dismissal indemnities	14	60	5	10	10	99
Other short term liabilities	227	24.073	191	3.197	2.910	30.598
Total liabilities	**241**	**41.669**	**196**	**3.207**	**3.819**	**49.132**
Net value of Assets	**(2)**	**11.521**	**457**	**11.586**	**413**	**23.974**
Total cost of merger	300	22.073	945	14.359	998	38.675
Net value of Assets Merged	(2)	11.521	457	11.586	413	23.974
Temporarily Goodwill	**302**	**10.552**	**488**	**2.773**	**585**	**14.701**

SANTE SA is a 100% subsidiary of FARMAGORA SA.

6. Segment information:

a. Business Sectors

The Group's results per business sector are analysed as follows:

30.09.2007	Health care	Non health care	Total
Sales	112.423	110.368	222.791
EBITDA	**41.255**	**22.698**	**66.953**

30.09.2006	Health care	Non health care	Total
Sales	32.125		32.125
EBITDA	**3.610**		**3.610**

b. Geographical Segment

The geographical segments of the Group operate mainly in two geographical regions which are administered from the Company's headquarters. The main country of operations is Greece. All other regions of operations are mostly products selling locations.

7. Tangible Fixed Assets

The tangible assets of the Group and the Company are as follows:

	The Group
Carrying net values on 31.12.2005	**37.063**
Additions for the period	24.485
Disposals for the period	(19.184)
Depreciations for the period	(1.611)
Transfer to investment property	(127)
Carrying net values on 31.12.2006 and 1.1.2007	**40.626**
Total cost of brought in tangible assets on 15.2.2007	168.611
Total accumulated depreciation of tangible assets on 15.2.2007	(19.257)
Acquisition of new subsidiaries	17.095
Additions for the period	73.856
Financial Leasing	2.497
Disposals for the period	(805)
Depreciations for the period	(9.328)
Others	(1.413)
Carrying net values on 30.9.2007	**271.882**

	The Company
Carrying net values on 31.12.2005	**36.044**
Additions for the period	23.195
Disposals for the period	(19.002)
Depreciations for the period	(1.390)
Transfer to investment property	(59)
Carrying net values on 31.12.2006 and 1.1.2007	**38.787**
Total cost of brought in tangible assets on 15.2.2007	117.887
Total accumulated depreciation of tangible assets on 15.2.2007	(15.659)
Additions for the period	72.570
Disposals for the period	(516)
Depreciations for the period	(8.749)
Others	(1.604)
Carrying net values on 30.9.2007	**202.744**

There is no pledge on any of the assets of the Company and its subsidiaries.

8. Intangible Assets and goodwill

a. Intangible assets

The intangible assets of the Group and the Company are as follows:

	The Group
Carrying net values on 31.12.2005	**1.725**
Additions for the period	74
Depreciations for the period	(96)
Carrying net values on 31.12.2006 and 1.1.2007	**1.704**
Total cost of brought in tangible assets on 15.2.2007	1.317
Total accumulated depreciation of tangible assets on 15.2.2007	(486)
Additions for the period	141.613
Acquisitions of subsidiaries	2.269
Depreciations for the period	(447)
Carrying net values on 30.9.2007	**145.970**

	The Company
Carrying net values on 31.12.2005	**1.724**
Additions for the period	71
Depreciations for the period	(95)
Carrying net values on 31.12.2006 and 1.1.2007	**1.700**
Total cost of brought in tangible assets on 15.2.2007	1.073
Total accumulated depreciation of tangible assets on 15.2.2007	(420)
Additions for the period	59.533
Depreciations for the period	(410)
Carrying net values on 30.9.2007	**61.476**

b. Goodwill

The goodwill of the Group and the Company is as follows:

	The Group
Carrying net values on 1.1.2006	**470**
Additions for the period	2.001
Goodwill adjustment	(191)
Carrying net values on 31.12.2006 and 1.1.2007	**2.280**
Goodwill due to the merger(absorbed group of companies).	124.219
Goodwill due to acquisition of subsidiaries from 16.2 to 30.9.2007 (note 5b)	14.701
Goodwill due to Merger (note. 5a)	510.334
Carrying net values on 30.9.2007	**651.534**

	The Company
Carrying net values on 1.1.2006	**470**
Goodwill adjustment	(191)
Carrying net values on 31.12.2006 and 1.1.2007	**279**
Goodwill due to Merger	520.556
Carrying net values on 30.9.2007	**520.835**

9. Loans

The loans of the Group and the Company are analyzed as follows:

	The Group		The Company	
	30.9.2007	**31.12.2006**	**30.9.2007**	**31.12.2006**
Long-term Loans				
Bonds	60.000	20.000	60.000	20.000
	60.000	**20.000**	**60.000**	**20.000**
Short-term Loans				
Bank loans	56	7.973	49	3.078
Total Loans	**60.056**	**27.973**	**60.049**	**23.078**

The Company has a bond of total value 60 million Euros, which was obtained on December 28, 2006 from the absorbed company LAMDA DETERGENT SA following an issue of notes (the "Notes") through a US Private Placement bond issue. The Notes mature in January 2021 and have a fixed coupon of 5.40% for the first four years. The company's bond is free of charges. There are covenants referring to the maintenance of specific financial figures and ratios for all the duration of the bond.

The companies are making provisions for the accrued bank interests and charge with the related expenses the income statement of the respective period.

10. Income Taxes

The tax charges for the period have been quantified as follows:

	The Group		The Company	
	1.1-30.9.2007	1.1-30.9.2006	1.1-30.9.2007	1.1-30.9.2006
Current tax charge	5.009	193	3.709	0
Previous year taxes	809	887	473	742
Deferred tax charge	176	12	245	29
	5.994	**1.092**	**4.427**	**771**

Subsidiary company VETERIN IMPEX SRL has been tax audited by Romanian tax authorities through April 2006 and VETERIN BULGARIA-97 OOD by Bulgarian tax authorities through April 2003. The subsidiaries GLYKIA GEFSI S.A.and CERTIFIED ORGANIC PRODUCTS LTD have been tax audited through 30.06.2006.EBIK S.A., ELPHARMA S.A. and all other subsidiaries have been tax audited through FY 2006. Provisions are made for the tax unaudited FY and for current period so as to cover the possibility of additional taxes that may come out of a tax audit from tax authorities.

11. Share Capital

The rights issue offered to existing shareholders by means of pre-emption rights, which was decided on 18/06/2007 by the extraordinary General Assembly and took place from 09/07/2007 until 23/07/2007, has been fully subscribed with a payment of a total amount of 817,166,850 euros and the issuance of 817,166,850 new, common, dematerialised and registered voting shares, each having a nominal value of 0.30 euro and a subscription price of 1.00 euro. The total amount of shares requested by those who exercised the pre-emption rights and those who exercised the oversubscription rights oversubscribed the share capital increase 1.35 times. In light of the above, the share capital of the company will be increased to 245,150,055 euros with the issuance and distribution of 817,166,850 new, common, dematerialised and registered voting shares, each having a nominal value of 0.30 euro. The difference between the nominal value of the shares and the subscription price of the shares amounting in total to 572,016,795 euros has been credited, after the deduction of the expenses in respect of the rights issue, to the account "Reserves from the issuance of shares above par".

The Share Capital Increase is been analytically presented below:

		Number of Shares	**Nominal Value**	**Share Capital**	**Paid in Surplus**
01/01/2007	Share Capital Veterin	30.190.350	0,30	9.057	0
24/05/2007	Issuance of new shares after approval of the merge from relevant authorities	133.243.020	0,30	39.973	639.420
23/07/2007	Share Capital Increase	817.166.850	0,30	245.150	541.569
		980.600.220		**294.180**	**1.180.989**

12. Earnings per Share

The calculation of the Basic Earnings per Share for the 30th September 2007 and 2006 is as follows:

	The Group		**The Company**	
	1.1-30.9.2007	**1.1-30.9.2006**	**1.1-30.9.2007**	**1.1-30.9.2006**
Net Profit to Shareholders of parent company	45.623	189	39.863	(373)
Basic Earning per share	**0,15**	**0,01**	**0,13**	**(0,01)**

The earnings per share have been calculated based on the weighted average number of shares.

13. Dividends

The annual shareholders meetings of the absorbed companies LAMDA DETERGENT SA and EBIK SA on April 2007 approved the distributing of dividends coming from FY 2006 amounted to € 2.360. It is noticed that the approval of distribution took place before the completion of the merger, which means that the dividends were given only to the old shareholders of those companies.

14. Obligations towards employees

The obligation of the Company and the Group towards its employees in Greece to provide them future benefits depending on their length of service is quantified and reported on the basis of the accrued entitlement, as at the date of the balance sheet, that is anticipated to be paid, discounted to its present value by reference to the anticipated time of payment. The discount rate used (4,8%) is equal to the yield, as at the balance sheet date, of long-term Greek Government bonds.

15. Related party disclosures

The accumulated amounts of sales and purchases from the beginning of the financial period of the Company with the associated companies as defined in IAS 24, are up to the amount of € 10.528 th. and € € 73.228 th. respectively. The receivables and liabilities of the Company with the associated as defined in IAS 24 parties at the end of the current period are amount to € 24.476 th. and € 57.294 th. respectively. The balances of sales and purchases from the beginning of the financial period of the Company on consolidated basis with affiliated as defined in IAS 24 parties ,are up to the amount of € 7.746th. and € 95.874th. respectively. The recievables and liabilities on consolidated basis at the end of current period with the associated as defined in IAS 24 parties amount to € 5.730 th. And € 1.093 th. respectively.

Company's and Group's rewards to Managers and Members of the Board of Directors, as defined in IAS 24, for the period 1.1 – 30.09.2007 come up to € 787 thousand .

Receivables of the Company and the Group from Managers and Members of the Board of Directors, as defined in IAS 24, do not exist. The amount of liabilities of the Company and the Group to the Managers and the Members of the Board of Directors, as defined in IAS 24, at 30.09.2007, amount to 90€ thousand.

16. Post Balance Sheet events

In August 2007 Alapis signed a preliminary agreement for the purchase of a controlling stake of 95% in BioChem Diagnostics SA. The acquisition cost amounted to €21.4 million approximately. The agreement and acquisition price will be finalized upon signing of the final contract which is subject to the satisfaction of all conditions included in the preliminary agreement.

In October 2007, ALAPIS S.A. established the following companies:

a) PE "VETERIN UKRAINE ", whose scope is the production and trade of veterinary medicines and provender and the undertaking of agencies abroad. The new company is headquartered in Kiev, Ukraine.The share capital of the company is 15.000 euro. The only shareholder of the company is ALAPIS S.A.

b) VETERIN FARMACEVTSKA DRUŽBA D.O.O. with the dinstictive title VETERIN d.o.o , whose scope is the production and distribution of pharmaceuticals, chemicals and organic products, food ingredients and generally food products. The new company is headquartered in Ljubljana, Slovenia. The share capital of the company is 7.500 euro. The only shareholder of the company is ALAPIS S.A.

17. Contingent liabilities

a) ALAPIS SA after its pre-election as the highest bidder for the purchase of 68.25% of SUMADIJALEK S.A. signed on September 10th 2007, the purchase agreement, which is now under the approving decision of the SERBIAN COMPETITION COMMISSION.

b) Judicial cases

The Company is involved in different judicial cases. The management and Company's lawyers estimate that all the open .judicial cases will be arranged without negative material consequences at its equity and its operating results.