



OBSTETRICS GYNECOLOGY SURGERY DIAGNOSTIC THERAPEUTIC AND RESEARCH CENTER S.A.

**ANNUAL FINANCIAL STATEMENTS
PARENT COMPANY AND CONSOLIDATED
31 DECEMBER 2007**

**IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)**



MARCH 2008

*The accompanied Annual Financial Statements have been approved by the Board of Directors of IASO S.A. on 18.03.2008 and have been posted on the internet, at the address www.iaso.gr.
Companies Register Number 13366/06/B/86/61 Department of Commerce
Registered Office: 37-39, Kifissias Ave. 151 23 Maroussi, Athens*

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MANAGEMENT REPORT OF THE BoD

**BOARD OF DIRECTORS REPORT ON THE CONSOLIDATED AND PARENT
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR**

1/1 – 31/12/2007

**“IASO S.A.” OBSTETRICS GYNECOLOGY SURGERY DIAGNOSTIC
THERAPEUTIC AND RESEARCH CENTER**

**TO THE ANNUAL ORDINARY GENERAL SHAREHOLDERS MEETING
DATED JUNE 6th 2008, FOR THE EVENTS THAT TOOK PLACE DURING
FINANCIAL YEAR 2007**

**BOARD OF DIRECTORS REPORT
ON THE CONSOLIDATED AND PARENT FINANCIAL
STATEMENTS FOR THE FINANCIAL YEAR 1/1 – 31/12/2007**

“IASO S.A.” OBSTETRICS GYNECOLOGY SURGERY DIAGNOSTIC
THERAPEUTIC AND RESEARCH CENTER (The Company) and its subsidiaries

TO THE ANNUAL ORDINARY GENERAL SHAREHOLDERS MEETING DATED
JUNE 6th 2008, FOR THE EVENTS THAT TOOK PLACE DURING FINANCIAL
YEAR 2007

Dear Shareholders,

With the present report which has been written in compliance with the revised 4th directive of the E.U. we submit a full analysis of the Financial Statements prepared according to “The I.F.R.S. Stable Platform 2005”, they have been registered in the company’s accounting books (inventory and balance sheet) and have been published as it is specified by law 2190/1920, article 135.

Review

The fiscal year of 2007 continued as a year of further development in the financial figures as well as the offered services and further strengthening for IASO Group position in the local market. The companies of the Group managed to significantly increase their revenues as well as their profits. The improvement of the financial results is mainly attributed to the following factors: 1) the continuous rise in the numbers of IN and Outpatients’ flow, 2) the efficient cost and expense control, 3) the improvement of IASO General’s results, and 4) the rapid growth of MEDSTEM Services activities in the field of collection, processing of cord blood and storage of stem cells.

Worthy of remark is the fact that during the last five years (2003 – 2007) the Compounded Annual Growth Rate (CAGR_{2003 – 2007}) reached 12,8% while during the same period the group revenues CAGR_{2003 – 2007} reached 21,7%.

The Group's and the Company's main concern lies in the continuous organizational and operational upgrade while at the same time they proceed towards retaining expense increases at satisfactory levels, which in turn results in improved, Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) and Earnings After Taxes (EAT) margin rates.

Consolidated Financial Results

The consolidated turnover for the fiscal year 2007 reached the amount of €169,8 mil, showing an increase of 18,0% compared with last year. The consolidated EBITDA reached the amount of €44,7 mil. recording an increase of 32,1%, while the EBITDA margin is strengthened by 281 basis points compared with the same period last year. Earnings Before Taxes amounted to €33,5 mil. presenting an increase of 38,5%, while Earnings After Taxes & Minorities Interests (EAT&M) reached the amount of €20,4 mil. posting an increase of 52,2%.

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

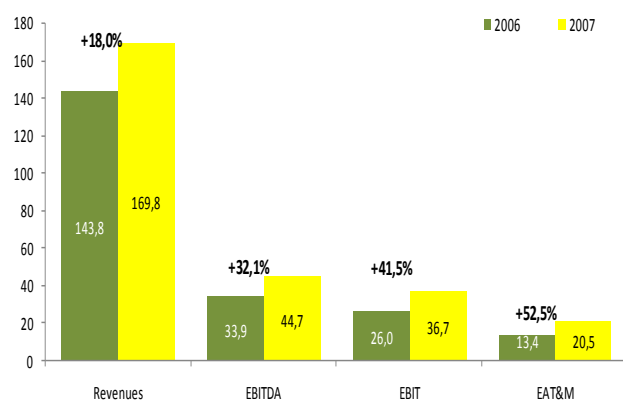
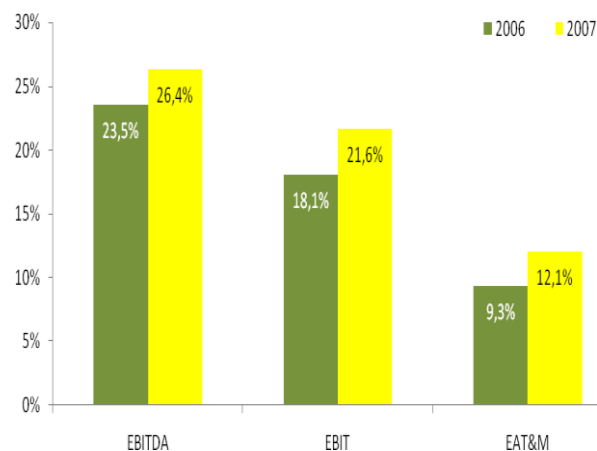
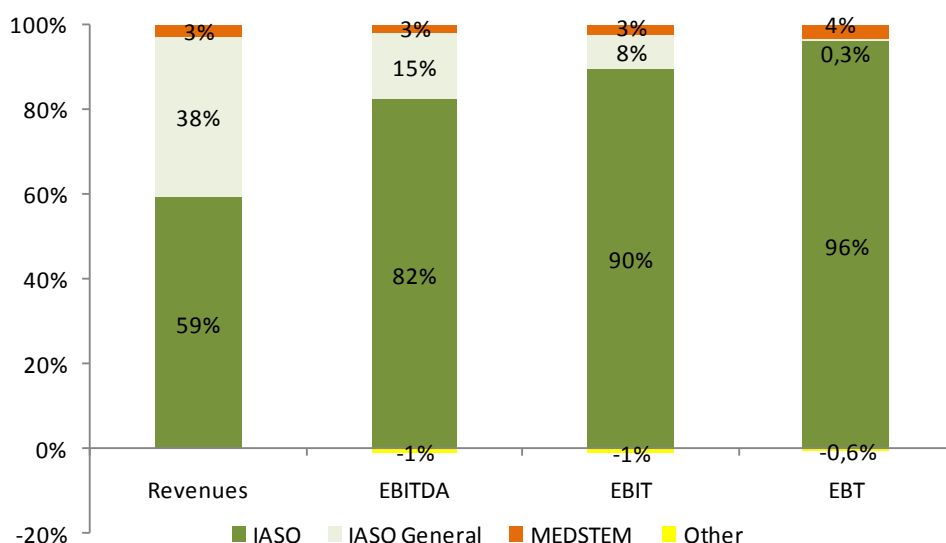


Chart 2: IASO Group Profit Margins



Each company's participation in the formation of the consolidated 2007 basic financial results is also demonstrated below.

Chart 3: Company's participation in the formation of the consolidated basic financial results



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

More specifically:

IASO S.A.

The company's revenues reached the amount of €101,0 mil. posting an increase of 13,8% compared with the same period last year. (More comments are mentioned further down in the special section of this report that covers the financial results of the parent company).

IASO General S.A.

Iaso General's Revenues were recorded at €64,5 mil. presenting an increase of +23,5% vs. last year's figures. The increase in the revenues is attributed to the increase in, IN and Outpatients' by 23,5% and 29,8% respectively. Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) were recorded at €6,92 mil. being 4,8 times higher than the figures of the previous year. We note that the EBITDA margin reached the level of 10,7% posting an increase of 797 basis points compared with the same period last year. Earnings Before Tax reached the amount of €0,11 mil. vs losses €5,15 mil. in Fiscal Year 2006. As far as Loss After Taxes is concerned, the picture is also improved showing

a decrease in Losses by € 5,30 mil, showing Losses of €2,36 (due to deferred taxation and tax audit) vs Losses of €7,66 mil. of the previous year. According to the 2008 budget IASO General SA, continuing its steadily improving financial course will present satisfactory improvements in both Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) and Earnings After Tax (EAT).

MedStem Services S.A.

The subsidiary company MedStem Services S.A. whose main activity is the “Cord Blood” collection, processing and “Stemcell storage” in its second full year of operations presented an increase in revenues of 43,7%, compared with the same period last year, reaching the amount of €4,6 mil. The revenue increase is mainly attributed to the increase of the stored stem cell units by 44,3%, this is a fact showing the ever growing recognition of the need to store the stem cells and the acceptance of this method by the new couples. The Earnings before Interest, Taxes, Depreciation & Amortization reached the amount of €1,37 mil. posting an increase of 29,6%. Earnings After Taxes reached the amount of €0,98 mil. strengthened by 47,1%.

The other subsidiaries have not commenced yet their activities.

Expenses

The administrative and marketing overheads reached €8,96 mil. standing for 5,28% of the consolidated revenues. Interest expenses increased and reached the amount of €4.81 mil. vs €3,33 mil in 2006 (representing 2,83% of the consolidated revenues of 2007), reflecting the increase in the parent company borrowings as well as in the interest rates. (Consolidated Loans amounted to €116,5 mil. on 31.12.2007 vs €67,15 mil on 31.12. 2006 recording an increase of 73,54%. Moreover, it should be mentioned that the consolidated cash and cash equivalents on December 31st 2007 amounted to €27,4 mil. vs €10,1 mil. on December 31st 2006.

Financial Ratios

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

Consolidated Ratios	2007	2006
Current Ratio	1,16	0,75
Return on Equity (before taxes)	27,9%	16,1%
EBITDA (% on revenues)	26,4%	23,5%
Profit margin (before taxes) (% on revenues)	19,7%	16,8%
Owner's Equity / Total Assets *	0,39	0,56
Owner's Equity / Total Liabilities *	0,65	1,27
Owner's Equity / Bank Liabilities *	1,03	2,24

Note: These ratios can be further improved if the consolidated cash and cash equivalent (amounted to €27,4 mil. on 31.12.2007) get subtracted from total assets.

The total number of personnel employed by the group amounted to 1.588 persons on 31.12.2007 vs 1.418 on 31.12.2006.

Investments

The implementation of the investment plan was continued during last year aiming at growth, further development of the Group's competitive strengths and continuous upgrade of the offered services based on state of the art equipment. Under this framework total group's investments during FY 2007 amounted to €13,87 mil. and is, analysed as follows:

The Parent company **IASO SA**, invested the amount of approximately €3,96 mil., of which €3,65 mil., were mainly invested in medical equipment and the rest in buildings and new constructions, so as the company to continue offering pioneering and high level services, utilizing ultramodern and state of the art equipment. For demonstration purposes, we mention the acquisition of two digital mamographers from the USA manufacturer LORAD SELENIA as well as the acquisition of two CT Scanners (Toshiba) and four sonographers from General Electric.

At **IASO General S.A.** investments in buildings and equipment reached the amount of €2,76 mil. aiming to enrich the offered services and better utilization of the building facilities. For demonstration purposes, we mention the acquisition of a 64-slice CT Scanner (Toshiba) an endoscopic sonographer with an endoscopic capsule system for the diagnostic testing of the small intestine (OLYMPUS), an urology LASERSCOPE Green Light HPS, for the selective sublimation of the prostate, while a digital mamographer

equipped with an R2 Image checker D (MP400) from the USA manufacturer LORAD SELENIA is on delivery.

At **IASO Thessalias S.A.** the new investments amounted approximately to €6,88 mil., the total amount was allocated in the construction of the buildings.

At the subsidiary **MEDSTEM Services S.A.**, due to its recent operations start up, there was no need to spend but only the amount of €263 thousands.

Group Companies Share Capital Changes

The Share Capital of the company “**IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.**” upon resolution of the Extraordinary General Meeting of Shareholders held on 25.11.2006, was decided to be increased by € 3.274.800,00 by cash, by issuance of 327.480 new common registered shares of nominal value € 10,00 each and issue price € 15,00. The Share Premium Reserve amounts to € 1.637.400,00 (6992/19.12.2006 decision of the Prefecture of Larissa). (G.G. 85/04.01.2007).

At the Extraordinary General Meeting of Shareholders of the subsidiary company “**IASO OF SOUTHERN SUBURBS GENERAL CLINIC – PRIVATE OBSTETRICS S.A.**” held on 05.02.2007, it was decided: (a) the decrease of the nominal value of shares from € 10,00 to € 5,00 (split) by a simultaneous issuance of 6.000 registered shares, (b) the increase of Share Capital by cash for the amount of € 10.000.000,00, by issuance of € 2.000.000,00 new common registered shares with voting rights, of nominal value and issue price € 5,00 each. The aforementioned increase was approved by decision 20505/7.8.2007 of Athens Prefecture.

The Share Capital of the Company, upon resolution of the Annual General Meeting of Shareholders (B’ Repeating) held on 29.06.2007, decreased by € 44.075.500,00, by simultaneous decrease of the nominal value of all shares by the amount of € 1,53 to € 0,53, with the purpose of the pro rata distribution of equal amount of the reduction amount to Shareholders and by the relevant amendment of the article 5 of the Company’s Articles. The above decision of share capital decrease was approved by the K2 – 10651/12.07.2007 decree of the Ministry of Development and the B.O.D. of the Athens Stock Exchange was informed at the meeting of 19.07.2007.

Other facts

At the General Meeting of Shareholders of the subsidiary company “IASO PEDIATRICS S.A.” held on 12.06.2007, the company decided to be renamed “IASO HEALTH ENTERPRICES SOCIETE ANONYME” with distinctive title “IASO HEALTH ENTERPRICES” (G.G. no. 7754/13.07.2007)

Perspectives

The Management of the Group continues with the same zeal and consistency on its growth and profit improving policies, as well as broadening the range of the group activities that was followed during 2007.

The management and administration of the Group looks towards the year of 2008 and the following years with optimism. The devotion to our values, our well-established strengths, foremost among them being our customers’ loyalty and the dedication of our doctors and personnel, allows us to believe in the successful completion of our long-term quantitative and qualitative goals.

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

Finally, the start up of operations of the pediatric department and the completion of “IASO Thessalias” clinic, without delays, converge in the overall aim of increasing the company’s value for its shareholders.

Parent Company’s Financial Results

The parent Company’s figures and financial results demonstrate that the company is continuing its steady growing pace. Revenues reached the amount of €101,0 mil. during 2007 vs the amount of € 88,74 during 2006 posting an increase of 13,84%. The revenue increase is attributed to the following: (i) the increase of inpatients and outpatients patients by 4,6% and 8,8% respectively and (ii) the increase of the average revenue per patient by 4,9%. Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) were recorded at €36.9 mil. vs € 31.58 mil of the FY 2006, presenting an

increase of 16,8%. while the EBITDA margin reached the level of 36,52% posting an increase of 94 basis points compared with the same period last year. Earnings Before Taxes reached the amount of € 32.29 mil vs € 28.50 mil of the FY 2006 showing an increase of 13.27%. Earnings after tax and minorities interests (EATAM) were recorded at €21,93 mil. vs €20,20 posting an increase of 8,54%. The lag in growth recorded between Earnings after tax and minorities interests and EBITDA is explained by (i) the increase in financial expenses by €1,23 mil. (+177%) and (ii) the additional taxes and penalties of €1,58 mil. that were imposed by the Tax Audit Authorities, on the company for the fiscal years 2003 through to 2005. The company's Bank Net Debt (Bank Debt minus Cash & Cash equivalents) at the end of fiscal year 2007 reached the amount of €46,5 mil. vs €4,7 mil. at the end of fiscal year 2006.

The following chart presents the evolution of the aforementioned figures.

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

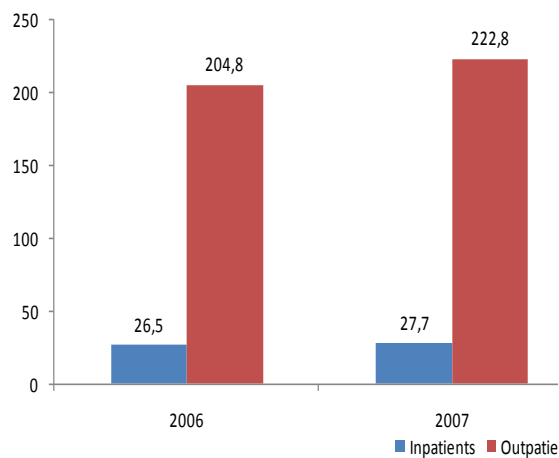


Chart 5: IASO SA Average Revenue per patient

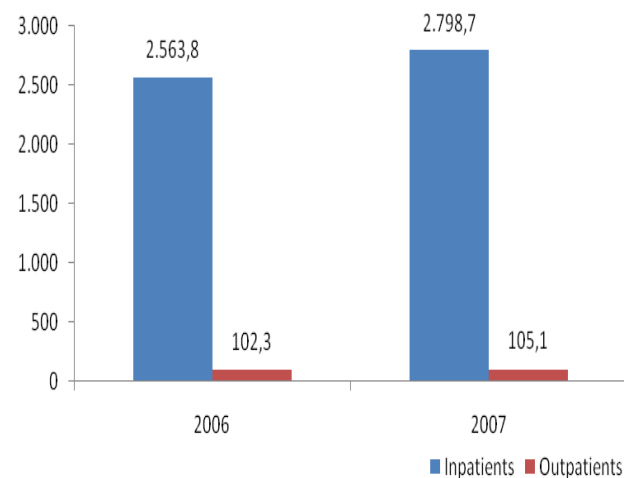


Chart 6: IASO SA Brief Financial Results
(in mil. €)

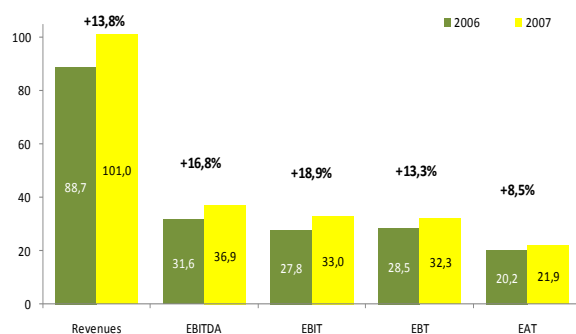


Chart 7: IASO SA Profit Margins



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

Parent Company Ratios	2007	2006
Current Ratio	1,41	1,16
Return on Equity (before taxes)	21,1%	15,1%
EBITDA (% on revenues)	36,5%	35,6%
Profit margin (before taxes)	32,0%	32,1%
Owner's Equity / Total Assets *	0,63	0,83
Owner's Equity / Total Liabilities *	1,67	5,06
Owner's Equity / Bank Liabilities *	2,59	17,43

*** Note: These ratios can be further improved if the Company's cash and cash equivalent (amounted to €10,1 mil. on 31.12.2007) get subtracted from total assets.**

Important Facts after the Balance Sheet date

During the 1st quarter and in the course of implementation of the Group's business plan:

- At the Extraordinary General Meeting of Shareholders of the subsidiary company "IASO GENERAL CLINIC OF HOLARGOS S.A." held on 11.01.2007, it was decided: (a) to increase the Share Capital by €7.761.746,12 of which €735.774.62 by capitalizing part of the liabilities towards the parent company IASO S.A. by issuance of 694.127 new common registered shares of nominal value € 1,06 per share. The remaining amount of €7.025.971,50 paid in by cash with issuance of 6.628.275 new common registered shares of nominal value €1,06, (b) to increase the Share Capital by €355.000.00 through capitalization of the equivalent amount of share premium reserves. This action will increase the share's nominal value from €1,06 to €1,085 (c) to decrease the share's

nominal value from €1,085 to €0,31 due to an increase in the number of shares from 14.200.000 with nominal value €1,085 to 49.700.000 of nominal value €0,31 (split of one (1) old to three and a half (3,5) new shares). The certification of the Share Capital increase was approved by the BoD of the subsidiary company on 06/02/2008.

- The B.O.D. of the subsidiary company “**IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.**” based on the decision taken at the Extraordinary General Meeting of Shareholders held on 19.01.2008, proceeded in signing an 8 years debenture loan agreement for a maximum amount of €33,000,000. The agreement was signed between **IASO THESSALIAS SA** and National Bank of Greece as the organizer and bondholder. The proceeds of the aforementioned loan will be used for financing the buildings completion and the purchase of equipment. The amount that has already been drawn down amounts to €7.000.000.
- The Share Capital of the Company “**IASO GENERAL CLINIC OF HOLARGOS S.A.**” upon resolution of the Extraordinary General Meeting of Shareholders held on 14.02.2008, increased by € 26.231.400,00 by cash, by issuance of 7.670.000 new common registered shares of nominal value € 0,31 each and issue price € 3,42. The Share Premium Reserve will increase by € 23.853.700,00 if the full amount of increase is successfully covered. The aforementioned increase is in process and has not been completed yet.

The Board of Directors intends to propose to the Annual Ordinary General Meeting a dividend distribution of €0,33 per share for the fiscal year 2007.

Corporate Governance – Internal audit.

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

The Board of directors of IASO S.A. is the guardian of the corporate governance principles of the group. At present it is composed of 5 executive and 8 non-executive members. Of the non executive members, two satisfy the requirements of the law 3016/2002 for the corporate governance and are denominated as independent. For the

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

The Audit Committee is composed of non-executive members of the B.O.D. and its mission is the objective conduct of internal and external audits and the efficient communication between the auditors and the B.O.D. Amongst its responsibilities is the assurance of the compliance with the rules of the corporate governance as well as the assurance of the proper function of the internal audit system and the supervision of the operation of the Internal Audit Department.

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

Risk Management

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

Operating and Business Risk.

The group has taken action regarding the operating risk management, specifically:

1) Insurance Coverage All the Group's active

Companies have taken out insurance contracts that are currently in force and renewed when expired, covering:

- a. Its tangible assets and its premises
- b. Civil, Employer's, Professional (malpractice) Liability
- c. Group IASO Employees
- d. Group IASO Motor vehicles.

- e. Loss of Income
- f. Cash theft & burglary

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

2) Management of Receivables – Liabilities and IT Systems.

The group keeps a backup data base, while significant resources has been disposed to the installment of equipment and development of systems for the storage and recovery of business information in order to secure the Group's receivables and business continuity.

The group's management continuously audits receivables and updates the credit control procedures. The Group receivables originate from sales to private customers, social security funds and insurance companies. Receivables from social security funds and Insurance Companies have a minimum loss risk. Potential credit risk is mainly related to private customers.

The group's management posts provisions for coverage of possible bad debts and incorporates them the balance sheet as well as in the Financial Statements. All of the above financial assets that are presented in the financial statements have been impaired (incorporating the relevant provisions) and are of high credit quality.

3) Un-audited tax years.

The Company has been audited by tax authorities up to the fiscal year 2005. For the unaudited fiscal years 2006 and 2007 the Group has posted expected tax liabilities due to audit, on the basis of assessments from previous audits. If the audit's final outcome varies from that initially posted one, the difference shall burden the income tax of assessed period. The subsidiary company "IASO General S.A." has been audited by tax authorities up to up to 2005; due to cumulative loss the management believes that there is no reason to form provisions for future expected tax liabilities. The subsidiary companies "Medstem Services S.A.", as well as the other subsidiaries have never been audited by the tax authorities as of their establishment. The company has started to post revenues in the FY 2004, at a very low scale up to the FY 2005 and the management has not posted expected

tax liabilities due to audit, on the basis of lack of assessments from previous audits. The other group's subsidiaries have not yet been audited since establishment nor have they posted any revenues.

4) Technological Developments.

The health services as well as the market position of each health care services provider greatly depend on the technical competence and the supremacy of the bio-medical equipment being used. IASO group's top priority has been to continuously invest in programs aiming at renewing and purchasing state-of-the-art medical equipment.

5) Large Customer Dependence.

The group has no dependence to large customers like insurance companies and social security providers.

6) The Private Health Care Sector in Greece

With a sector's growth rate for the period 1997-2005 of 12.7% and for 2006 of 15.7%, it is clear that the private health care sector in Greece presents particular dynamics and potential. These characteristics attract new investments. IASO Group has managed with its financial results to present a great supremacy compared to its main competitors. Furthermore, for the last 10 years, IASO has managed to be ranked steadily in the first place amongst the private maternity hospitals in Greece.

The Sector is characterized by:

- High fragmentation. The largest operator holds 15% of total private market while the smaller players are less competitive due to the lack of quality services and available resources.
- Growing demand for qualitative health care services
- Change of demand mix due to change in demographics (aging population, immigrants' inflow)
- Poor quality medical services outside the regions of Athens and Thessaloniki.
- Possible failure of IASO Group to meet with success the new situation could have negative effect on its economic circumstances and its operational results.

Financial Risk

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

Interest Rate Fluctuations

Taking into account the Group cash flow and the current spreads between fixed and floated interest rates, the cost of available financial products for the coverage of interest rate risk as well as the estimated, by the consensus, decrease in interest rates by the ECB, the Group's management decided to follow the floated interest rate policy. Following this decision the Group is exposed to interest rate fluctuations. According to the current (31.12.2007) signed bank debt agreements a possible increase of interest rate by 1,00% will negatively affect the Group financial results and equity by approximately the amount of €1,00 mil. while an equal percentage interest rate decrease will increase the Group financial results and equity by approximately the amount of €1,00 mil.

Other Risks

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

- Political, financial or social changes, instability, fluctuations in Greece, Europe or worldwide that may affect the business' environment in Greece.
- A fluctuation in the international capital markets as well as the Investing public's psychology.
- ATHEX's trend and fluctuation. It should also be taken into consideration that ATHEX has lower liquidity as compared to other major international markets, which may cause difficulties in the effort to sell the shares, particularly in large blocks.
- Sale of a large number of the Company's shares, or estimations or articles that such a sale can take place.
- Possible legislative changes that can affect our developing policy.

- Incapability to keep up with the medical and technological developments.

We presented to you the Parent Company and the Consolidated Financial Statements for the fiscal year January 1st to December 31st 2007, in comparison with the same period of 2006. We submitted the Auditors' Report, according to the law for Société Anonyme (S.A.), and we ask you to approve the financial statements and release the members of the Board of Directors and the Auditors of any responsibility for the fiscal year ended at the 31st of December 2007.

Maroussi, 18th of March 2008

Ioannis Ch. Zolotas
Chairman of the Board of Directors

CERTIFICATION

It is certified that the present Report of the Board of Directors to the Shareholders' Annual General Meeting, consisting of nine (17) pages, is the one referred in the Auditors' Report issued on the 24.03.2007.

Athens, 24 of March 2007

Certified Public Accountant

Constantinos P. Petroyannis

SOEL Reg. No 11991

SOL S.A. – Certified Auditors Accountants

EXPLANATORY REPORT OF THE BoD

(par. 1 of article 11a of Law 3371/2005)

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

1. Structure of the Share Capital

The Company's share capital amounts to € 23.360.015 divided in 44.075.500 common registered shares bearing a vote right, each one of nominal value of € 0,53, after the reduction of the share capital by 44.075.500 € through cash payment and simultaneous reduction of the nominal value of the shares by 1,00 € i.e. from 1,53 € to 0,53 € per share, which was decided by the B' Adjourned Annual General Meeting on 29/06/2007. The above reduction of the share capital was approved by the Ministry of Development with No K2-10651/12.07.2007 decision and the Athens Stock Exchange was informed about it at its Board of Directors meeting of 19/07/2007. The Company's shares are listed for trading in the Securities Market (Big Capitalization Segment) of Athens Exchange.

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

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

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

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

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

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

(c) Preemption right in every share capital increase of the Company through cash amounts and subscription to new shares.

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

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

(f) The shareholders General Meeting reserves all its rights during wind up (according to par. 4 article 37 of its Articles of Association). Shareholders shall not be held liable beyond the nominal capital of each share.

2. Limitations concerning the transfer of the Company's shares

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

3. Material direct or indirect participations, as such are described in Presidential Decree 51/1992

As of 29/02/2008, EUROMEDICA S.A. has a proportion of 6,12% of the Company's share capital. No other person or legal entity owns a participation greater than 5% of the share capital.

4. Owners of shares granting special control rights

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

5. Limitations in voting rights – Term limit for the exercise of such rights

There are no limitations in the voting rights.

6. Company's shareholders agreements.

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

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

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

8. Board of Directors competence in respect of issuance of new shares or purchase of own shares.

(a) According to the provisions of article 13 par. 1 sec. b' and c' of codified law 2190/1920 and article 5 par. 2 of the Articles of Association, during the first five years after a relevant decision of the General Meeting, subject to the formalities of article 7b of codified law 2190/1920, the Company's Board of Directors is entitled to increase the Company's share capital with the issuance of new shares by virtue of a decision taken in a majority of at least $\frac{2}{3}$ of its members. If this is the case, share capital may be increased no more than the amount of the capital having been paid on the date of the General Meeting's relevant decision. The aforementioned authority may be renewed by the General Meeting for a period of no more than five years for each renewal which is deemed valid after the expiration of each five year period.

(b) If however the Company's reserves exceed $\frac{1}{4}$ of paid up share capital, then a decision of the General Meeting is always required and must be taken in the special quorum and majority set forth in article 15 of the Articles of Association (article 29 par. 3 and 4 and 31 par. 2 of codified law 2190/1920 as currently in force).

(c) According to the provisions of article 13 par. 13 of codified law 2190/1920, as amended by article 19 of law 3604/2007, by virtue of a decision of the General Meeting of Shareholders, taken according to the provisions of par. 3&4 of article 29 and par. 2 of article 31, a stock option program may be established amongst the members of the Board of Directors and the Company's personnel, as well as amongst the related companies as defined in par. 5 of article 42e, in the form of stock option under the special terms of the aforementioned decision, a summary of which is subject to the formalities of article 7b of codified law 2190/1920. Persons providing services to the company in a constant base may also be designated as entitled to stock options. The decision of the General Meeting in question, specifically designates the number of shares that may be issued -which may not exceed $\frac{1}{10}$ of existing shares, according to the law – if the persons entitled to purchase shares exercise such right, the price and the terms of the disposal of the shares to those entitled to receive them, the persons entitled to purchase shares or the categories of them and the method of determination of price of acquisition, without prejudice to the

par. 2 of article 14 of codified law 2190/1920, the duration of the stock options program, as well as every other relevant term. With the same decision, the General Meeting of the Shareholders may assign to the Board of Directors to define the beneficiaries or the categories of the beneficiaries, the conditions of exercising their rights and every other term regarding the stock options program. The Board of Directors, through a decision, regulates all other details, not being otherwise regulated by the General Meeting, issues the share purchase rights Certificates and at least every trimester delivers the share-titles already issued or issues and delivers the share-titles to the persons having exercised their right (to purchase shares), increasing the Company's share capital and certifying such increase. The decision of the Board of Directors certifying the payment of the share capital increase must be taken every trimester, contrary to art. 11 of codified law 2190/1920. These decisions of share capital increase are not considered amendments to the Articles of Association and par. 7-11 of article 13 of codified law 2190/20 are not applicable thereat. The Board of Directors is compelled at the last month of each financial year, during which share capital increases were decided, according to the above, to adapt with its decision the article relevant to the share capital of the Articles of Association, in order to reflect the increase of the share capital occurred after the above increases, respecting the publication procedure provided in art. 7b of codified Law 2190/1920.

(d) According to the article 16 of codified law 2190/1920, as amended by article 21 of law 3604/2007, the company itself or a person acting on behalf of the company may acquire its own shares, only after consent of the General Meeting of the Shareholders under the special terms and procedures provided in article 16 of codified law 2190/1920.

9. Material agreements activated, amended or terminated in case of change of control following public proposition.

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of IASO S.A.

Report on the Financial Statements

We have audited the accompanying separate and consolidated financial statements of "IASO S.A." (the "Company"), which comprise the separate and consolidated balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Without qualifying our opinion, we draw attention to:

a) Note 19 in the Notes on the financial statements, where reference is made to the fact that the tax returns of the parent company for the year 2006 to today and those of the subsidiaries "IASO MACEDONIAS GROUP OF NORTHERN GREECE S.A.", "MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A.", and "IASO OF SOUTHERN SUBURBS GENERAL CLINIC – PRIVATE OBSTETRICS S.A." for the years from 2003 to today, those of the subsidiary "IASO GENERAL CLINIC OF HOLARGOS S.A." for the year 2006 to today, while those of the subsidiaries "IASO HEALTH ENTERPRISES S.A.", "MEDSTEM SERVICES S.A." and "IASO THESSALIAS GENERAL CLINIC – PRIVATE OBSTETRICS S.A." for the years from their inception to today, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. Since the outcome of these tax inspections cannot be predicted at present, the parent company has set up, to a minimum for this purpose, a provision chargeable to the results for the year of amount € 670.000,00.

b) Moreover, as also referred to in Note 15 in the Notes on the financial statements against the Company and the Group have been lodged third party lawsuits for indemnities totalling approximately € 15.425 thousands and € 19.330 thousands, respectively, which are pending at court. The Legal Advisor of the Company and of the Group is not able at this stage to express an opinion concerning the final outcome of these lawsuits, given that

the preliminary hearing is a procedure found in progress and, therefore, no provision has been made in these financial statements in this respect.

Report on Other Legal and Regulatory Requirements

The Report of the Board of Directors includes the information that is provided by the articles 43a paragraph 3, 107 paragraph 3 of c.L. 2190/20 as well as the article 11a of L. 3371/2005 and its content is consistent with the accompanying financial statements.

Athens, 24 March 2007

KONSTANTINOS P. PETROYIANNIS
Certified Public Accountant Auditor
Institute of CPA Reg. No. 11991
SOL S.A. – Certified Public Accountants Auditors
3, Fok. Negri Street - Athens, Greece

BALANCE SHEET OF THE COMPANY AND THE GROUP AS AT 31/12/2007

ASSETS	<i>Note</i>	THE GROUP 31/12/2007	THE GROUP 31/12/2006	THE COMPANY 31/12/2007	THE COMPANY 31/12/2006
Non-current assets					
Property, plant and equipment	6	217.316.210,38	211.251.555,22	112.428.276,82	112.247.194,87
Investment property		0,00	0,00	0,00	0,00
Goodwill		0,00	0,00	0,00	0,00
Intangible assets	7	1.420.445,03	1.661.575,43	883.613,99	985.136,82
Investments in subsidiaries	8.1	0,00	0,00	92.531.684,38	86.293.879,18
Investments in associates		0,00	0,00	0,00	0,00
Deferred income tax assets	19	7.701.139,51	9.478.888,34	0,00	0,00
Available-for-sale financial assets		0,00	0,00	0,00	0,00
Finance leases-receivables		0,00	0,00	0,00	0,00
Derivatives		0,00	0,00	0,00	0,00
Other long-term receivables	25	893.783,31	310.573,21	397.228,58	75.413,56
		227.331.578,23	222.702.592,20	206.240.803,77	199.601.624,43
Current assets					
Inventories	12	4.979.568,52	4.460.597,09	1.964.044,04	2.281.290,55
Trade receivables	11	30.319.880,61	19.578.560,52	3.906.027,12	3.370.817,69
Other receivables	11	9.332.342,77	8.410.427,60	14.580.112,55	10.511.243,98
Finance leases-receivables		0,00	0,00	0,00	0,00
Construction contracts		0,00	0,00	0,00	0,00
Available-for-sale financial assets	9	4.189.927,64	1.122.802,04	4.189.927,64	1.122.802,64
Derivatives		0,00	0,00	0,00	0,00
Other financial assets at fair value through profit or loss	10	999.585,45	2.382.557,31	999.585,45	2.382.557,31
Cash and cash equivalents	13	27.443.241,60	10.118.505,65	12.486.263,90	6.126.909,08
		77.264.546,59	46.073.450,81	38.125.960,70	25.795.621,25
TOTAL ASSETS		304.596.124,82	268.776.043,01	244.366.764,47	225.397.245,68
LIABILITIES					
EQUITY					
Share capital	24	23.360.015,00	67.435.515,00	23.360.015,00	67.435.515,00
Share premium account	24	42.525.668,15	42.525.668,15	42.525.668,15	42.525.668,15
Reserves at fair value	29	64.591.565,30	64.591.565,30	41.126.024,42	41.126.024,42
Other reserves	29	5.854.191,15	4.834.959,04	5.384.038,15	4.373.748,28
Reserves for translation of Balance Sheet		0,00	0,00	0,00	0,00
Retained earnings		-25.009.462,32	-31.359.254,14	40.440.227,02	32.742.512,03
Total equity of Company's equity holders		111.321.977,29	148.028.453,35	152.835.972,74	188.203.467,88
Minority interest	8.1	8.896.044,52	2.442.216,73	0,00	0,00
Total equity		120.218.021,81	150.470.670,08	152.835.972,74	188.203.467,88
LIABILITIES					
Non-current liabilities					
Borrowings	14	109.403.825,00	51.000.000,00	56.503.825,00	8.000.000,00
Derivative financial assets		0,00	0,00	0,00	0,00
Deferred income tax liabilities	19	0,00	0,00	4.039.787,93	4.195.826,72
Finance lease obligations		0,00	0,00	0,00	0,00
Retirement benefit obligations	16	4.124.296,53	3.805.322,55	2.585.827,87	2.271.636,74
Other non-current liabilities	26	2.991.353,60	1.289.715,51	61.475,05	60.498,46
Other non-current provisions	27	1.294.000,71	492.395,04	1.294.000,71	492.395,04
		117.813.475,84	56.587.433,10	64.484.916,56	15.020.356,96
Current liabilities					
Trade and other payables	15	50.846.338,41	37.255.833,75	16.321.743,07	11.160.424,92
Finance lease obligations		0,00	0,00	0,00	0,00
Current income tax liabilities	19	8.595.621,15	8.314.515,11	8.227.957,10	8.212.995,92
Short-term borrowings	14	7.122.667,62	16.147.590,97	2.496.175,00	2.800.000,00
Derivative financial assets		0,00	0,00	0,00	0,00
Provisions and other liabilities		0,00	0,00	0,00	0,00
		66.564.627,18	61.717.939,83	27.045.875,17	22.173.420,84
Total Liabilities		184.378.103,02	118.305.372,93	91.530.791,73	37.193.777,80
Total Equity and Liabilities		304.596.124,82	268.776.043,01	244.366.764,47	225.397.245,68

INCOME STATEMENT OF THE COMPANY AND THE GROUP AS AT 31/12/2007

	Note	THE GROUP			
		1/10-31/12/2007	1/1-31/12/2007	1/10-31/12/2006	1/1-31/12/2006
Sales	5	45.792.269,96	169.755.548,59	38.072.388,90	143.841.344,37
Cost of sales	22	33.236.018,87	124.506.920,69	28.167.625,96	110.825.432,62
Gross profit		12.556.251,09	45.248.627,90	9.904.762,94	33.015.911,75
Other operating income	17	243.140,79	1.072.760,17	217.500,46	973.326,86
Administrative expenses	22	-1.505.025,93	-5.355.188,98	-1.121.412,89	-4.284.604,59
Selling and marketing costs	22	-854.111,22	-3.609.254,51	-935.023,55	-3.373.096,34
Other operating expenses	28	-105.526,42	-611.424,59	-14.052,67	-359.356,11
Earnings before taxes, financing, investing results and depreciation - amortization (EBITDA)		12.394.456,04	44.746.748,50	10.090.312,25	33.867.314,47
Amortization – Depreciation	6,7,22	-2.059.727,73	-8.001.228,51	-2.038.537,96	-7.895.132,90
Earnings before taxes, financing, investing results (EBIT)		10.334.728,31	36.745.519,99	8.051.774,29	25.972.181,57
Finance costs – profit	18	408.401,85	1.582.355,92	749.874,70	1.561.855,25
Finance costs – expenses	18	-1.580.875,81	-4.807.929,20	-1.012.223,73	-3.325.265,28
Other finance results		0,00	0,00	0,00	0,00
Profit/loss from associates		0,00	0,00	0,00	0,00
Profit before taxes		9.162.254,35	33.519.946,71	7.789.425,26	24.208.771,54
Income tax expense	19	-3.329.573,81	-13.148.839,78	-5.053.879,80	-11.101.489,05
Profit for the period after taxes		5.832.680,55	20.371.106,93	2.735.545,46	13.107.282,49
Attributable to:					
Equity holders of the Company	20	5.771.968,53	20.482.228,02	2.867.921,31	13.429.210,12
Minority interest (loss)		60.712,02	-111.121,09	-132.375,85	-321.927,63
Earnings after taxes per share – basic (expressed in €)	20	0,1310	0,4647	0,0651	0,3047

	Note	THE COMPANY			
		1/10-31/12/2007	1/1-31/12/2007	1/10-31/12/2006	1/1-31/12/2006
Sales	5	26.635.742,33	101.021.612,91	23.138.859,25	88.744.579,60
Cost of sales	22	16.736.894,05	63.114.309,25	14.330.538,60	56.870.194,65
Gross profit		9.898.848,28	37.907.303,66	8.808.320,65	31.874.384,95
Other operating income	17	297.739,49	1.009.633,20	273.931,39	871.033,47
Administrative expenses	22	-972.109,32	-3.649.718,74	-811.864,49	-2.942.729,44
Selling and marketing costs	22	-608.376,79	-2.087.744,90	-550.166,58	-1.948.492,06
Other operating expenses	28	-2.115,53	-147.787,99	-5.126,25	-74.130,35
Earnings before taxes, financing, investing results and depreciation - amortization (EBITDA)		9.622.078,96	36.896.427,11	8.735.958,45	31.577.925,09
Amortization – Depreciation	6,7,22	-1.008.092,83	-3.864.741,88	-1.020.863,73	-3.797.858,52
Earnings before taxes, financing, investing results (EBIT)		8.613.986,13	33.031.685,23	7.715.094,72	27.780.066,57
Finance costs – profit	18	143.706,59	1.181.335,16	692.800,01	1.419.391,43
Finance costs – expenses	18	-859.632,76	-1.925.347,16	-170.115,76	-695.005,77
Other finance results		0,00	0,00	0,00	0,00
Profit/loss from associates		0,00	0,00	0,00	0,00
Profit before taxes		7.898.059,96	32.287.673,23	8.237.778,97	28.504.452,23
Income tax expense	19	-2.646.655,66	-10.357.018,37	-2.388.955,90	-8.298.654,83
Profit for the period after taxes		5.251.404,30	21.930.654,86	5.848.823,07	20.205.797,40
Attributable to:					
Equity holders of the Company	20	5.251.404,30	21.930.654,86	5.848.823,07	20.205.797,40
Minority interest (loss)		0,00	0,00	0,00	0,00
Earnings after taxes per share – basic (expressed in €)	20	0,1191	0,4976	0,1327	0,4584

CASH FLOW STATEMENT OF THE COMPANY AND THE GROUP AS AT 31/12/2007				
	THE GROUP		THE COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Cash Flows from Operating Activities				
Profit for the period	33.519.946,71	24.208.771,54	32.287.673,23	28.504.452,23
Adjustments to profit	12.328.902,37	13.559.692,36	5.360.763,20	4.180.154,50
	45.848.849,08	37.768.463,90	37.648.436,43	32.684.606,73
Adjustments of working capital				
(Increase)/decrease inventories	-518.971,43	-64.956,50	317.246,51	172,97
(Increase)/decrease receivables	-11.131.229,70	-9.595.664,98	-4.069.945,44	-2.991.293,70
(Increase)/decrease of other current assets	-271.592,21	-602.547,71	0,00	0,00
Increase/(decrease) of payable accounts	11.737.598,63	8.195.591,20	1.773.958,17	-1.421.160,46
Outflow of provisions	0,00	0,00	0,00	0,00
	-184.194,71	-2.067.577,99	-1.978.740,76	-4.412.281,19
Net cash generated from operating activities	45.664.654,37	35.700.885,91	35.669.695,67	28.272.325,54
Cash flows from operating Activities				
Interest paid	-3.591.363,94	-3.081.894,55	-464.869,06	-694.443,30
Income tax paid	-10.303.969,00	-6.842.815,59	-9.894.595,39	-6.789.180,44
Net cash generated from Operating Activities (A)	31.769.321,43	25.776.175,77	25.310.231,22	20.788.701,80
Cash flows from Investing Activities				
Purchase of property, plant and equipment (PPE)	-13.867.496,68	-9.750.688,84	-3.961.902,25	-2.900.386,16
Purchases of intangible assets	-101.581,12	-157.982,23	-85.607,88	-103.953,64
Disposal of PPE	19.898,50	206.230,99	183,50	658.119,36
Purchases of Available-for-sale financial assets	-2.223.108,76	775.000,00	-2.223.108,76	0,00
Purchases of financial assets at fair value through profit or loss	-27.740,20	0,00	-6.247.405,20	-3.155.706,00
Adjustment of derivative financial assets	0,00	0,00	0,00	0,00
Disposal of available-for-sale financial assets	1.823.421,20	2.000.000,00	1.823.421,20	0,00
Disposal of financial assets at fair value through profit or loss	9.600,00	0,00	9.600,00	174.502,00
Interest received	849.437,06	446.687,50	612.645,12	304.223,68
Proceeds from repayments of borrowings from related parties	0,00	0,00	0,00	0,00
Proceeds from grants	257.115,42	0,00	176.865,42	0,00
Net cash generated from Investing Activities (B)	-13.260.454,58	-6.480.752,58	-9.895.308,85	-5.023.200,76
Cash Flows from Financing Activities				
Increase/(Decrease) of share capital	-37.170.458,18	1.327.036,00	-43.862.993,18	0,00
Disposal of treasury shares	0,00	0,00	0,00	0,00
Dividends paid to Company's shareholders	-13.392.574,37	-8.971.983,87	-13.392.574,37	-8.971.983,87
Raised borrowings	73.526.492,62	435.000,00	59.000.000,00	0,00
Repayments of borrowings	-24.147.590,97	-8.550.000,00	-10.800.000,00	-4.800.000,00
Payments of finance lease capital	0,00	0,00	0,00	0,00
Net cash generated from Financing Activities (C)	-1.184.130,90	-15.759.947,87	-9.055.567,55	-13.771.983,87
Net (decrease) / increase in cash and cash equivalents (A+B+C)	17.324.735,95	3.535.475,32	6.359.354,82	1.993.517,17
Cash and cash equivalents at beginning of period	10.118.505,65	6.583.030,33	6.126.909,08	4.133.391,91
Cash and cash equivalents at end of period	27.443.241,60	10.118.505,65	12.486.263,90	6.126.909,08

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY AND THE GROUP AS AT 31/12/2007				
	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Net equity of period Opening Balance (1/1/2007 and 1/1/2006 respectively)	150.470.670,08	144.851.451,59	188.203.467,88	176.812.770,48
Profit/(Loss) for the period after taxes	20.371.106,93	13.107.282,49	21.930.654,86	20.205.797,40
	170.841.777,01	157.958.734,08	210.134.122,74	197.018.567,88
Increase/Decrease of share capital	-44.075.500,00	0,00	-44.075.500,00	0,00
Dividends distributed	-13.222.650,00	-8.815.100,00	-13.222.650,00	-8.815.100,00
Net income/(expense) recognised directly in equity	0,00	0,00	0,00	0,00
Increase/Decrease of share capital of subsidiary company	6.674.394,80	1.327.036,00	0,00	0,00
Net equity of period Closing Balance (31/12/2007 and 31/12/2006 respectively)	120.218.021,81	150.470.670,08	152.835.972,75	188.203.467,88

NOTES TO THE ANNUAL FINANCIAL STATEMENTS AS AT 31.12.2007

1. General information

The company “IASO S.A.” OBSTETRICS GYNECOLOGY SURGERY DIAGNOSTIC THERAPEUTIC AND RESEARCH CENTER (“the Company”) and its subsidiaries

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

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

The company “IASO S.A.” OBSTETRICS GYNECOLOGY SURGERY DIAGNOSTIC THERAPEUTIC AND RESEARCH CENTER, is a Société Anonyme (S.A.) and is listed on the Athens Stock Exchange. The address of its registered office is in Maroussi, 37 – 39, Kifisias Avenue, and its website address is www.iaso.gr.

These Annual Financial Statements of 31.12.2007 have been approved by the Board of Directors on 18.03.2007.

2. Summary of significant accounting policies

2.1 Basis of preparation of the financial statements

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

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

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

Adoption of IAS No. 1 (Revised 2003)

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

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

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

2.2 Consolidation

Subsidiaries

An audit is achieved over which the Company has the power to govern the financial and operating policies of another entity with the intention of gain from its activities.

The consolidated financial statements comprise the financial statements of the company as well as the entities audited by the company (its subsidiaries) at 31 December 2007.

The financial statements of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances, income and expenses are eliminated at consolidation.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those of other business segments. The Group of companies IASO provides exclusive health services, which comprise of hospital, diagnostic, therapeutic and research activities, which are included in the classification code STAKOD 851.1 (Hospital activities).

2.4 Foreign currency conversion

Functional and presentation currency

Items included in the financial statements of the Group's companies, are presented in their financial environment's currency, where every company operates (official currency). The consolidated financial statements are presented in euro, which is the official currency adopted by the Group's companies.

2.5 Property, plant and equipment

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

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

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

Increases in the carrying amount arising on revaluation of fair value are credited to reserves in shareholders' equity, unless they concern devaluation of a specific property

that had been recognised in expenses. In this case equal in amount part of revaluation is recognised in income.

Decreases in the carrying amounts arising from the revaluation, are recognised in expenses after firstly writing down the set up revaluation reserve for the specific asset.

The difference between depreciation based on the revaluated carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from fair value reserve to retained earnings.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revaluated assets are sold, the amounts included in other reserves are transferred to retained earnings.

The assets' residual values and useful lives are reviewed if appropriate, at the Management's judgement.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revaluated amounts to their residual values over their estimated useful lives, as follows:

PROPERTY, PLANT AND EQUIPMENT	YEARS
Buildings (Main building of Maternity Clinic)	40-50
Machinery	5-30
Wireless communication network	30
High-tech machinery	5
Medium technology machinery	14
Special machinery	20
Vehicles	5-7
Passenger vehicles & motorcycles	5
Lorries	7
Other equipment	3-20
Furniture	20
Utensils	15
Office machines	10
Computers & electronic complexes	5
Telecommunication equipment	3

The productive property or those assets that their use has not yet been determined and are still at construction stage, are shown at cost less any impairment losses. The cost includes professional fees and borrowing costs. The depreciation of this property as well as of the Group's commences when the property is ready for use.

2.6 Intangible assets

Trademarks and licenses

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

Production and exploitation licences

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

Computer software – other intangible assets

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

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

Costs associated with developing and maintaining computer software programmes are recognised as an expense when incurred.

2.7 Construction contracts

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

2.8 Investments

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives.

In particular it concerns Mutual fund Units "MIDCAP PRIVATE SECTOR 50" - EURO BANK and "shares of unlisted Companies".

The fair values of shares listed in Official Capital Markets are based on current bid prices at balance sheet closing dates. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques, at balance sheet closing dates.

2.9 Inventories

The inventories are reported at the lower value between the cost and the net realisable value. Cost is determined using the weighted average cost formula.

Net realisable value is the estimated selling price of the inventories in the ordinary course of business of the Group companies.

2.10 Trade receivables

Trade receivables are recognised at their actual value less impairment losses (loss from doubtful receivables).

The amount of the provision is recognised in the income statement.

2.11 Cash and cash equivalents

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

2.12 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Expenses related to the issue of shares for acquisition of enterprises are included in cost of the enterprise that is acquired. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed off. Every gain or loss from sale of treasury shares net of other direct transaction expenses & taxes, if applicable, is shown as a reserve in equity.

2.13 Borrowings

Borrowings are recognised at their value, reduced by any transaction costs.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds.

2.14 Deferred income tax

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

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date.

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

2.15 Employee benefits

Short-term benefits

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

Pension obligations

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

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

2.16 Provisions

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

2.17 Revenue recognition

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

Sales of services

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

Sales of goods

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

Interest income

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

Dividend income

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

2.18 Leases

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

Lessor

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

Lessee

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

2.19 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Company's Shareholders Meeting.

2.20 Government grants

Government grants for training staff after they are certified and settled by the competent Government body (Ministry of Labour – OAED [Manpower, Employment Organisation]) are recognised in income (provision).

Government grants relating to assets are recognised in liabilities (current or non-current) as grants for PPE and are credited to the income statement according to the respective assets useful life.

3. Financial risk management

3.1 Fair value estimation

The fair value of financial instruments traded in active markets (stock exchange) is based on quoted market prices at the annual balance sheet or the balance sheet of the period.

The fair value of financial instruments that are not traded in an active market is determined at historical cost (acquisition cost) at the balance sheet date.

The nominal value less estimated credit adjustment of trade receivables and payables are assumed to approximate their fair values.

4. Critical accounting estimates and judgements

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

4.1 Critical accounting estimates and assumptions

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

Income taxes

The Group is subject to uniform income tax rate given that all Group companies activate in Greece.

5. Information by Business Unit

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

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

Using the quantitative criteria set by the relevant IFR standard, IASO S.A. and its subsidiaries were set as business units that must be reported individually in the financial statements.

The accounting principles are the same with the ones used at the Annual Financial Statements and consist of independent units – companies.

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

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

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

The subsidiary company "MEDSTEM SERVICES S.A." activates mainly in the healthcare supporting services, with its main objective, from 01.01.2006 being the

processing and storage of infant stem cells. In addition to the aforementioned provision of health services, it also operates in parallel non-medical services that at the moment are not considered important due to their small contribution to the Group's total revenue. These services where necessary will be mentioned totally as "Other services provided".

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

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

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

01/01 - 31/12/2006	IASO S.A.	IASO GENERAL S.A.	MEDSTEM SERVICES S.A.	Other Companies	TOTAL	Intra-group eliminations	GROUP
<i>Inpatients revenues</i>	67.919.521,88	47.698.527,50	0,00	0,00	115.618.049,38		115.618.049,38
<i>Inpatients number of cases</i>	26.477	12.813					
<i>Outpatients revenues</i>	20.667.280,71	4.288.413,65	2.514.182,95	0,00	27.469.877,31		27.469.877,31
<i>Outpatients number of cases</i>	204.841	37.428					
<i>Other revenues</i>	56.930,06	9.418,35	0,00	0,00	66.348,41		66.348,41
<i>Other services provided</i>	0,00	0,00	687.069,27	0,00	687.069,27		687.069,27
<i>Revenues from Group's customers</i>	88.643.732,65	51.996.359,50	3.201.252,22	0,00	143.841.344,37		143.841.344,37
<i>Inter-company sales</i>	100.846,95	176.700,27	4.218,00		281.765,22	-281.765,22	0,00
<i>Other operating revenues/expenses</i>	796.903,12	-87.255,64	31.996,59	-0,02	741.644,05	-127.673,30	613.970,75
<i>Operational expenses</i>	-61.761.416,15	-54.689.220,26	-2.223.778,37	-218.157,29	-118.892.572,07	409.438,52	-118.483.133,55
<i>Financial cost</i>	724.385,66	-2.548.253,04	-23.092,44	83.549,79	-1.763.410,03		-1.763.410,03
<i>Income taxes</i>	-8.298.654,83	-2.508.472,70	-321.607,54	27.246,02	-11.101.489,05		-11.101.489,05
<i>Profit / loss for the period</i>	20.205.797,40	-7.660.141,87	668.988,46	-107.361,50	13.107.282,49		13.107.282,49

6. Property, plant and equipment

Property, plant and equipment of the Company at 31.12.2007

	Land & Buildings	Vehicles & Machinery	Other property, plant & equipment	Total
1/1/2007				
Cost or valuation	78.173.103,17	24.770.639,91	36.743.991,15	139.687.734,23
Accumulated depreciation	6.939.391,78	14.038.238,02	6.462.909,56	27.440.539,36
Net book amount	71.233.711,39	10.732.401,89	30.281.081,59	112.247.194,87
Movement 01/01 - 31/12/2007				
Opening net book amount	71.233.711,39	10.732.401,89	30.281.081,59	112.247.194,87
Revaluation surplus	0,00	0,00	0,00	0,00
Additions	1.290.819,24	2.378.163,55	260.957,95	3.929.940,74
Disposals	13.125,00	125.764,85	2.732,91	141.622,76
Depreciation charge	1.381.677,72	1.626.719,19	598.839,12	3.607.236,03
Net book amount	71.129.727,91	11.358.081,40	29.940.467,51	112.428.276,82
31/12/2007				
Cost or valuation	79.450.797,41	27.023.038,61	37.002.216,19	143.476.052,21
Accumulated depreciation	8.321.069,50	15.664.957,21	7.061.748,68	31.047.775,39
Net book amount	71.129.727,91	11.358.081,40	29.940.467,51	112.428.276,82

Property, plant and equipment of the Company at 31.12.2006

	Land & Buildings	Vehicles & Machinery	Other property, plant & equipment	Total
1/1/2006				
Cost or valuation	78.085.018,70	23.653.998,41	35.935.240,41	137.674.257,52
Accumulated depreciation	5.723.733,47	12.576.095,28	5.718.815,35	24.018.644,10
Net book amount	72.361.285,23	11.077.903,13	30.216.425,06	113.655.613,42
Movement 01/01 - 31/12/2006				
Opening net book amount	72.361.285,23	11.077.903,13	30.216.425,06	113.655.613,42
Revaluation surplus	0,00	0,00	0,00	0,00
Additions	109.947,86	1.525.899,19	1.264.539,11	2.900.386,16
Disposals	21.863,39	409.257,69	455.788,37	886.909,45
Depreciation charge	1.215.658,31	1.462.142,74	744.094,21	3.421.895,26
Net book amount	71.233.711,39	10.732.401,89	30.281.081,59	112.247.194,87
31/12/2006				
Cost or valuation	78.173.103,17	24.770.639,91	36.743.991,15	139.687.734,23
Accumulated depreciation	6.939.391,78	14.038.238,02	6.462.909,56	27.440.539,36
Net book amount	71.233.711,39	10.732.401,89	30.281.081,59	112.247.194,87

Property, plant and equipment of the Group at 31.12.2007

	Land & Buildings	Vehicles & Machinery	Other property, plant & equipment	Total
1/1/2007				
Cost or valuation	150.515.388,23	49.699.517,02	57.674.723,67	257.889.628,92
Accumulated depreciation	10.736.475,90	23.667.586,32	12.234.011,48	46.638.073,70
Net book amount	139.778.912,33	26.031.930,70	45.440.712,19	211.251.555,22
Movement 01/01 - 31/12/2007				
Opening net book amount	139.778.912,33	26.031.930,70	45.440.712,19	211.251.555,22
Revaluation surplus	0,00	0,00	0,00	0,00
Additions	9.701.024,96	3.801.155,17	480.880,95	13.983.061,08
Disposals	13.125,00	344.742,83	14.560,38	372.428,21
Depreciation charge	2.105.599,73	3.726.529,56	1.713.848,42	7.545.977,71
Net book amount	147.361.212,56	25.761.813,48	44.193.184,34	217.316.210,38
31/12/2007				
Cost or valuation	160.203.288,19	53.155.929,36	58.141.044,24	271.500.261,79
Accumulated depreciation	12.842.075,63	27.394.115,88	13.947.859,90	54.184.051,41
Net book amount	147.361.212,56	25.761.813,48	44.193.184,34	217.316.210,38

Property, plant and equipment of the Group at 31.12.2006

	Land & Buildings	Vehicles & Machinery	Other property, plant & equipment	Total
1/1/2006				
Cost or valuation	149.274.574,40	47.772.202,27	51.552.666,49	248.599.443,16
Accumulated depreciation	8.804.535,31	20.155.893,48	10.360.820,91	39.321.249,70
Net book amount	140.470.039,09	27.618.288,72	41.189.865,65	209.278.193,46
Movement 01/01 - 31/12/2006				
Opening net book amount	140.470.039,09	27.618.288,72	41.189.865,65	209.278.193,46
Revaluation surplus	0,00	0,00	0,00	0,00
Additions	1.262.677,22	2.365.954,44	7.041.117,44	10.669.749,10
Disposals	21.863,39	438.639,69	919.060,26	1.379.563,34
Depreciation charge	1.931.940,59	3.511.692,84	1.873.190,57	7.316.824,00
Net book amount	139.778.912,33	26.033.910,63	45.438.732,26	211.251.555,22
31/12/2006				
Cost or valuation	150.515.388,23	49.699.517,02	57.674.723,67	257.889.628,92
Accumulated depreciation	10.736.475,90	23.667.586,32	12.234.011,48	46.638.073,70
Net book amount	139.778.912,33	26.031.930,70	45.440.712,19	211.251.555,22

The Group's land and buildings were last revaluated at 31 December 2004 by independent evaluators. Valuations were made on the basis of open market value. The revaluation surplus was credited to other reserves in shareholders' equity.

On the assets of the Company and the Group there are no real liens, apart from the subsidiary IASO GENERAL CLINIC OF HOLARGOS S.A. where there is a prenotation against its fixed assets amounted to € 54.000.000,00 in favor of the National Bank of Greece for securing debenture loans, whose unpaid balance at 31.12.2007 amounted to € 55.000.000,00.

7. Intangible assets

Intangible assets of the Company at 31.12.2007

	Trademarks & Licenses	Other	Total
1/1/2007			
Cost	139.286,87	1.966.741,66	2.106.028,53
Accumulated depreciation and impairment	23.138,67	1.097.753,04	1.120.891,71
Net book amount 31.12.2006	116.148,20	868.988,62	985.136,82
Movement 01/01 - 31/12/2007			
Opening net book amount	116.148,20	868.988,62	985.136,82
Additions	0,00	85.607,88	85.607,88
Depreciation charge	2.851,34	184.279,37	187.130,71
Net book amount	113.296,86	770.317,13	883.613,99
31/12/2007			
Cost	139.286,87	2.052.349,54	2.191.636,41
Accumulated amortization and impairment	25.990,01	1.282.032,41	1.308.022,42
Net book amount	113.296,86	770.317,13	883.613,99

Intangible assets of the Company at 31.12.2006

	Trademarks & Licenses	Other	Total
1/1/2006			
Cost	139.286,87	1.862.788,02	2.002.074,89
Accumulated depreciation and impairment	20.287,33	921.654,85	941.942,18
Net book amount 31.12.2005	118.999,54	941.133,17	1.060.132,71
Movement 01/01 - 31/12/2006			
Opening net book amount	118.999,54	941.133,17	1.060.132,71
Additions	0,00	103.953,64	103.953,64
Depreciation charge	2.851,34	176.098,19	178.949,53
Net book amount	116.148,20	868.988,62	985.136,82
31/12/2006			
Cost	139.286,87	1.966.741,66	2.106.028,53
Accumulated amortization and impairment	23.138,67	1.097.753,04	1.120.891,71
Net book amount	116.148,20	868.988,62	985.136,82

Intangible assets of the Group at 31.12.2007

	Trademarks & Licenses	Other	Total
1/1/2007			
Cost	139.286,87	4.092.670,17	4.231.957,04
Accumulated depreciation and impairment	23.138,67	2.547.242,94	2.570.381,61
Net book amount 31.12.2006	116.148,20	1.545.427,23	1.661.575,43
Movement 01/01 - 31/12/2007			
Opening net book amount	116.148,20	1.545.427,23	1.661.575,43
Additions	0,00	101.581,12	101.581,12
Depreciation charge	2.851,34	339.860,18	342.711,52
Net book amount	113.296,86	1.307.148,17	1.420.445,03
31/12/2007			
Cost	139.286,87	4.194.251,29	4.333.538,16
Accumulated amortization and impairment	25.990,01	2.887.103,12	2.913.093,13
Net book amount	113.296,86	1.307.148,17	1.420.445,03

Intangible assets of the Group at 31.12.2006

	Trademarks & Licenses	Other	Total
1/1/2006			
Cost	139.286,87	3.934.687,94	4.195.026,34
Accumulated depreciation and impairment	20.287,33	2.185.938,61	2.327.277,47
Net book amount 31.12.2005	118.999,54	1.748.749,33	1.867.748,87
Movement 01/01 - 31/12/2006			
Opening net book amount	118.999,54	1.748.749,33	1.867.748,87
Additions	0,00	157.982,23	157.982,23
Depreciation charge	2.851,34	361.304,33	364.155,67
Net book amount	116.148,20	1.545.427,23	1.661.575,43
31/12/2006			
Cost	139.286,87	4.092.670,17	4.231.957,04
Accumulated amortization and impairment	23.138,67	2.547.242,94	2.570.381,61
Net book amount	116.148,20	1.545.427,23	1.661.575,43

8. Inter-company transactions

The participations of the parent or the subsidiaries in other Group companies, which are unlisted on the ATHEX, were measured at their acquisition costs, a method which will be followed by consistent practice by the Group Companies.

The financial statements of the subsidiaries are adjusted appropriately, so that they are prepared based on the accounting policies of the Group.

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

The arising initial surplus (initial consolidation difference) during the consolidation of the Group companies, has been included in the Group's income statement.

IASO Group's inter-company and intra-group income and expenses
01.01-31.12.2007

IASO S.A. SALES TO AFFILIATED COMPANIES

DESCRIPTION	AMOUNT
Sales of Consumables	15.007,18
Sales of Fixed Assets	0,00
Other services	1.066,35
Revenues from services provision	102.626,57
Rents and tenancy joint expenses	120.545,28
Total	239.245,38

IASO S.A. PURCHASES FROM AFFILIATED COMPANIES

DESCRIPTION	AMOUNT
Services	185.725,08
Supplies	17.741,96
Consumables	5.382,00
Total	208.849,04

FEES OF DIRECTORS AND MEMBERS OF THE B.O.D. BASED ON IAS 24

	COMPANY	GROUP
Members of BoD Fees (2)	310.250,95	316.761,95
Directors' Fees (1)	1.213.408,66	1.269.783,31
Total	1.523.659,61	1.586.545,26

1) The Directors' fees include wages, employers' social security contributions, other fees, extraordinary fees, bonuses, firing compensations and other fringe benefits.

2) There is no remuneration for the BoD Members regarding their capacity as Members of the BoD. The aforementioned fees refer exclusively to payments for the provision of

health care services to the Company or the Group under the professional capacity as medical doctors as self-employed professionals.

Meeting the needs and regulations regarding the Condensed Financial Data and Information (C.M.D.) as well as the HCMC’s relevant decision, BoD’s fees (case 2) have been included in “Purchases of Consumables and Services” of the additional data in the published Condensed Financial Data and Information of the Group and the Company.

RECEIVABLES AND LIABILITIES OF AFFILIATED COMPANIES

LIABILITIES	RECEIVABLES				Total
	IASO S.A.	MODERN MULTIFUNCTIONAL CENTER S.A.	IASO GENERAL S.A.	MEDSTEM SERVICES S.A.	
IASO S.A.	-	-	231.251,03	6.404,58	237.655,61
MEDSTEM SERVICES S.A.	12.482,83	-	156,56	-	12.639,39
IASO GENERAL S.A.	4.985.853,79	2.790.000,00	-	35.776,17	7.811.629,96
Total	4.998.336,62	2.790.000,00	231.407,59	42.180,75	8.061.924,96

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

8.1 Investments to subsidiaries

INVESTMENTS TO SUBSIDIARIES	% OF PARTICIPATION	PARENT COMPANY’S PARTICIPATION	EQUITY 31/12/2007	MINORITY INTERESTS
1. IASO GENERAL CLINIC OF HOLARGOS S.A.	96,45%	66.074.615,52	7.298.925,27	268.648,88
2. IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A.	100,00%	6.615.159,86	22.344.154,63	0,00
3. IASO OF SOUTHERN SUBURBS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	52,88%	3.319.400,00	5.349.187,67	4.766.522,75
4. MODERN MULTIFUNCTIONAL REHABILITATION-RESTORATION CENTER S.A.	99,96%	7.286.400,00	7.438.637,96	2.976,65
5. IASO HEALTH ENTERPRISES S.A.	99,96%	297.000,00	315.688,12	126,33
6. MEDSTEM SERVICES S.A.	99,96%	475.200,00	1.642.229,03	657,15
7. IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.	69,31%	8.463.909,00	8.710.866,24	3.857.112,76
TOTAL		92.531.684,38	53.099.688,93	8.896.044,52

In addition:

(a) At the Extraordinary General Meeting of Shareholders of the subsidiary company “IASO OF SOUTHERN SUBURBS GENERAL CLINIC – PRIVATE OBSTETRICS S.A.” held on 05.02.2007, it was decided: (a) the decrease of the nominal value of shares from € 10,00 to € 5,00 (split) by a simultaneous issuance of 6.000 registered shares, (b) the increase of Share Capital by cash for the amount of € 10.000.000,00, by issuance of € 2.000.000,00 new common registered shares with voting rights, of nominal value and issue price € 5,00 each. The aforementioned increase was approved by decision 20505/7.8.2007 of Athens Prefecture.

(b) The Share Capital of the company “IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.” upon resolution of the Extraordinary General Meeting of Shareholders held on 25.11.2006, was decided to be increased by € 3.274.800,00 by cash, by issuance of 327.480 new common registered shares of nominal value € 10,00 each and issue price € 15,00. The Share Premium Reserve amounts to € 1.637.400,00 (6992/19.12.2006 decision of the Prefecture of Larissa). (G.G. 85/04.01.2007).

(c) According to the decision of the General Meeting of Shareholders of the subsidiary company “IASO PEDIATRICS S.A.” held on 12.06.2007, the company was renamed into “IASO HEALTH ENTERPRISES SOCIETE ANONYME” with distinctive title “IASO HEALTH ENTERPRISES S.A.” (G.G. 7754/13.07.2007).

9. Available-for-sale financial assets

Available-for-sale financial assets include the following:

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
Listed securities:	None	None	None	None
Unlisted securities:				
Repos	0,00	0,00	0,00	0,00
Shares	4.189.927,64	1.122.802,64	4.189.927,64	1.122.802,64
Total	4.189.927,64	1.122.802,64	4.189.927,64	1.122.802,64

10. Other financial assets at fair value through income statement

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
Listed securities:				
Shares of Société Anonyme (S.A.)	0,00	1.523.935,28	0,00	1.523.935,28
Mutual Funds	999.585,45	858.622,03	999.585,45	858.622,03
Unlisted securities:	None	None	None	None
Total	999.585,45	2.382.557,31	999.585,45	2.382.557,31

The mutual funds were marked to market on 31.12.2007 according to the price announced by the Fund Management Company. During the fiscal year 2007, 147.098 shares of listed companies with total acquisition value € 1.007.156,77 were sold out, with a total profit of € 824.850,01, out of from which the amount of € 307.271,50 increased the Profits and Equity of the current fiscal year, while the amount of € 517.578,51 had increased the Profits and Equity of previous fiscal years through provisions.

11. Trade and other receivables

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
Customers	2.238.806,46	2.097.588,25	25.323.389,91	16.143.046,47
Notes receivable on hand	1.126.547,78	983.317,18	5.700.126,41	4.605.353,87
Notes overdue	987.142,36	711.935,52	1.748.104,13	716.087,49
Cheques receivables	560.948,42	570.397,35	1.308.015,82	1.344.967,81
Cheques receivables overdue	78.341,56	77.643,26	210.062,67	225.364,37
Doubtful customers	2.126.906,83	1.916.633,62	2.229.490,58	2.011.559,57
Less: Provision for impairment of receivables	-3.212.666,29	-2.986.697,49	-6.199.308,91	-5.467.819,06
Total Receivables	3.906.027,12	3.370.817,69	30.319.880,61	19.578.560,52
Miscellaneous debtors	14.237.167,89	10.312.081,78	8.716.708,42	8.072.051,87
Down payments for purchases	41.694,33	44.654,34	81.220,98	46.504,34
Debit transit accounts	274.141,27	122.529,92	346.593,56	207.228,40
Other	27.109,06	31.977,94	187.819,81	84.642,99
Total Other Receivables	14.580.112,55	10.511.243,98	9.332.342,77	8.410.427,60

12. Inventories

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
Consumables	1.964.044,44	2.281.290,55	4.815.027,04	4.274.098,46
Merchandise	0,00	0,00	164.541,48	186.498,63
Total	1.964.044,04	2.281.290,55	4.979.568,52	4.460.597,09

The cost of inventories for the Group recognised as expense and included in “Cost of services” and “Cost of sales” amounts to € 45.937.712,64, in “Administrative expenses” amounts to € 287.910,05 and in “Selling and marketing costs” amounts to € 341.397,10, while the relevant amounts for the Company are € 14.781.979,32, € 103.749,96 and € 193.949,89 respectively for the fiscal period 01.01–31.12.2007 (Note 22).

13. Cash and cash equivalents

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
Cash at bank in hand	113.020,20	305.505,37	296.917,78	439.720,11
Short-term bank deposits	12.373.243,70	5.821.403,71	27.146.323,82	9.678.785,54
Total	12.486.263,90	6.126.909,08	27.443.241,60	10.118.505,65

14. Borrowings

Borrowings are recognised at actual value decreased by any direct costs for the realisation of the transaction.

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

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

The analysis of the Company's and the Group's borrowings with current and non-current maturities per company at 31.12.2006 is the following:

	<u>Current</u>	<u>Non-current</u>	<u>Total</u>
IASO S.A.	2.800.000,00	8.000.000,00	10.800.000,00
IASO GENERAL S.A.	13.347.590,97	43.000.000,00	56.347.590,97
MEDSTEM SERVICES S.A.	0,00	0,00	0,00
Total	16.147.590,97	51.000.000,00	67.147.590,97

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

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

	Company 31/12/2007	Group 31/12/2007
Fiscal year 2008	2.496.175	4.596.175
Fiscal year 2009	4.992.350	7.492.350
Fiscal year 2010	4.992.350	19.892.350
Fiscal year 2011	4.992.350	8.492.350
Fiscal year 2012	4.992.350	36.992.350
Fiscal year 2013	4.992.350	4.992.350
Fiscal year 2014	31.542.075	31.542.075
Total	59.000.000	114.000.000

15. Trade and other payables

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
Suppliers	6.853.089,66	5.388.446,43	36.838.763,56	27.192.995,25
Insurance and pension fund dues	1.628.918,44	1.483.447,78	2.557.930,49	2.278.955,18
Tax liabilities	1.900.686,56	804.770,18	2.639.438,80	1.184.206,57
Sundry creditors	4.413.645,08	2.253.833,37	4.955.042,02	2.962.444,81
Transit credit balances	1.452.724,48	1.120.981,40	3.028.541,87	2.696.081,23
Other liabilities	72.678,85	108.945,76	826.621,67	941.150,71
Total	16.321.743,07	11.160.424,92	50.846.338,41	37.255.833,75

There are third party lawsuits against the Company and the Group for indemnities totalling approximately € 15.249K and € 19.154K respectively, which are pending at court. Since the final outcome of these cases cannot be predicted at present, no provision has been made in these financial statements (it would affect negatively the income statement and equity) in this respect.

Lawsuits regarding medical malpractice

There are third party lawsuits of patients and or their inheritors against the associated physicians as well as the Group's companies (IASO S.A., IASO GENERAL S.A.) as indemnity and/or monetary compensation for moral injury, due to alleged medical "malpractice" for a total amount of approximately € 17.400K.

The outcome of these lawsuits is estimated not to have a material effect on the financial status of the Group's companies, since the claimed compensation are considered extremely exaggerated . In case, where some of the lawsuits end up with a winning verdict , then they will be covered, totally or in large part, by the insurance companies, with which malpractice contracts have been signed, either by the Group's companies or the associated physicians.

Other lawsuits

In addition to the aforementioned cases, there are third party lawsuits against the Group's companies (labour differences e.t.c.) for a total amount of approximately € 1.754K, the outcome of these cases is estimated not to have a material effect on the financial status of the Company and the Group, respectively.

16. Retirement benefit obligations

Regarding the retirement benefit obligations, an actuarial calculation has been prepared, according to IAS 19, applying the method mentioned in § 2.15.

From the said calculation arose accumulatively the following balances per company.

COMPANY	PERIOD			
	31/12/2004	31/12/2005	31/12/2006	31/12/2007
IASO S.A.	1.596.685,53	1.873.325,56	2.271.636,74	2.585.827,87
IASO GENERAL S.A.	994.805,66	1.167.147,46	1.514.068,82	1.518.801,13
MEDSTEM SERVICES S.A.	2.158,80	6.725,07	15.694,81	15.745,35
IASO THESSALIAS S.A.	4.754,63	3.922,18	3.922,18	3.922,18
GROUP	2.598.404,62	3.051.120,27	3.805.322,55	4.124.296,53

The total amount of the actuarial calculation which concerns the year 2007 for the Group's personnel amounts to € 318.973,98 and has been charged equally in amount to the income statement, while the Company's amounts to € 314.191,13 respectively.

17. Other gains (profit)

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
- Income from rentals	489.651,37	445.935,11	519.635,89	481.073,27
- Grants	3.281,15	133.579,12	3.281,15	133.579,12
- Income from side business	476.506,44	162.081,18	500.807,63	171.908,62
- Extraordinary income and expenses	2.779,79	30.381,48	8.937,40	48.570,87
- Income from unused prior periods provisions	8.206,37	73.138,57	8.206,37	73.138,57
- Other	29.208,08	25.918,01	31.891,73	65.056,41
Total	1.009.633,20	871.033,47	1.072.760,17	973.326,86

18. Finance cost – net

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
- Interest expense	96.601,63	76.016,67	714.762,92	652.104,04
- Interest-debenture loan	1.613.444,15	571.309,84	3.864.680,29	2.601.446,74
- Interest-factoring	0,00	0,00	0,00	0,00
- Other	215.301,38	47.679,26	228.485,99	71.714,50
Total	1.925.347,16	695.005,77	4.807.929,20	3.325.265,28
- Credit interest	484.428,72	147.702,83	885.449,48	284.776,71
- Profit from measurement at fair value	261.418,54	1.115.167,75	261.418,54	1.115.167,75
- Dividends	128.216,40	156.520,85	128.216,40	161.910,79
- Profit from securities' sale	307.271,50	0,00	307.271,50	0,00
Total	1.181.335,16	1.419.391,43	1.582.355,92	1.561.855,25

19. Income tax expense

	Company 31/12/2007	Company 31/12/2006	Group 31/12/2007	Group 31/12/2006
Current tax	8.227.957,10	8.212.995,92	8.595.621,15	8.314.515,11
Deferred Tax adjustments to the offset fiscal year	0,00	0,00	1.993.383,30	3.788.879,70
Other taxes and duties	34.538,51	32.363,68	88.678,26	85.998,83
Deferred tax Liability/Receivable	-156.038,79	53.295,23	-215.634,47	-1.087.904,59
Tax audit adjustments	1.580.561,55	0,00	2.016.791,55	0,00
Provision for Tax audit adjustments	670.000,00	0,00	670.000,00	0,00
Actual tax charge	10.357.018,37	8.298.654,83	13.148.839,79	11.101.489,05
% of Actual tax charge	32,08%	29,11%	39,16%	45,86%

The parent company has not undergone an audit by the tax authorities since the year 2006 up until today, the subsidiaries, “IASO MACEDONIAS HEALTH GROUP OF NORTHERN GREECE S.A.”, “MODERN MULTIFUNCTIONAL REHABILITATION - RESTORATION CENTER S.A.” and “IASO OF SOUTHERN SUBURBS GENERAL CLINIC – PRIVATE OBSTETRICS S.A.” since the year 2003, the subsidiary “IASO GENERAL CLINIC OF HOLARGOS S.A.” since the year 2006, while the subsidiaries “IASO HEALTH ENTERPRISES S.A.”, “MEDSTEM HEALTH SUPPORT SERVICES S.A.” and “IASO THESSALIAS GENERAL CLINIC – PRIVATE OBSTETRICS S.A.”, have not undergone an audit by the tax authorities since their inception up until today. As a consequence, their tax liabilities for the aforementioned fiscal years have not been finalized yet. Since the outcome of these tax inspections cannot be predicted at present, the parent company has estimated, for this cause, a minimum provision affecting its results by the amount of € 670.000,00.

In addition, during the fiscal year 2007, the parent Company undergone an audit by the Tax Authorities (Athens D.E.K.) for the fiscal years 2003 to 2005, resulted to total accounting differences amounting € 2.882.551,00.

Following the compromise of accounting differences for the fiscal years 2003 to 2005, additional taxes and penalties were assessed of total amount € 1.580.561,55. During the settlement of the above, a 20% was paid in 2007 and the remaining 80% will be paid in 24 equal monthly payments which expire on July 2009.

Table of Tax Adjustments per Fiscal Year					
Fiscal Year	Accounting Differences	Additional Tax	Surcharges	Other Taxes	Total
2003	755.287,00	265.800,67	183.867,00	89.122,34	538.790,00
2004	857.705,00	300.196,75	147.182,40	59.749,85	507.129,00
2005	1.269.559,00	406.258,88	70.360,20	58.023,47	534.642,55
Total	2.882.551,00	972.256,30	401.409,60	206.895,66	1.580.561,55

20. Earnings per share

Basic - Group

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

	<u>31/12/2006</u>	<u>31/12/2007</u>
Profit attributable to equity holders of the Company (from ongoing operations)	13.429.210,12	20.482.228,02
Weighted average number of ordinary shares in issue (IAS 33)	44.075.500	44.075.500
Basic earnings per share	<u>0,3047</u>	<u>0,4647</u>

Basic - Company

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

	<u>31/12/2006</u>	<u>31/12/2007</u>
Profit attributable to equity holders of the Company (from ongoing operations)	20.205.797,40	21.930.654,86
Weighted average number of ordinary shares in issue (IAS 33)	44.075.500	44.075.500
Basic earnings per share	<u>0,4584</u>	<u>0,4976</u>

The weighted average number of ordinary shares in issue (IAS 33) at 31.12.2007 and 31.12.2006 for the Company and the Group is 44.075.500 shares respectively.

21. Dividends per share

The dividend paid in 2007 is € 0,30 per share and the payment was approved by the Shareholders' General Meeting held on 23.05.2007 and is demonstrated in the annual financial statements of the fiscal year 2007.

At the current fiscal year 2008, the Company's Management is willing to suggest to the Shareholders' Meeting the distribution of a € 0,33 dividend per share.

22. Expenses by nature

The analysis of the cost distribution for the Company and the Group for the fiscal periods 01.01-31.12.2007 and 01.01-31.12.2006 is the following:

	Company 01/01- 31/12/2007	Company 01/01- 31/12/2006	Group 01/01- 31/12/2007	Group 01/01- 31/12/2006
Merchandise- Consumables	15.079.679,17	13.269.941,62	46.696.653,54	37.746.493,44
Salaries and fringe benefits	23.921.218,26	21.668.603,77	39.333.907,25	35.542.526,04
Third parties' fees and expenses	18.188.678,65	15.537.973,79	27.118.082,60	23.784.731,35
Third parties' utilities and services	3.839.044,81	3.332.504,05	6.017.584,25	5.618.754,98
Other dues	452.396,35	458.093,93	978.301,95	795.577,32
Sundry expenses	2.997.804,03	3.044.170,61	4.885.004,04	4.868.994,92
Interest and similar charges	1.767.278,81	695.005,77	4.649.860,85	3.325.265,28
Depreciation of fixed assets charged to operating cost	3.864.741,88	3.797.858,52	8.001.228,51	7.895.132,90
Provisions	666.278,09	652.269,86	1.046.764,81	2.640.361,12
Crossing out of consolidated financial statements	0,00	0,00	-448.094,42	-409.438,52
Total	70.777.120,05	62.456.421,92	138.279.293,38	121.808.398,83

The distribution of cost into cost of services, administrative cost, selling cost and financial cost of the Company for the fiscal periods 01.01-31.12.2007 and 01.01-31.12.2006 is the following:

Company 01/01-31/12/2007	<u>Cost of services</u>	<u>Administrative expenses</u>	<u>Selling cost</u>	<u>Financial expenses</u>	<u>Total</u>
Merchandise- Consumables	14.781.979,32	103.749,96	193.949,89	0,00	15.079.679,17
Salaries and fringe benefits	21.202.808,35	1.865.554,34	852.855,57	0,00	23.921.218,26
Third parties' fees and expenses	17.065.874,61	882.194,81	240.609,23	0,00	18.188.678,65
Third parties' utilities and services	3.551.263,24	160.198,56	127.583,01	0,00	3.839.044,81
Other dues	358.588,68	32.345,93	31.631,09	29.830,65	452.396,35

Sundry expenses	2.332.573,33	381.471,75	275.973,37	7.785,58	2.997.804,03
Interest and similar charges	0,00	0,00	3,00	1.767.275,81	1.767.278,81
Depreciation of fixed assets charged to operating cost	3.533.943,32	209.495,55	121.303,01	0,00	3.797.858,52
Provisions	287.278,40	14.707,84	243.836,73	120.455,12	652.269,86
Total	63.114.309,25	3.649.718,74	2.087.744,90	1.925.347,16	70.777.120,05

Company 01/01-31/12/2006	<u>Cost of services</u>	<u>Administrative expenses</u>	<u>Selling cost</u>	<u>Financial expenses</u>	<u>Total</u>
Merchandise- Consumables	13.036.547,01	82.248,46	151.146,15	0,00	13.269.941,62
Salaries and fringe benefits	19.136.553,08	1.675.634,84	856.415,86	0,00	21.668.603,77
Third parties' fees and expenses	14.861.821,43	409.068,25	267.084,11	0,00	15.537.973,79
Third parties' utilities and services	3.047.998,27	129.584,80	154.920,98	0,00	3.332.504,05
Other dues	357.586,26	65.706,66	34.801,00	0,00	458.093,93
Sundry expenses	2.359.107,63	316.738,00	368.324,98	0,00	3.044.170,61
Interest and similar charges	0,00	0,00	0,00	695.005,77	695.005,77
Depreciation of fixed assets charged to operating cost	3.456.047,34	243.126,49	98.684,69	0,00	3.797.858,52
Provisions	614.533,63	20.621,93	17.114,30	0,00	652.269,86
Total	56.870.194,65	2.942.729,44	1.948.492,06	695.005,77	62.456.421,92

The distribution of cost into cost of services, administrative cost, selling cost and financial cost of the Group for the fiscal periods 01.01-31.12.2007 and 01.01-31.12.2006 is the following:

Group 31/12/2007	<u>Cost of services</u>	<u>Administrative expenses</u>	<u>Selling cost</u>	<u>Financial expenses</u>	<u>Total</u>
Merchandise- Consumables	46.067.346,39	287.910,05	341.397,10	0,00	46.696.653,54
Salaries and fringe benefits	35.198.337,25	2.602.242,84	1.533.327,16	0,00	39.333.907,25
Third parties' fees and expenses	25.560.518,37	1.156.733,80	400.830,43	0,00	27.118.082,60
Third parties' utilities and services	5.520.027,72	293.457,40	204.099,13	0,00	6.017.584,25
Other dues	620.205,41	218.435,12	109.830,77	29.830,65	978.301,95
Sundry expenses	3.795.494,14	487.379,47	594.344,85	7.785,58	4.885.004,04
Interest and similar charges	0,00	0,00	3,00	4.649.857,85	4.649.860,85
Depreciation of fixed assets charged to operating cost	7.544.643,85	283.506,48	173.078,18	0,00	8.001.228,51
Provisions	643.059,98	25.523,82	257.725,89	120.455,12	1.046.764,81
Crossing out of consolidated financial statements	-442.712,42	0,00	-5.382,00	0,00	-448.094,42
Total	124.506.920,69	5.355.188,98	3.609.254,51	4.807.929,20	138.279.293,38

Group 01/01-31/12/2006	<u>Cost of services</u>	<u>Administrative</u> <u>expenses</u>	<u>Selling cost</u>	<u>Financial</u> <u>expenses</u>	<u>Total</u>
Merchandise- Consumables	37.368.303,19	165.170,52	213.019,73	0,00	37.746.493,44
Salaries and fringe benefits	31.598.920,72	2.328.738,47	1.614.866,86	0,00	35.542.526,05
Third parties' fees and expenses	22.882.916,23	578.290,53	323.524,59	0,00	23.784.731,35
Third parties' utilities and services	5.150.500,10	258.188,24	210.066,64	0,00	5.618.754,98
Other dues	565.464,07	78.577,90	151.535,34	0,00	795.577,31
Sundry expenses	3.787.247,58	448.742,82	633.004,52	0,00	4.868.994,92
Interest and similar charges	0,00	0,00	0,00	3.325.265,28	3.325.265,28
Depreciation of fixed assets charged to operating cost	7.414.440,46	344.774,31	135.918,13	0,00	7.895.132,90
Provisions	2.462.860,79	82.121,80	95.378,53	0,00	2.640.361,12
Crossing out of consolidated financial statements	-405.220,52	0,00	-4.218,00	0,00	-409.438,52
Total	110.825.432,62	4.284.604,59	3.373.096,34	3.325.265,28	121.808.398,83

23. Guarantees

The Group has liabilities to banks, other guarantees and other matters that arise from its activity.

The parent company at 31.12.2007 has granted guarantees to banks for the amount of € 59 million, in favour of its subsidiaries.

24. Share capital

	Number of Shares	Ordinary Shares	Share premium	Total
1st of January 2007	44.075.500	67.435.515,00	42.525.668,15	109.961.183,15
Share capital increase by capitalization of reserves (Earnings carried forward)	0	0,00	0,00	0,00
Share capital decrease (decrease of nominal value from € 1.53 to € 0.53) ⁽¹⁾	0	-44.075.500,00	0,00	-44.075.500,00
Cancellation of treasury shares	0	0,00	0,00	0,00
31st of December 2007	44.075.500	23.360.015,00	42.525.668,15	65.885.683,15

⁽¹⁾ The Share Capital of the Company, upon resolution of the Annual General Meeting of Shareholders (B' Repeating) held on 29.06.2007, decreased by € 44.075.500,00, by simultaneous decrease of the nominal value of all shares by the amount of € 1,53 to €

0,53, with the purpose of the pro rata distribution of equal amount of the reduction amount to Shareholders and by the relevant amendment of the article 5 of the Company's Articles. The above decision of share capital decrease was approved by the K2 – 10651/12.07.2007 decree of the Ministry of Development and the B.O.D. of the Athens Stock Exchange was informed at the meeting of 19.07.2007.

25. Other long-term receivables

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

Guarantees	Company		Group	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Public Power Corporation	49.200,00	49.200,00	81.900,00	81.900,00
O.T.E.	269,99	269,99	269,99	269,99
E.Y.D.A.P.	5.491,00	5.491,00	5.922,63	5.740,63
Medical gas	13.191,17	13.191,17	13.217,58	7.506,38
Buildings	0,00	0,00	17.100,55	16.453,84
Vehicles	6.034,88	7.261,40	14.241,09	9.776,61
Prepayments of assets purchase	323.041,54	0,00	323.041,54	0,00
Other long-term receivables	0,00	0,00	438.089,93	183.032,56
Total	397.228,58	75.413,56	893.783,31	310.573,21

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

Other long-term receivables are recorded in the following fiscal years, when accrued, and mainly concern the operation of the stem cells collection and storage of the subsidiary company "MEDSTEM SERVICES S.A.".

26. Other non-current liabilities

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

	Company		Group	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Received rent guarantees	61.475,05	60.498,46	70.754,05	69.498,46
Unearned and deferred income	0,00	0,00	2.920.599,55	1.220.217,05
Total	61.475,05	60.498,46	2.991.353,60	1.289.715,51

The subsidiary “MEDSTEM SERVICES S.A.”, stores cord blood stem cells and pre-collects deferred income. This policy creates long-term liabilities which expire along with the twenty year contracts. The aforementioned long-term revenues will be measured within the period that the above services will be offered.

27. Other non-current provisions

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

28. Other operating expenses

	Company		Group	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Extraordinary & non-operating expenses	17.893,41	4.977,58	33.529,43	14.581,78
Extraordinary losses	68.003,61	59.539,37	91.199,46	67.881,87
Prior period expenses	61.890,97	9.613,40	486.695,70	276.892,46
Provisions for extraordinary contingencies	0,00	0,00	0,00	0,00
Total	147.787,99	74.130,35	611.424,59	359.356,11

29. Reserves at fair value-Other reserves

	Company		Group	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Land	8.068.688,07	8.068.688,07	31.350.784,24	31.350.784,24
Buildings	33.057.336,35	33.057.336,35	33.240.781,06	33.240.781,06
Reserves at fair value Total	41.126.024,42	41.126.024,42	64.591.565,30	64.591.565,30
Legal Reserve	5.384.038,15	4.373.748,28	5.854.191,15	4.834.959,04
Other Reserves Total	5.384.038,15	4.373.748,28	5.854.191,15	4.834.959,04

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

30. Events after the balance sheet date

At the Extraordinary General Meeting of Shareholders of the subsidiary company “IASO GENERAL CLINIC OF HOLARGOS S.A.” held on 11.01.2008, it was decided: (a) to increase the Share Capital by € 7.761.746,12, of which the amount of € 735.774,62 by capitalizing part of the liabilities towards the parent company IASO S.A. by issuance of 694.127 new common registered shares of nominal value € 1,06 per share. The remaining amount of € 7.025.971,50 paid in by cash through issuance of 6.628.275 new common registered shares of nominal value € 1,06, (b) to increase the Share Capital by € 355.000,00 through capitalization of the equivalent amount of share premium reserves. This action will increase the share's nominal value from € 1,06 to € 1,085, (c) to decrease the share's nominal value from € 1,085 to € 0,31 due to an increase in the number of shares from 14.200.000 with nominal value € 1,085 to 49.700.000 shares of nominal value € 0,31, (split of one (1) old to three and a half (3,5) new shares). The certification of the Share Capital increase was approved by the BoD of the subsidiary company on 06.02.2008 and posted by the Department of Commerce of the Athens Prefecture under protocol number EM-2233/15.02.2008. ,

The management of the subsidiary company “IASO THESSALIAS GENERAL CLINIC-PRIVATE OBSTETRICS S.A.” following the decision of the Extraordinary General Meeting of Shareholders held on 19.01.2008, proceeded to the issuance of an 8 years debenture loan agreement, of a maximum amount of € 33.000.000,00. The agreement was signed on 15.02.2008, between IASO THESSALIAS SA and the National Bank of Greece as the organizer and bondholder representative. The proceeds of the loan will be solely used to finance the construction of buildings, and purchase of equipment needed for the clinic’s operation . The amount that has been drawn down until today is € 7.000.000 and has been used for the above mentioned purposes.

The Share Capital of the Company “IASO GENERAL CLINIC OF HOLARGOS S.A.” upon resolution of the Extraordinary General Meeting of Shareholders held on 14.02.2008, increased by € 26.231.400,00 by cash, by issuance of 7.670.000 new common registered shares of nominal value € 0,31 each and issue price € 3,42. Given that the Share Capital increase is fully covered, the Share Premium Reserve will amount to € 23.853.700,00. The aforementioned increase is in process and has not been completed yet.

Maroussi, 18.03.2008

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	GROUP'S GENERAL MANAGER	GROUP'S CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTING OFFICER
IOANNIS CH. ZOLOTAS	GEORGIOS I. STAMATIOU	TAKIS I. GIANNIRIS	VASSILIOS E. ANASTASSAKIS	STYLIANOS D. TSIROPOULOS
I.D. : A 005562	I.D. : K 030874	I.D. : S 582609	I.D. : AA 58349	I.D. : T 123040

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