FINANCIAL REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2011
(Pursuant to Law 3556/2007)

Athens, August 2011

INDEX OF THE SIX MONTH PERIOD FINANCIAL REPORT

	PAGE
Board of Directors' statement	3
Board of Directors' report	4-32
Financial information interim review report	33-34
Interim condensed financial statements (consolidated and company's) for the six month period ended June 30, 2011	35-75
Data and information (consolidated and company's) for the six month period ended June 30, 2011	76

BOARD OF DIRECTORS' STATEMENT
(Pursuant to Law 3556/2007, article 5)

To our knowledge:

1. The semi-annual financial statements which have been prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of ALAPIS SA and of the undertakings included in the consolidation, taken as a whole, in accordance with paragraphs 3 to 5 of article 5 of Law 3556/2007.

2. The half-yearly report of the Board of Directors is a true representation of the information required by paragraph 6 of article 5 of Law 3556/2007.

Athens, August 29, 2011

President of the BoD	Managing Director	Member of the BoD
Aristotelis Charalampakis	Stilianos Kimparidis	Nikolaos Karantanis

BOARD OF DIRECTORS' REPORT
(Pursuant to Law 3556/2007, article 5)

The current Board of Director's six month report concerns the period from January 1 until June 30, 2011. The report was prepared and is coincided with the clauses of article 5 of law 3556/2007 and on that law's issued executive decisions of the Capital Market Committee.

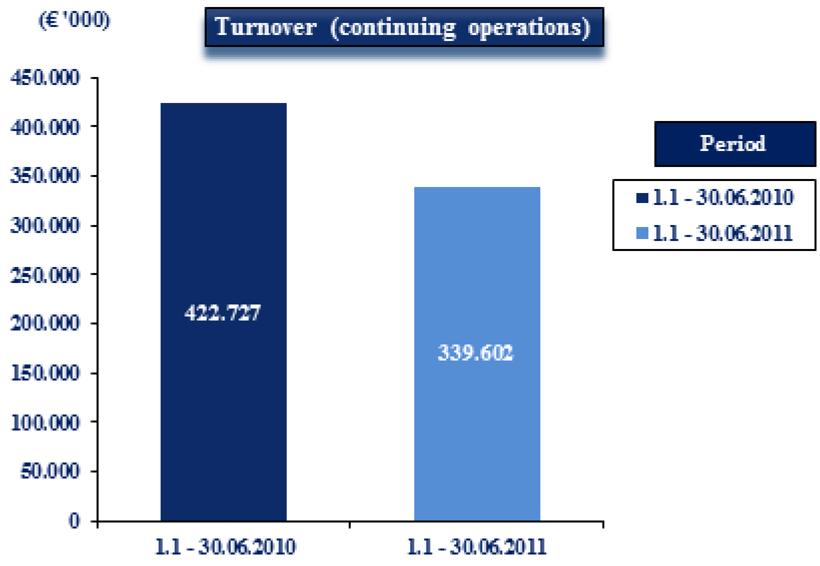
A. BASIC FINANCIAL RESULTS OF THE FIRST SEMESTER OF 2011

A1. GROUP

- Turnover from continuing operations reached € 339.602 reduced by 19,7% compared to the first half of 2010, mainly due to the significant reduction in the prices of pharmaceutical products and the limited liquidity in the market that resulted in a decrease in orders of public hospitals and private customers.
- Results before interest, taxes, depreciation, amortization and investing results (EBITDA) from continuing operations stood at losses of € 74.633 due to an extraordinary non-recurring loss from the provision of bad collectible amounting to € 64.948. Excluding the aforementioned provision EBITDA stood at losses of € 9.685 compared to earnings of € 138.503 in the first half of 2010.
- Net results after tax and minority interest from continuing operations stood at losses of € 167.377 compared to earnings of € 25.088 in the first half of 2010.

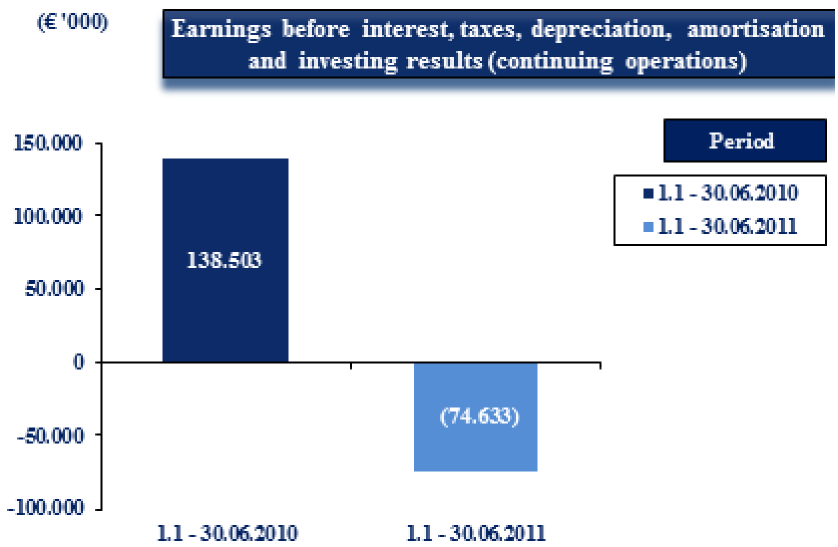
TURNOVER

Consolidated turnover from continuing operations in the first half of 2011 decreased by 19,7% standing at €339.602 compared to € 422.727 in the respective semester of 2010. The above reduction is mainly attributed to the medicines' re-pricing, which continued in the reporting period as well, in conjunction with the lack of liquidity in the market which forced wholesalers and pharmacists to limit down their purchases in order to best manage inventory in view of the continuously changing pricing environment. Moreover, the strikes of hospitals' personnel which have started as a reaction and protest against the new reform measures that were announced, have created additional anomalies in the Greek pharmaceutical market, thus contributing to the lower volume of sales. Finally, we should note the adverse effect of the consumer confidence in the Greek market which stands at the bottom of all European countries while the recent austerity measures which have been voted by the Hellenic Parliament in June, are expected to negatively affect disposable income as well as consumer sentiment.



RESULTS BEFORE INTEREST, TAXES, DEPRECIATION, AMORTIZATION AND INVESTING RESULTS (EBITDA)

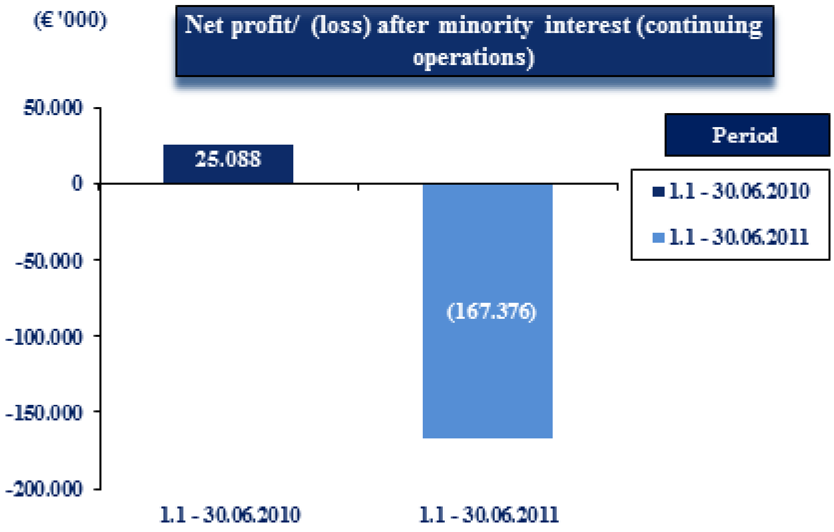
Consolidated results before interest taxes, depreciation, amortization and investing results from continuing operations stood at losses of € 74.633 compared to earnings of € 138.503 in the respective period of 2010. This shortfall is attributed to the new pricing environment in the pharmaceuticals industry, to the extraordinary non-recurring provision for bad collectible amounting € 64.948 and to restructuring costs in the pharmaceutical division. Moreover, the excess capacity (idle cost) has further burdened production and distribution operating expenses of the second quarter of the year.



(All amounts presented in thousands Euro, except otherwise stated)

NET RESULTS

Finally, the results after tax and minority interests from continuing operations stood in the first half of 2011 at losses of € 167.377 compared to earnings of € 25.088 in the respective period of 2010.



GROUP FINANCIAL RESULTS OF THE FIRST SEMESTER 2011 – CONTINUING OPERATIONS

(thousands €)	01.01-30.06.2011	01.01-30.06.2010 *	% change
Turnover	339.602	422.727	*(19,7)%*
Earnings/(losses) before interest, taxes, depreciation, amortization and investing results (EBITDA)	(74.633)	138.503	-
EBITDA excluding provision for bad collectible	(9.685)	138.503	
Earnings/(Losses) before taxes	(161.217)	44.898	-
Earnings/(Losses) after taxes & minority interests	(167.377)	25.088	-

* Includes only the comparable figures of the (i) pharmaceuticals and (ii) powder detergent divisions

(All amounts presented in thousands Euro, except otherwise stated)

GROUP FINANCIAL RESULTS OF FIRST SEMESTER 2011 - TOTAL

(thousands €)	01.01-30.06.2011	01.01-30.06.2010 *	% change
Turnover	339.602	518.407	(34,5)%
Earnings/(losses) before interest, taxes, depreciation, amortization and investing results (EBITDA)	(74.633)	160.394	-
EBITDA excluding provision for bad collectible	(9.685)	160.394	
Earnings/(Losses) before taxes	(161.217)	49.479	-
Earnings/(Losses) after taxes & minority interests from continuing operations	(167.377)	25.282	-

* Includes the figures concerning (i) cosmetics and liquid detergents (ii) veterinary and (iii) medical devices and diagnostics divisions which have been discontinued in June 2010.

REVIEW OF FINANCIAL RESULTS PER DIVISION

Pharmaceutical division

Turnover of the pharmaceutical division stood in the first half of 2011 at € 324.981 compared to € 400.248 in the first half of 2010 decreased by 18,8%. Results before interest, taxes, depreciation, amortization and investing results (EBITDA) in the first half of 2011 stood at losses of € 4.186 compared to earnings of € 133.448 in the first half of 2010. The above reductions in turnover and EBITDA are attributed to the institutional changes in the domestic pharmaceutical market as a result of the re-pricing of pharmaceutical products, changes in the positive list and the loss of some co-operations as a result of the Group's cash flow problems.

Other activities division

Powder detergents

Turnover of the powder detergents division stood in the first half of 2011 at €14.621 compared to € 22.479 in the first half of 2010 decreased by 35%. Results before interest, taxes, depreciation, amortization and investing results (EBITDA) in the first half of 2011 stood at losses of € 70.448 compared to earnings of € 5.055 in the first half of 2010. However, the division's EBITDA was affected by the provision for impairment from NEOCHIMIKI SA amounting to € 64.948. If this provision is not taken into consideration the division's EBITDA stood at € 5.500.

Regarding the aforementioned provision for impairment, during 2008, ALAPIS SA conducted a raw material supply agreement with NEOCHIMIKI SA, securing the steady flow of raw materials which are used in production of products on behalf of its customers. The duration of the agreement was five years and expires on December, 2012.

According to the terms of the supply agreement, NEOCHIMIKI SA is required to maintain in stock certain quantities of the abovementioned raw materials, while the Company is obligated to annually purchase a certain minimum volume of these raw materials from NEOCHIMIKI SA. If the Company does not meet the minimum required purchases in any year of the contract while the counter-party complies with the terms of the agreement, then the former is obligated to pay to NEOCHIMIKI SA an amount equal to the annual difference. According to the terms of the contract, if the Company demands any other product besides the aforementioned ones, then the Company and NEOCHIMIKI SA have to negotiate in good faith on the specifications, the price and volume of these new raw materials. Under this contract, the Company had proceeded in prepayments, for the smooth and unhindered flow of the required raw materials. Due to the inability of NEOCHIMIKI SA to meet its contract obligations, that is to supply the Company with the specified amounts of raw materials which were expressly agreed under the terms of the contract, the Management of the Company, in accordance with the principle of prudence, proceeded with the creation of a provision for impairment of receivables amounting to € 64.948, while, at the second quarter, it has initiated negotiations for the final termination of the contract, in accordance with the best interest of the Company since the Company intends to proceed with the discontinuation of the detergent segment.

Specifically, on March 31, 2011 the Board of Directors of the Company decided to proceed with the discontinuation of powder detergents production. The financial information of the aforementioned segment is presented as a part of continuing operations of the Group and the Company, since the preconditions for classification as discontinued operation, as defined by IFRS 5 had not been fulfilled until August 29, 2011, approval date of the financial statements.

A2. THE COMPANY

At a Company level, in the first half of 2011 turnover from continuing operations stood at € 41.574 compared to € 184.528 in the respective semester last year, marking a decrease by 77,5%.

The results before, interest, tax, depreciation, amortization and investing results from continuing operations for the first half of 2011 stood at losses of € 77.418 compared to earnings of € 118.734 in the respective period last year.

Net results after tax stood at losses of € 156.408 compared to earnings of € 17.825 in the respective semester last year.

The Group and the Company are measuring their performance by using the following indicators/ratios.

EBITDA (Earnings Before Interest, Taxes, Depreciation, Amortization and investing results)

Group defines the EBITDA measure as profits/(losses) before taxes for a period if we add the financial and investing results, along with total depreciation of tangible and intangible assets that correspond for the specific period. The account 'Net expenses/income from financing activity' is comprised of revenues, expenses, profits and losses pertaining to the time value of money (interests from deposits, loans etc.) and capital investments. With the term 'capital investments' we refer to company placements in securities (stocks, debentures etc.), tangible and intangible assets (for investment or own used). The account indicatively comprises revenues from deposit interests, expenses from interests on debt capital, non-operating exchange differences, revenues from dividends, profits/losses from the sale, write-down, impairment, impairment reverse and securities valuation, of tangible and intangible fixed assets. The account of 'total depreciation' that is added in profits/losses before taxes, is the one arising after setting-off the depreciation of fixed assets (expense) with the corresponding depreciation of relative grants (revenue) that have granted for these assets.

Consolidated EBITDA for the first half of 2011 from continuing operations stood at losses € 74.633 compared to earnings of € 138.503 the respective period of 2010.

ROE (Return On Equity)
ROE ratio measures the performance that common shareholders achieve per average monetary unit they invest and is defined as the percentage of Profits After Taxes and Minority Interests divided by Group Equity.

ROE stands at -20% in the first half of 2011 and at 1,28% in the respective period of 2010.

EPS (Earnings Per Share)
EPS is calculated by dividing company profits after taxes and minority interests with the weighted average number of shares outstanding within the period.

EPS for continuing operations in the first half of 2011 stands at € -3,54 compared to € 0,53 in the first half of 2010.

B. FIRST SEMESTER 2011 KEY EVENTS

On December 31, 2010 as well as on June 30, 2011, certain financial figures and ratios (covenants) were not within the limits posed by the terms of the debt obligations the Company had entered into with financial institutions. As a result these loans of €735.000 were presented in short term borrowings. The terms provided a termination right to the lenders rendering those debt obligations immediately redeemable. The Company is in discussions with financial institutions for the restructuring of its financing.

During the 2nd Repeat Extraordinary General Shareholders Meeting, that took place on April 26, 2011 it was decided the Company's share capital increase. Assuming that the increase will be taken-up in full, the total proceeds thereof are expected to be equal to € 98.060, without having deducted the relevant costs.

On March 31, 2011 the Board of Directors of the Company decided to proceed with the discontinuation of powder detergents production operation and either to proceed with the disposal of the entire segment or the disposal of the segment (including inventories and employees) excluding all fixed assets which will be classified as investment properties with the intention to subsequently lease them. The financial information of the aforementioned segment is presented as a part of continuing operations of the Group and the Company, the preconditions for classification as discontinued operation, as defined by IFRS 5 have not been fulfilled until August 29, 2011, approval date of the financial statements.

During the Extraordinary General Shareholders Meeting, that took place on April 4, 2011 it was decided the increase of the Company's nominal value per share from € 2,40 to € 12,00 and the simultaneous reduction of the Company's outstanding number of shares (reverse split) pro rata 5:1, namely via the reduction of the Company's number of shares from 245.150.055 to 49.030.011 shares. Pursuant to the above, the company's share capital amounts to € 588.360, divided into 49.030.011 shares of nominal value €12,00 per share. On April 18, 2011 the Ministry of Finance, Competition and Shipping decision No K2-3453 which approved the amendment of the respective articles of the Company's Articles of Association, was registered with the Prefecture of Athens Registry of Public Companies. The Athens Exchange ("ATHEX"), at its session on Friday, May 6, 2011, approved the listing of the aforementioned 49.030.011 new common registered shares each with a nominal value of €12,00. On May 19, 2011 started the trading of the 49.030.011 new shares with the new nominal value €12,00 per share on the ATHEX.

Moreover, during the 2nd Repeat Extraordinary General Shareholders Meeting, that took place on April 26, 2011 it was decided the reduction of the Company's share capital by € 573.651 by reduction of the nominal value of the common registered shares from € 12,00 to € 0,30 per share and the balance that will arise as a result will be recorded into a special reserve, according to article 4, paragraph 4a of C.L. 2190/1920, therefore, no capital will be returned to shareholders and the total number of the Company's shares will not be increased through the issuance of bonus shares. Pursuant to the above, the company's share capital amounts to € 14.709 divided into 49.030.011 shares of nominal value € 0,30 per share. The Ministry of Finance, Competition and Shipping with its decision No K2-4011/16.05.2011 approved the amendment of the respective articles of the Company's Articles of Association.

Furthermore, during the 2nd Repeat Extraordinary General Shareholders Meeting, that took place on April 26, 2011 it was decided the issuance of convertible bond loans up to an aggregate principal amount of € 300.000 and abrogated the relevant pre-emption rights of the Company's existing shareholders and granted the authority to the Board of Directors to determine the specific terms and conditions for the issuance and offering of the convertible bond loans pursuant to the terms and conditions that were approved by the Extraordinary General Shareholders Meeting. The relevant decisions were recorded to the Registry of the Societes Anonymes pursuant to the Announcements of the Ministry of Finance, Competition and Shipping No. K2-4693/19.05.2011 and K2-4693/19.05.2011.

Finally, during the 2nd Repeat Extraordinary General Shareholders Meeting, that took place on April 26, 2011 it was decided the increase of the Company's share capital by € 29.418 through payment of cash, the issuance of 98.060.022 new common registered voting shares in book entry form at a nominal value of € 0,30 per share at a ratio of 2 new shares for 1 existing share, with pre-emption rights in favour of its existing shareholders, and at an issue price of € 1,00 per new share. The difference between the nominal value of the new shares and the issue price, which is expected to amount € 68.642 will be recorded net of the increase-related expenses to the shareholders equity account 'Paid in Surplus'. Assuming that the increase will be taken-up in full, the total proceeds thereof are expected to be equal to € 98.060 without having deducted the relevant costs.

It was approved that the Issue Price may be higher than the market price at the time of detachment of the pre-emptive right. The deadline for taking-up the Increase was approved to be four (4) months starting from the date of the Extraordinary General Shareholders Meeting resolution, which may be extended by one month, according to article 11, paragraph 4 of C.L. 2190/1920, as well as to authorise the Company's Board of Directors to determine, among other things, the deadline for the exercise of the pre-emption rights and other details of the increase. The Ministry of Finance, Competition and Shipping with its decision No K2-4011/16.05.2011 approved the amendment of the respective articles of the Company's Articles of Association.

The Company, within the frame of restructuring the existing structure of the Group, fully serving the purposes of its activities and creating economies of scale: a) will merge its 100% subsidiaries FARMAGORA SA and ALAPIS PHARMAKAPOTHIKI SA, by the absorption of the second from the first. According to the decisions as of December 31, 2010, of their Boards of Directors, the foresaid companies announce their intention for merger and the December 31, 2010 is set as the merger statement of financial position date of the absorbed company, b) will merge its 100% subsidiaries SUMADIJALEK AD and ALAPIS SER DOO, by the absorption of the second from the first. According to the decisions as of June 30, 2011 of their Boards of Directors, the foresaid companies announce their intention for merger and the June 30, 2011 is set as the merger statement of financial position date of the absorbed company, and c) will merge its 100% subsidiary PNG GEROLYMATOS MEDICAL SA, by absorption. According to the decisions as of May 30, 2011, of their Boards of Directors, the foresaid company and the parent company announce their intention for merger and the June 30, 2011 is set as the merger statement of financial position date of the absorbed company.

The aforementioned mergers are subject to approval of the relevant regulatory authorities.

C. FINANCIAL RISK MANAGEMENT

The state of the Greek economy and the domestic pharmaceutical sector

The macroeconomic conditions in Greece continue to deteriorate while the IMF's forecast for a 3,8% GDP decline for 2011 currently seems optimistic given that the data posted have shown a 7,5% GDP decline in the first half of 2011.

Due to the failure to finance the public debt through the markets, in May 2010, the Greek State agreed to a stabilization program, jointly supported by the IMF, the ECB and the member states of the Eurozone (the "Economic Adjustment Program"). As part of the Economic Adjustment Program, Greece is expected to receive a total of €110 billion from 2010-2013 in return for enacting certain reforms, including significant reductions in government expenditures. The Economic Adjustment Program requires the Greek State to reduce government expenditure by 7.8% of GDP in 2010, 6.4% in 2011 and to implement additional fiscal consolidation efforts in 2012, 2013 and 2014. If the Economic Adjustment Program is fully implemented, the Greek State expects its budget deficit to decline to below 3% of GDP in 2014. The lower deficit will in turn put the Greek State debt as a percentage of GDP on a downward trend from an expected peak in 2013 according to the IMF. The Economic Adjustment Program also contains structural measures and policy guidelines designed to boost Greece's competitiveness and improve Greece's potential growth rates in the medium-term with a view to repaying its large debt burden. Specifically, the Economic Adjustment Program requires the Greek State to implement measures intended to, among other things:

- increase tax revenues;
- reduce the unfunded liabilities of the pension system and the amount of expenditure on public health;
- improve the flexibility of the Greek labor market; and
- liberalize certain product and service markets.

As part of its cost reduction efforts, the Greek State is engaged in sustained and continuing intervention to reduce the prices of pharmaceuticals. As a result of the price reductions applied by the Greek State in 2010, the value of the overall Greek pharmaceutical market declined by 13% when compared to 2009 (source: Intercontinental Marketing Services—IMS Hellas Database, December 2010). According to the new Decision by the Ministry of Health in June 2011, further reductions in the prices of pharmaceuticals are expected since under the obligations of the Economic Adjustment Program and in the context of the overall reform in the health system that began in 2010 in order to maintain spending on public health at or below 6% of GDP, the Greek Government will continue take measures to save costs for the pharmaceutical market of 2 billion euros compared with 2010 levels, of which at least 1 billion euros in 2011.

In addition, widespread unemployment in Greece has reduced social security contributions, which could further impact the level of Greek State revenues available for healthcare expenditure. The current economic environment in Greece has also created a greater risk of loss associated with the inability of customers, including Greek State hospitals, to meet their financial obligations to the Group, which the Group may not be able to insure against or factor at a reasonable price or at all, which may prevent the Group from using factoring arrangements to fund its working capital needs.

There is no certainty as to the extent to which the Economic Adjustment Program's fiscal targets will be met or what the direct impact of the Economic Adjustment Program's austerity measures on general economic activity in Greece will be. The implementation of the Economic Adjustment Program may exacerbate the economic recession and have a further adverse effect on the Group's business, prospects, financial condition and results of operations. It is also presently uncertain whether the Greek State will be able to implement the structural reforms required in full and on time. A failure to successfully implement the provisions of the Economic Adjustment Program and to attain its fiscal targets may lead to the termination of financial support by the IMF, the ECB and the EU, which would then increase the risk of a default, restructuring or other form of adverse credit event occurring with respect to the public debt of Greece. Any such risk to financial stability in Greece and the ability of Greece to meet its international obligations, in itself or in combination with other adverse developments (including, for example, a deterioration in global economic conditions or in economic conditions in the Eurozone) could have a further material adverse effect on the Group's business, prospects, financial condition and results of operations.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group operates in an international environment and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy that requires from all Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. In order to manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group may use forward contracts, transacted with Group treasury.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Regarding future commercial transactions conducted in currencies other than the operational currency, the Group has adopted the policy of transactions with instalments set in advance, aiming to minimize currency translating differences. The lack of liquidity may in the near term not permit the foreign exchange risk management according to the standards.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At June 30, 2011, if the UK pound currency had weakened/strengthened by 5% against Euro currency, with all other variables held constant, Group's net loss for the period would have been € 5 higher / lower, mainly as a result of foreign exchange gains/losses on translation of income statement of EUROMEDICINES LTD.

At June 30, 2011, if the Romania RON currency had weakened/strengthened by 1% against Euro currency, with all other variables held constant, Group's net loss for the period would have been € 6 lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of ALAPIS ROMANIA SRL.

At June 30, 2011, if the Croatian HRK currency had weakened/strengthened by 1% against Euro currency, with all other variables held constant, Group's net loss for the period would have been € 4 lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of ALAPIS DOO.

At June 30, 2011, if the Serbian RSD currency had weakened/strengthened by 3% against Euro currency, with all other variables held constant, Group's net loss for the period would have been € 6 lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of SUMADIJALEK AD and ALAPIS SER DOO.

At June 30, 2011, if the US dollar currency had weakened/strengthened by 8% against Euro currency, with all other variables held constant, Group's net loss for the period would have been € 12 and € 14 respectively lower / higher, mainly as a result of foreign exchange gains/losses on translation of income statement of GEROLYMATOS INC.

(ii) Price Risk

The Group is dependent on sales of pharmaceuticals in Greece for the majority of its sales. In the Greek pharmaceutical product sector, the Greek State, through the Ministry of Health, directly sets prices for pharmaceutical products. According to L.3840/31.03.2010 the price of a medicine must not exceed the average of the three lowest prices of that particular medicine as sold within the European Union (EU) member states. In Management's view, the above system of price determination is leading in extreme price reductions in most of the medicines as it does not focus on countries with similar profiles and does not take into account a series of macroeconomic parameters and indicators such as the level of GDP, the health profile of the country etc. Indicatively, it includes countries with GDP and labour costs at 40% of the respective Greek figures, such as Bulgaria, Romania, Poland and Hungary.

Furthermore, according to the Ministerial Decision of June 10, 2011, the prices of original pharmaceutical products, after the expiration of the first national or European patent shall be reduced by a minimum percentage of thirty percent (30%), while the prices of medicinal products with the same active ingredient (generic) shall be set at a maximum rate of ninety percent (90%) of the corresponding ex original product as it is determined after the expiry of the first National patent or European patent (i.e. additional discount of 10%). Consequently, pricing of generics in Greece has a smaller discount compared to several other European markets, where discounts range on average between 40% and 50%. Further, the price of each pharmaceutical formulation shall be determined/adjusted by the authorities three times a year, which in the opinion of Management hampers the smooth functioning of the market and the planning process for the firms in the industry.

As part of Greek's state efforts to reduce public health's spending and in continuation of the publication of 2010 re-pricing bulletins, in February and in June 2011 new price bulletins were issued adjusting once more the pharmaceutical prices. The June's bulletin was also including the drugs of the revised/expanded list (FEK 1666/B/27-7-2011) of par.2 of Art 12 of L.3816/2010 for the treatment of serious illnesses.

New price reductions may have material negative effect in Group's profitability and results of operations, in case the loss would not be offset by an increase in generics penetration in the Greek market (today it does not exceed 14%) and a respective increase in the Group's pharmaceutical products volumes. Although the Group has pursued a strategy of developing branded generics to partially offset the impact of price reductions, a failure to offset such losses through its branded generics portfolio may have a material adverse effect on the Group's business, financial condition and result of operations.

The Greek State recently enacted legislation (Law 3918/2011, Joint Ministry Decision nr. DYG3α/οι.14801/31.1.2011), according to which the Greek State will begin to utilize a public tender process to purchase human pharmaceutical products. In particular, the tender process will be conducted on the basis of the APIs being purchased, rather than on the brand or trade name of a given drug. Under the proposed tender process, state owned hospitals, or the Ministry of Health acting as a centralized authority on behalf of all state-owned hospitals, will issue a request for tenders from suppliers on a certain number of APIs. Given that this tender process will select suppliers for state-owned hospitals on the basis of desired APIs and price rather than according to brand, the Group's growing portfolio of branded generics may fail to earn a brand premium when participating in tenders for supply to state-owned hospitals. There is a risk that the Group's branded generics could prove less competitive under the proposed tender process as compared to the current system, and in particular that low-cost multinational generics manufacturers could win significant business with their lower cost products under the proposed tender process. In addition, multinational pharmaceutical companies that are not currently active in the Greek market may decide to directly participate in the tendering process, generating additional competition.

As a result, the Group may face declining market share and diminishing revenue from state-owned hospitals going forward. The Group's current multinational pharmaceutical partners may also choose to participate directly in the tender process rather than act through representation or distribution agreements with the Group, thus contributing to decreased market share and revenues from state-owned hospitals.

The Group is not exposed to securities price risk due to its limited investment in entities and their classification in the consolidated statement of financial position as financial assets at a fair value through the results. The Group is not exposed to commodity price risk.

(iii) Cash flows and fair value interest rate risk

The Group's interest risk is increased by its non-current liabilities. The liabilities could possibly result in variable interest rates and expose the Group to cash flow interest rate risk, which is partially offset by cash held at variable rates.

The Group analyses exposure to interest rate on a dynamic basis. Various scenarios are simulated, as refinancing and renewals of existing positions are taken into consideration. Based on these scenarios, the Group calculates the impact on the profit and loss of a certain interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios only apply to liabilities that represent the major interest positions.

At June 30, 2011, if Euribor had been 1% higher/lower with all other variables held constant, net profit for the year would have been € 3.809 and € 3.769 lower/higher for the Group and the Company respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures customers, including outstanding receivables and committed transactions.

The Group's principal credit risk relates to the possibility that clients fail to fulfill their financial obligations. Group's clients are state hospitals that generally take longer than the customers of the private sector to settle their accounts with their suppliers. In addition, the National Healthcare System (part of the broader social security system) is also delaying payment towards pharmacies and hospitals for the purchases of medicines that are included in the positive list.

As part of the public hospital payment program for the years 2007, 2008 and 2009, the Greek State issued non-interest bearing bonds (Sovereign Bonds) of one, two and three years maturity respectively as payment for certain outstanding receivables for invoices issued during the period 2007 – 2009. Due, to the low credit rating of the Greek State those bonds traded in the market at a discount. As a result the Group recorded losses during the period ended June 30, 2011 of € 6.455 from liquidating Sovereign Bonds.

In addition, in order to finance its working capital and to manage the risk its cash flow may encounter from delayed collection of receivables, the Group enters into factoring contracts with Greek and international financial institutions. Under these contracts, the Group receives approximately 90% of the nominal value of the assigned receivables. As part of the signed contracts of receivables' assignment without recourse, the credit risk, in the event of inability of payment by the Group's customers, is transferred to counterpart factors, under the condition that these receivables are insured by third parties and after the assignment of the insurance credit policy to the counterpart factors. Due to the current Greek economic conditions and the reduction of the approved credit limits the Company is under negotiations in order to assign uninsured receivables under the abovementioned contracts as well, a matter that may lead in conversion of part of the existing factoring contracts to factoring contracts with recourse. Specifically a portion of a €148.450 non-recourse factoring contract on June 30, 2011 may be classified in current liabilities, since receivables that have been factored have no insurance cover, resulting in the factoring agreement being considered to be factoring with recourse.

(c) Liquidity risk

The Group is financing its operations and capital expenditures by entering into loan agreements, into trade receivables factoring agreements and from its operating cash flow. At June 30, 2011, current liabilities totaled to € 996.008 exceeding current assets by €723.994. The high debt level, which at June 30, 2011 amounted to € 856.838 (loans plus financial leasing), represents a critical issue since under the current levels of operating activity the maintenance of specific financial figures and ratios within the limits posed by the loan terms was not plausible.

As a result, a right of early repayment clause has been triggered on behalf of the lending banks for loans of €735.000. Specifically: a) On December, 2007, the Company signed a contract with a consortium of lending banks, for 5 year duration stand by revolving credit facility, up to the amount of € 640.000, with Euribor plus 0,75%-1,80% margin, fully repayable at maturity, in order to finance its acquisition of companies as well as to cover the Company's general financial needs and b) on October, 2009, in order to finance its working capital, the Company signed a contract for the issuance of a seven year duration bond loan, amounting to € 100.000 (June 30, 2011 balance: € 95.000) which was covered by TT HELLENIC POSTBANK SA. The interest rate was set at five percent (5%) fixed, on an annual basis, for the first three years, thereafter switching to Euribor plus margin.

Additionally, the Group enters into factoring agreements with Greek and international financial institutions by assigning to them receivables from both the public and the private sectors in order to finance its working capital. The terms of the agreements require that the Group insures the receivables and then assigns the insurance credit policy to the counterpart factors by obtaining for the public sector receivables a three year insurance cover and for the private sector a six months to one year insurance cover from the credit insurer. On June 30, 2011, specific terms of a factoring agreement were breached and as a result a € 10.752 factoring financing was classified in the short term obligations. At June 30, 2011 the Group had approximately € 30.000 headroom under its existing factoring facilities. If the Group is unable to obtain additional credit insurance and if the Group does not receive payment for its outstanding and other receivables in the near future, in order to increase headroom in its existing facilities, it may experience additional difficulties in funding its working capital. On June 30, 2011, Sovereign Bonds with nominal value of € 36.000 remained with counterpart factors replacing receivables of equal amount. As those Sovereign Bonds have a market value that is lower than the nominal value, the factors are holding those (bonds) back reducing in that way the facilities' capacity to finance new state receivables. Further, a default, restructuring or other adverse credit event affecting the Sovereign Bonds would give the Group's factoring banks the right to hold back any remaining cash payments that would otherwise have been released to the Group. Additionally, the maximum indemnity payable by the providers of credit insurance for any given period is limited to a multiple of the Group's policy premium for that period and, thus if a significant proportion of the Group's receivables were to default simultaneously, it is possible that such defaults would exceed the indemnity to be paid by insurers, in which case the Group would be liable for any shortfall. Due to the above, the Group operates under limited liquidity facing difficulties serving its debt and its trade obligations which at June 30, 2011 stood at € 134.432.

(All amounts presented in thousands Euro, except otherwise stated)

In order to deal with its liquidity issues and to conform to the terms of its loan contracts, the Group is in advanced discussions with lending banks for restructuring of its financing, and the re-opening of factoring lines that have been frozen. In addition, at the 2nd Repeat Extraordinary General Shareholders Meeting, that took place on August 29, 2011, it was decided to increase the share capital up to € 98.060 in order to improve the short term liquidity of the Company and of the Group. Also, the 2nd Repeat Extraordinary General Shareholders Meeting, that took place on April 26, 2011 it was approved to issue convertible bond loans up to an aggregate principal amount of € 300,000 and the abolishment of the relevant pre-emption rights of the existing shareholders and granted the authority to the Board of Directors to determine the specific terms and conditions for the issuance and offering of the convertible bond loans pursuant to the terms and conditions that were approved by the Extraordinary General Shareholders Meeting.

In case that the negotiations between the Management and the lending banks are not completed successfully or not completed within a reasonable time frame or due to the growing financial crisis the proposed share capital offering were to be withdrawn or not fully covered, the Group may not be able to successfully utilize alternative ways of financing in order to ensure the smooth continuation of its operations.

Under normal conditions, any cash surplus held by the operating entities over and above the amount required for working capital management are transferred to the group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The Group

30.06.2011	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	810.666	0	0
Finance lease liabilities	5.349	12.034	28.788
Derivatives	0	7.209	0
Trade and other receivables	163.823	7	0

The Group

31.12.2010	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	819.544	0	0
Finance lease liabilities	2.899	14.759	28.724
Derivatives	0	8.332	0
Trade and other receivables	216.821	7	0

The Company

30.06.2011	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	803.372	0	0
Finance lease liabilities	5.129	11.428	28.788
Derivatives	0	7.209	0
Trade and other receivables	126.318	0	0

The Company

31.12.2010	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Borrowings	812.222	0	0
Finance lease liabilities	2.593	14.154	28.724
Derivatives	0	8.332	0
Trade and other receivables	155.562	0	0

(d) Impairment risk

To the extent the current economic downturn worsens or the economic environment in which the Group operates does not recover, the Group may need to record additional impairment charges to its remaining intangible and tangible assets. Such charges, while not directly affecting its cash flows, could have a material adverse effect on its financial condition and results as well as on the maintenance of specific financial figures and indicators which may be included as terms in financial contracts.

(e) Capital risk management

The Group monitors its capital risk on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current finance lease liabilities' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity shown in the consolidated statement of financial position plus net debt.

	The Group		**The Company**	
Amounts in thousands €	**30.06.2011**	**31.12.2010**	**30.06.2011**	**31.12.2010**
Total borrowings	856.838	865.926	848.717	857.693
Less: Cash and cash equivalents	(23.460)	(83.333)	(12.426)	(66.088)
Net debt	**833.378**	**782.593**	**836.291**	**791.605**
Total equity	837.379	1.005.565	899.391	1.055.799
Total capital	**1.670.756**	**1.788.158**	**1.735.682**	**1.847.404**
Gearing ratio	**49,88%**	**43,77%**	**48,18%**	**42,85%**

The increased gearing factor at the Group and Company level is due to a decrease in net worth due to losses for the period ended June 30, 2011 in conjunction with the decrease in cash and cash equivalents held by the Group and Company at June 30, 2011against December 31, 2010.

(All amounts presented in thousands Euro, except otherwise stated)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

(a) The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price (level 1).

(b) The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for non-current debt (level 2).

(c) Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments (level 3).

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at June 30, 2011 and December 31, 2010.

The Group **30.06.2011**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Assets at fair value through the income statement				
Short-term investments	2.318	0	0	**2.318**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	7.209	0	**7.209**

The Group **31.12.2010**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Assets at fair value through the income statement				
Short-term investments	4.085	0	0	**4.085**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

(All amounts presented in thousands Euro, except otherwise stated)

The Company
30.06.2011

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	2.137	0	0	**2.137**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	7.209	0	**7.209**

The Company
31.12.2010

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	3.278	0	0	**3.278**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

Pursuant to Law 3867/2010 (article 27) concerning the adjustment of Hospitals' debts to supplying companies, the Company and its subsidiaries proceeded in receiving Sovereign Bonds from National Bank of Greece in order to cover hospitals' debts to them regarding the period from January 1, 2007, to December 31, 2009. On June 30, 2011, Sovereign Bonds of amount € 2.314 and € 2.137 for the Group and the Company respectively, have not been valuated because Management's obligations are their assignment as part of signed sales contracts on behalf of third parties.

Other business risks

The operational restructuring program aimed at rationalizing the cost base and addressing the liquidity problems and recessionary environment may prove fruitless.

In response to the current economic and fiscal conditions in Greece, and the Group's high level of indebtedness and working capital constraints, the Company's Management has undertaken a cost reduction program aiming to rationalize the cost base and achieve synergies in production, distribution and marketing to address the liquidity problems and the recessionary environment. This program provided for the sale of activities not related to human medicine, the merger of subsidiaries and commercial activities, termination of contracts for third party production, distribution and marketing that were not beneficial for the Group, and the outsourcing of activities to third parties. Through these actions the Group has reduced its workforce substantially during the twelve month period of July 1, 2010 to June 30, 2011, eliminating 548 jobs.

The Group's expectations of the financial benefits of its cost reduction program are based upon certain assumptions regarding, among other things, future market conditions of the Greek market, the pricing and regulatory environment for pharmaceuticals, cost estimations in connection with the Group's outsourced research and development activities, changes in interest rates and the Group's financial performance. There can be no assurance that such assumptions will prove correct, or that the expected savings will materialize or be sufficient to meet the Group's needs to improve its cash flows and cost base.

Even if the cost reduction program is implemented on time and as planned, the measures taken may not be adequate to support the Group's business to the extent required and to withstand the economic downturn.

The relationships between the Group and international suppliers, multinational companies and domestic partners have to some extent been disturbed by the liquidity problems the Group is facing, thereby jeopardizing the continuation of existing and the signing of new cooperation contracts which may have substantial negative impact on the Company's financial condition and reputation.

The Group has entered as a client or as a vendor long-term distribution, production. in licensing and out-licensing contracts and supply of active ingredients contracts with international and domestic pharmaceutical companies and suppliers. Due to current conditions of the Greek economy and the liquidity issues is facing, the Group is not in the position to fully adhere to its obligations and as a result its commercial relationships with its multinational and domestic partners have been disturbed since a number of them have terminate their cooperation with the Group. In this context, the Company's Management has made and continues to make considerable efforts to renegotiate extensions of payment terms or changes in the trading terms with key partners and suppliers.

Moreover, Management through the daily fulfillment of the contractual obligations seeks the continuation of the cooperation contracts of services offered in promotion, production, distribution and representation in order to avoid a financial loss for the Group or a negative effect on its reputation in the market.

As a result of lower regulated pharmaceutical prices, certain multinational pharmaceutical companies have indicated they may discontinue their direct operations in Greece. In recognition of this possibility, the Group participates in discussions in order to gain marketing and representation contracts for their products in Greece. Although discussions with potential new multinational pharmaceutical partners are underway, in many cases potential partners have been hesitant to finalize new relationships with the Group until its current working capital and liquidity issues are resolved.

Therefore, in case of further delays in solving the liquidity problems, there cannot be any assurances that the relationships with partner companies will not be impaired to such a degree as to be unable to renew existing contracts nor any guarantees can be provided that the multinational pharmaceutical companies that were to withdrew from the Greece would decide to count on the Group capabilities in production, marketing and distribution or that those discussions will be completed on time.

The Group's future revenue growth and profitability are dependent upon its ability to successfully develop, license, or otherwise acquire and introduce new products on a timely basis in relation to product introductions of its competitors.

The Group aims to continually introduce a significant number of new and upgraded pharmaceutical products in order to remain competitive in the sector. The Group's future revenues and profitability will therefore depend, to a significant extent, upon its ability to successfully develop and/or license, or otherwise acquire and introduce, new generic and patented or statutorily protected pharmaceutical products in a timely manner. Product development, licensing, and commercialization require substantial time, effort and financial resources while a set of unpredicted factors may affect the achievement of milestones. Therefore, a potential weakness in commercializing, acquiring or licensing any of such products on a timely basis, if at all, could have a material adverse effect on the Group's business, financial condition and result of operations.

(All amounts presented in thousands Euro, except otherwise stated)

D. SIGNIFICANT TRANSACTIONS WITH AFFILIATED PARTIES DURING THE FIRST HALF OF 2011

The tables below depict revenues and expenses from transactions with subsidiaries:

Revenues	**Amounts in € th.**
ALAPIS PHARMAKAPOTHIKI SA	40
FARMAGORA SA	34
KP MARINOPOULOS SA	223
IPIROPHARM SA	34
PHARMAKEMPORIKI SA	32
ANDREAS CHRISTOFOGLOU SA	3
SUMADIJALEK AD	32
GEROLPHARM SA	2
SANTA PHARMA SA	237
PNG GEROLYMATOS MEDICAL SA	970
SAMBROOK MED SA	79
MEDSYSTEMS SA	32
EUROMEDICINES LTD	4
HSP UNIPESSOAL LDA	0
TOTAL	**1.723**

Expenses	**Amounts in € th.**
ALAPIS SER DOO	1
FARMAGORA SA	1.303
ALAPIS PHARMAKAPOTHIKI SA	350
KP MARINOPOULOS SA	501
IPIROPHARM SA	250
PHARMAKEMPORIKI SA	325
ANDREAS CHRISTOFOGLOU SA	130
SANTA PHARMA SA	2.002
PNG GEROLYMATOS MEDICAL SA	133
SAMBROOK MED SA	151
TOTAL	**5.145**

(All amounts presented in thousands Euro, except otherwise stated)

The tables below depict receivable and payable balances from and to subsidiaries:

Receivables	**Amounts in € th.**
ALAPIS ROMANIA SRL	3.185
ALAPIS BULGARIA EOOD	8.442
ALAPIS DOO	560
ALAPIS SER DOO	141
ALAPIS PHARMAKAPOTHIKI SA	764
IPIROPHARM SA	4.471
PHARMAKEMPORIKI SA	529
ANDREAS CHRISTOFOGLOU SA	2.496
PHARMASOFT LTD	51
EUROMEDICINES LTD	2.202
ALAPIS RESEARCH LABORATORIES INC	358
SUMADIJALEK AD	32
SANTA PHARMA SA	21.686
PNG GEROLYMATOS MEDICAL SA	28.444
SAMBROOK MED SA	4.034
MEDSYSTEMS SA	16
GEROLYMATOS INC	1.648
HSP UNIPESSOAL LDA	8
TOTAL	**79.067**

Payables	**Amounts in € th.**
ALAPIS ROMANIA SRL	789
ALAPIS DOO	5
ALAPIS SER DOO	16
ALAPIS PHARMAKAPOTHIKI SA	431
FARMAGORA SA	9.115
KP MARINOPOULOS SA	5.339
IPIROPHARM SA	308
PHARMAKEMPORIKI SA	369
ALAPIS LUXEMBURG SA	11
GEROLPHARM SA	4.752
SANTA PHARMA SA	2.460
SAMBROOK MED SA	185
TOTAL	**23.777**

(All amounts presented in thousands Euro, except otherwise stated)

The table below depict expenses from transactions with affiliates:

Expenses	Amounts in € th
PROTON BANK SA	2.213
ΣΥΝΟΛΟ	**2.213**

The table below depict payables to affiliates:

Payables	Amounts in € th.
PROTON BANK SA	50.103
TOTAL	**50.103**

E. SUBSEQUENT SIGNIFICANT EVENTS FOLLOWING JUNE 30, 2011

Shareholders General Meetings Decisions

As regards the aforementioned share capital increase, it is noted that the continuously deteriorating situation of the Greek economy, the uncertainty regarding the accomplishment of the fiscal goals for the recovery, the volatility of the domestic as well as the international capital markets, the Company's adverse share price performance and the delay of the negotiations for the restructuring of the Company's core debt, constitute, according to the Company's Board of Directors fair judgment, material disincentives towards the broad participation of the Company's shareholders to the share capital increase under the terms originally approved at the 2nd Repeat Extraordinary Shareholders' Meeting dated April 26, 2011.

In view of the above, the Company's Board of Directors, in its session on July 11, 2011 decided to call Company's shareholders for a new Extraordinary Shareholders Meeting on August 2, 2011. The Extraordinary General Shareholders Meeting, that took place on August 2, 2011 and the 2nd Repeat Extraordinary General Shareholders Meeting, that took place on August 29, 2011 revoked the decision on the 3rd item of the daily agenda of the Extraordinary General Meeting as at April 4, 2011, that was resolved by the 2nd Repeat Meeting as at April 26, 2011, for the increase of the Company's share capital by payment of cash, with pre-emption rights in favour of the existing shareholders and issuance of new common registered shares, for the grant of relevant authorizations to the Company's Board of Directors and for the modification of article 5 of the Company's articles of association.

More specifically, a new decision was taken for the increase of the Company's share capital by payment of cash, with pre-emption rights in favour of the existing shareholders and issuance of up to 326.866.740 new common registered shares of nominal value €0,30 per share at a ratio of 20 new shares for 3 existing shares, with pre-emption rights in favour of its existing shareholders.

Moreover, the Company's Board of Directors was granted the authority, pursuant to article 13 par. 6 of codified law 2190/1920, to determine the issue price per new share (the 'issue price'), which may be higher than the Company's outstanding shares' market price at the ex-rights date and in any case it cannot be lower than € 0,30, within a period of one year from such a decision, as well as to determine the deadlines for the payment of capital and the exercise of the pre-emptive rights together with the remaining details concerning the increase. It is noted that the deadline for the coverage of the share capital in accordance to article 11 of codified law 2190/1920 (four-month period plus the option for a one-month extension) will commence from the date the decision was granted by the Board of Directors that determines the issue price. Any possible difference between the nominal value of the new shares and the issue price will be recorded to the shareholders equity account 'Paid in surplus'.

The Company's Board of Directors, in its session on August 5, 2011 decided to call Company's shareholders for a new Extraordinary Shareholders Meeting on August 29, 2011 with sole issue of the daily agenda the increase of the nominal value of the shares of the Company with simultaneous reduction of the total number of shares (reverse split), in order to prevent company's shares to be transferred to the Low Free Float and Special Trading Characteristics category, due to the fact that the average closing price of the company's share was lower than the € 0,30 threshold for three consecutive trading sessions.

Following the decision of the Company's Board of Directors dated August 23, 2011, its decision dated August 5, 2011 was revoked as well as its subsequent invitation dated August 5, 2011 to the Shareholders to an Extraordinary General Meeting scheduled for August 29, 2011. This revocation follows the amendment of the ATHEX Rulebook and more specifically is due to the annulment of subparagraph (6) of paragraph 7.2.5, pursuant to the relevant approval of this amendment by virtue of the decision of the Board of Directors of the Hellenic Capital Market Commission No. 594/19.08.2011, as the reasons for the convocation of the aforementioned Extraordinary General Meeting have elapsed.

Liquidation of assets of foreign subsidiaries

On August 29, 2011, the Management of the Company due to the rising global economic crisis, decided to proceed in a gradual assets' liquidation of the subsidiaries ALAPIS BULGARIA EOOD, ALAPIS ROMANIA SRL, ALAPIS DOO and GEROLYMATOS INC that maintains in the markets of Bulgaria, Romania, Croatia and United States of America respectively, serving these markets from now on through the parent and other subsidiaries of the Group.

F. SHARE CAPITAL

The Company's Extraordinary General Shareholders Meeting, that took place on April 4, 2011, decided the increase of the nominal value of each share from €2,40 to €12,00 and at the same time the reduction of the total number of existing shares from 245.150.055 to 49.030.011 common registered shares (reverse split), with a ratio of 1 new share in replacement of 5 existing shares. Pursuant to the above, the company's share capital amounted to €588.360, divided into 49.030.011 shares of nominal value €12,00 per share. The first trading day of the 49.030.011 new shares with the new nominal value €12,00 per share on the ATHEX was May 19, 2011. The weighted average number of shares in circulation regarding all the periods presented, was restated in relation to the financial statements initially reported, in order for earnings per share to become comparable to those of the current period. Moreover the 2nd Repeat Extraordinary General Shareholders Meeting that was held on April 26, 2011 resolved upon the reduction of the Company's share capital by €573.651 by reduction of the nominal value of the common registered shares from €12,00 to €0,30 per share and the balance that would arise as a result will be recorded into a special reserve, according to article 4, paragraph 4a of C.L. 2190/1920, therefore, no capital will be returned to shareholders and the total number of the Company's shares would not increase through the issuance of bonus shares. After the aforementioned decrease, the Company's share capital amounts to €14.709 divided into 49.030.011 common registered shares of nominal value €0,30 per share. The Ministry of Economy, Competitiveness and Shipping approved the amendment of the relevant article of the Company's Articles of Association via its Decision No. K2-4011/16.05.2011.

G. TREASURY SHARES

The Company has proceeded to the purchase of totally 71.578.743 treasury shares of € 91.610 value and of € 1,28 per share average cost (including commissions and expenses). During the first six month period of 2011 and until August 29, 2011 approval date of the financial statements, the Company did not operate any transaction regarding treasury shares. On August 29, 2011 approval date of the financial statements and after the aforementioned reverse split that was decided by the Company's Extraordinary General Shareholders Meeting, the number of treasury shares held by the Company was 1.789.468.

PROSPECTS FOR 2011

In the first half of 2011, the Group operated under a difficult environment as a series of macroeconomic and microeconomic parameters had affected and continue to adversely affect its financial position and results of operations. A significant issue remains the failure to meet certain financial figures and ratios within the limits posed by the terms of the loan contracts the Company had entered into with financial institutions. On December 31, 2010, as a result of the above, loan obligations of € 735.000 were reclassified to current borrowings.

In order to deal with the liquidity issues and to conform to the terms of its loan contracts, the Group is in advanced negotiations with the lending banks for the refinancing of its current debt. Furthermore, during the shareholders' Extraordinary General Meetings that were held on April 26, 2011 and on August 29, 2011 it was decided, in the first one the issuance of convertible bond loans up to an aggregate principal amount of € 300.000 and in the second one a share capital increase up to the amount of € 98.060, aiming to the strengthening of the Company's capital structure. Management considers that in the near future the negotiations with the lending banks will conclude successfully providing to the Company the opportunity to enhance its capital structure, redirecting the Group's operations to a growth course and in a position to take advantage of the opportunities arising in the changing domestic pharmaceutical market.

More specifically, according to the European Commission and the European Association of Generics' producers, there is a potential benefit to the health systems from the promotion and proper use of generic drugs. It is worth noting that the European generics market is expected to grow a rate of 8% annually over the next years, from 54 billion dollars in 2010 to 80 billion dollars in 2015. The Greek Government intends to introduce further measures to enhance use of generics and the implementation of mandatory prescription quotas of generics in the therapeutic categories were the respective medicines are marketed. Within this framework, it aims to ensure that at least 30% of the volume of medicines used by public hospitals is made up of generic drugs at prices lower than both the comparable original products and medicines whose patent protection period has expired, rendering mandatory for all public hospitals to procure medicines with reference to the active substance. State's target for the next two years is to implement further measures ensuring that at least 50% of the volume of drugs used by public hospitals comprised of generic drugs.

ALAPIS having a significant portfolio of generic pharmaceutical products is able to exploit opportunities arising from the institutional changes and the new conditions expected in the domestic pharmaceutical market as a result of generics' penetration.

In summary, the Group's strategic objectives include:

- the strengthening of the Company's capital structure and the further support of the working capital
- the exploitation of opportunities arising from the new market conditions and the strengthening of the Group's market shares
- the optimization of the cost base of the Group and
- the expansion into new geographic markets by entering in new trade agreements in the regions of South-Eastern Europe and the Middle East.

Athens, August 29, 2011

President of the BoD	Managing Director	Member of the BoD
Aristotelis Charalampakis	Stilianos Kimparidis	Nikolaos Karantanis

FINANCIAL INFORMATION INTERIM REVIEW REPORT

To the Shareholders of **«ALAPIS S.A.»**

Introduction

We have reviewed the accompanying condensed (separate and consolidated) statement of financial position of «**ALAPIS S.A.**» («the Company») and its subsidiaries (the «Group») as of June 30, 2011 and the related condensed (separate and consolidated) statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report as required by article 5 of L. 3556/2007. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applied to interim financial information (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on this interim condensed financial information, based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 «Review of Interim Financial Information performed by the Independent Auditor of the Entity». A review of interim financial information consists of making inquiries, mainly of persons responsible for accounting and financial matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Consequently, with the present document we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

Without qualifying our review conclusion, we draw your attention to the explanatory note 3, where it is mentioned that the Group, due to the fact that some financial covenants of existing bank facilities of € 735 mil. were not satisfied, is negotiating with banks, with a view to redefinition of terms of aforementioned liabilities. The successful completion of the negotiations with banks is a crucial factor for the ability of continuation of the Group's normal operation in the future.

Report on Other Legal and Regulatory Requirements

Our review has not detected any inconsistency or discrepancy of other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying financial information.

Athens, August 30 2011

Delta Certified Public Accountants S.A.
8 Achilleos str. & L.Katsoni str, 17674 Kallithea
SOEL R.N. 153

The Certified Public Accountant

Vrasidas Sp. Damilakos
SOEL R.N. 22791

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2011
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

This is to certify that the attached interim condensed financial statements are those which have been approved by the Board of Directors of ALAPIS SA on August 29, 2011 and have been published by posting them on the internet, at the address http://www.alapis.eu/. The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards. Please note, that for purposes of simplification, some accounts in the published financial statements have been abridged or rearranged.

INDEX OF THE FINANCIAL STATEMENTS

COMPANY PROFILE 37
CONSOLIDATED INCOME STATEMENT 38
CONSOLIDATED INCOME STATEMENT (continuation) 39
COMPANY'S INCOME STATEMENT 40
COMPANY'S INCOME STATEMENT (continuation) 41
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 42
COMPANY'S STATEMENT OF COMPREHENSIVE INCOME 43
CONSOLIDATED AND COMPANY'S STATEMENT OF FINANCIAL POSITION 44
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 45
COMPANY'S STATEMENT OF CHANGES IN EQUITY 46
CONSOLIDATED AND COMPANY'S STATEMENT OF CASH FLOWS 47
1. GENERAL INFORMATION 48
2. KEY EVENTS 49
3. BASIS OF PREPARATION 50
4. ESTIMATES 51
5. FINANCIAL RISK MANAGEMENT 52
6. ACCOUNTING POLICIES 54
7. CONSOLIDATION BASIS 58
8. SEGMENT INFORMATION 61
9. PROPERTY, PLANT AND EQUIPMENT 65
10. INTANGIBLE ASSETS 65
11. SHORT TERM INVESTMENTS 65
12. BORROWINGS 66
13. LIABILITIES FROM FINANCIAL LEASE 67
14. INCOME TAX 68
15. EARNINGS / (LOSSES) PER SHARE 70
16. SHARE CAPITAL 71
17. TREASURY SHARES 71
18. CONTINGENT LIABILITIES AND COMMITMENTS 72
19. RELATED PARTY DISCLOSURES 73
20. EVENTS OCCURRING AFTER THE REPORTING PERIOD 74

COMPANY PROFILE

Board of Directors:	Aristotelis Charalampakis, Chairman of the BoD, non-executive member Mario Al-Jebouri, Vice president of the BoD, non-executive member Stilianos Kimparidis, Managing Director, executive member Nikolaos Karantanis, independent non-executive member Evridiki Georgakaki, independent non-executive member
Registered Office:	2, Aftokratoros Nikolaou 176 71, Athens Greece
Company's Number in the Registry of Societes Anonymes:	8057/06/B/86/11
Audit Company:	BDO DELTA Certified Public Accountants SA 8, Achileos and Lamprou Katsoni 176 74, Kalithea Greece

(All amounts presented in thousands Euro, except otherwise stated)

CONSOLIDATED INCOME STATEMENT

	Notes	The Group			
		1.1. - 30.06.2011	1.1. - 30.06.2010		
		Continuing operations	Continuing operations	Discontinued operations	Total
Revenue	8	339.602	422.727	95.680	518.407
Cost of sales		(312.304)	(282.349)	(49.098)	(331.448)
Gross profit		**27.298**	**140.378**	**46.581**	**186.959**
Administrative expenses		(27.938)	(23.603)	(10.200)	(33.803)
Distribution costs		(135.118)	(46.904)	(28.221)	(75.125)
Other income / (expenses)		3.665	1.661	1.051	2.712
Goodwill impairment		0	0	(7.373)	(7.373)
Operating profit / (losses)		**(132.093)**	**71.532**	**1.837**	**73.370**
Finance income / (expenses)		(29.124)	(26.635)	2.744	(23.891)
Profit / (loss) before income tax		**(161.217)**	**44.898**	**4.581**	**49.479**
Income tax expense	14	(6.179)	(19.876)	(4.387)	(24.263)
Net profit / (loss)		**(167.396)**	**25.022**	**195**	**25.216**
Attributable to:					
Owners of the parent		(167.377)	25.088	195	25.282
Non-controlling interests		(19)	(66)	0	(66)
Earnings / (losses) per share (in Euro)					
Basic	15	(3,5431)	0,5311	0,0041	0,5352
Weighted average number of shares					
Basic	15	47.240.543	47.240.543	47.240.543	47.240.543

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

CONSOLIDATED INCOME STATEMENT (continuation)

		The Group			
	Notes	**1.4. - 30.06.2011**	**1.4. - 30.06.2010**		
		Continuing operations	**Continuing operations**	**Discontinued operations**	**Total**
Revenue		164.209	212.070	34.097	246.167
Cost of sales		(161.803)	(131.430)	(16.583)	(148.013)
Gross profit		**2.406**	**80.640**	**17.514**	**98.154**
Administrative expenses		(15.696)	(17.671)	(5.976)	(23.647)
Distribution costs		(103.324)	(26.006)	(7.982)	(33.988)
Other income / (expenses)		608	641	1.003	1.645
Goodwill impairment		0	0	(7.373)	(7.373)
Operating profit / (losses)		**(116.007)**	**37.604**	**(2.814)**	**34.790**
Finance income / (expenses)		(17.876)	(17.964)	4.029	(13.935)
Profit / (loss) before income tax		**(133.883)**	**19.640**	**1.215**	**20.855**
Income tax expense	**14**	(11.281)	(13.017)	(3.082)	(16.100)
Net profit / (loss)		**(145.164)**	**6.622**	**(1.867)**	**4.755**
Attributable to:					
Owners of the parent		(145.180)	6.689	(1.867)	4.822
Non-controlling interests		16	(67)	0	(67)
Earnings / (losses) per share (in Euro)					
Basic	**15**	(3,0732)	0,1416	(0,0395)	0,1021
Weighted average number of shares					
Basic	**15**	47.240.543	47.240.543	47.240.543	47.240.543

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

COMPANY'S INCOME STATEMENT

	Notes	The Company			
		1.1. - 30.06.2011	1.1. - 30.06.2010		
		Continuing operations	Continuing operations	Discontinued operations	Total
Revenue		41.574	184.528	34.070	218.598
Cost of sales		(38.983)	(78.458)	(24.447)	(102.905)
Gross profit		**2.591**	**106.070**	**9.623**	**115.693**
Administrative expenses		(17.629)	(14.781)	(1.782)	(16.563)
Distribution costs		(109.650)	(36.711)	(5.910)	(42.621)
Other income / (expenses)		3.773	2.936	0	2.936
Goodwill impairment		0	0	(7.373)	(7.373)
Operating profit / (losses)		**(120.915)**	**57.514**	**(5.442)**	**52.072**
Finance income / (expenses)		(27.066)	(26.351)	1.164	(25.188)
Profit / (loss) before income tax		**(147.981)**	**31.162**	**(4.278)**	**26.884**
Income tax expense	**14**	(8.427)	(13.338)	(255)	(13.593)
Net profit / (loss)		**(156.408)**	**17.825**	**(4.534)**	**13.291**
Earnings / (losses) per share (in Euro)					
Basic	**15**	(3,3109)	0,3773	(0,0960)	0,2813
Weighted average number of shares					
Basic	**15**	47.240.543	47.240.543	47.240.543	47.240.543

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

COMPANY'S INCOME STATEMENT (continuation)

		The Company			
	Notes	**1.4. - 30.06.2011**	**1.4. - 30.06.2010**		
		Continuing operations	**Continuing operations**	**Discontinued operations**	**Total**
Revenue		17.405	100.627	18.741	119.368
Cost of sales		(21.126)	(41.260)	(13.620)	(54.881)
Gross profit		**(3.721)**	**59.367**	**5.121**	**64.487**
Administrative expenses		(10.505)	(8.469)	(826)	(9.294)
Distribution costs		(91.907)	(22.220)	(1.910)	(24.129)
Other income / (expenses)		855	1.934	0	1.934
Goodwill impairment		0	0	(7.373)	(7.373)
Operating profit / (losses)		**(105.278)**	**30.613**	**(4.988)**	**25.625**
Finance income / (expenses)		(17.308)	(17.773)	1.164	(16.609)
Profit / (loss) before income tax		**(122.586)**	**12.840**	**(3.824)**	**9.016**
Income tax expense	**14**	(13.506)	(8.956)	(219)	(9.175)
Net profit / (loss)		**(136.092)**	**3.883**	**(4.043)**	**(159)**
Earnings / (losses) per share (in Euro)					
Basic	**15**	(2,8808)	0,0822	(0,0856)	(0,0034)
Weighted average number of shares					
Basic	**15**	47.240.543	47.240.543	47.240.543	47.240.543

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	The Group			
	1.1. - 30.06.2011	1.1. - 30.06.2010		
	Continuing operations	Continuing operations	Discontinued operations	Total
Net profit / (loss)	**(167.396)**	**25.022**	**195**	**25.216**
Other comprehensive income / (loss)				
Currency translation differences	(735)	334	0	334
Income tax relating to components of other comprehensive income	0	0	0	0
Other comprehensive income / (loss) (net of tax)	**(735)**	**334**	**0**	**334**
Total comprehensive income / (loss)	**(168.131)**	**25.356**	**195**	**25.550**
Attributable to:				
Owners of the parent	(168.112)	25.415	195	25.610
Non-controlling interests	(19)	(60)	0	(60)

	The Group			
	1.4. - 30.06.2011	1.4. - 30.06.2010		
	Continuing operations	Continuing operations	Discontinued operations	Total
Net profit / (loss)	**(145.164)**	**6.622**	**(1.867)**	**4.755**
Other comprehensive income / (loss)				
Currency translation differences	(554)	263	0	263
Income tax relating to components of other comprehensive income	0	0	0	0
Other comprehensive income / (loss) (net of tax)	**(554)**	**263**	**0**	**263**
Total comprehensive income / (loss)	**(145.718)**	**6.885**	**(1.867)**	**5.019**
Attributable to:				
Owners of the parent	(145.734)	6.950	(1.867)	5.083
Non-controlling interests	16	(65)	0	(65)

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

	The Company			
	1.1. - 30.06.2011	**1.1. - 30.06.2010**		
	Continuing operations	**Continuing operations**	**Discontinued operations**	**Total**
Net profit / (loss)	**(156.408)**	**17.825**	**(4.534)**	**13.291**
Other comprehensive income / (loss)				
Currency translation differences	0	0	0	**0**
Income tax relating to components of other comprehensive income	0	0	0	**0**
Other comprehensive income / (loss) (net of tax)	**0**	**0**	**0**	**0**
Total comprehensive income / (loss)	**(156.408)**	**17.825**	**(4.534)**	**13.291**

	The Company			
	1.4. - 30.06.2011	**1.4. - 30.06.2010**		
	Continuing operations	**Continuing operations**	**Discontinued operations**	**Total**
Net profit / (loss)	**(136.092)**	**3.883**	**(4.043)**	**(159)**
Other comprehensive income / (loss)				
Currency translation differences	0	0	0	**0**
Income tax relating to components of other comprehensive income	0	0	0	**0**
Other comprehensive income / (loss) (net of tax)	**0**	**0**	**0**	**0**
Total comprehensive income / (loss)	**(136.092)**	**3.883**	**(4.043)**	**(159)**

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

CONSOLIDATED AND COMPANY'S STATEMENT OF FINANCIAL POSITION

		The Group		The Company	
	Notes	**30.06.2011**	**31.12.2010**	**30.06.2011**	**31.12.2010**
ASSETS					
Non-current assets					
Property, plant and equipment	**9**	1.287.791	1.316.430	1.257.166	1.286.431
Intangible assets	**10**	359.924	372.802	245.731	249.599
Investment properties		46.009	46.180	46.009	46.180
Investments in subsidiaries		0	0	248.382	248.382
Investments in associates		0	0	1.700	1.700
Other non-current assets		6.659	5.452	9.033	7.602
Deferred income tax assets		22.517	20.998	16.138	17.722
Total non-current assets		**1.722.901**	**1.761.863**	**1.824.159**	**1.857.616**
Current assets					
Inventories		70.925	87.695	22.069	23.077
Trade receivables		95.618	147.629	84.790	133.883
Other receivables		79.694	142.133	38.268	94.348
Short term investments	**11**	2.318	4.085	2.137	3.278
Cash and cash equivalents		23.460	83.333	12.426	66.088
Total current assets		**272.014**	**464.875**	**159.691**	**320.675**
TOTAL ASSETS		**1.994.915**	**2.226.739**	**1.983.850**	**2.178.291**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	**16**	14.709	588.360	14.709	588.360
Paid in surplus		1.320.885	1.320.885	1.320.885	1.320.885
Legal and other reserves	**16**	641.429	68.515	641.622	67.971
Revaluation reserves		30.847	30.847	30.847	30.847
Treasury shares	**17**	(91.610)	(91.610)	(91.610)	(91.610)
Retained earnings / (losses)		(1.078.883)	(911.434)	(1.017.063)	(860.655)
		837.379	**1.005.565**	**899.391**	**1.055.799**
Non-controlling interests		25	(31)	0	0
Total equity		**837.404**	**1.005.534**	**899.391**	**1.055.799**
Non-current liabilities					
Finance lease liabilities	**13**	40.822	43.483	40.217	42.878
Deferred income tax liabilities		109.144	102.826	89.734	83.021
Retirement benefit obligations		4.322	4.447	2.536	2.402
Other non-current liabilities		7.216	8.340	7.209	8.332
Total non-current liabilities		**161.504**	**159.096**	**139.696**	**136.633**
Current liabilities					
Trade payables		134.432	151.822	96.879	93.215
Borrowings	**12**	810.666	819.544	803.372	812.222
Finance lease liabilities	**13**	5.349	2.899	5.129	2.593
Income tax liabilities		16.170	22.845	9.945	15.481
Other current liabilities		29.390	64.999	29.439	62.347
Total current liabilities		**996.008**	**1.062.108**	**944.763**	**985.858**
TOTAL EQUITY AND LIABILITIES		**1.994.915**	**2.226.739**	**1.983.850**	**2.178.291**

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Group

	Equity attributable to owners of the parent								
	Share capital	Paid-in surplus	Legal and other reserves	Revaluation reserves	Treasury shares	Retained earnings / (losses)	Total	Non controlling interests	Total equity
Balance, January 1, 2011	**588.360**	**1.320.885**	**68.515**	**30.847**	**(91.610)**	**(911.434)**	**1.005.565**	**(31)**	**1.005.534**
Currency translation differences	0	0	(735)	0	0	0	**(735)**	0	**(735)**
Net profit / (loss) for the period	0	0	0	0	0	(167.377)	**(167.377)**	(19)	**(167.396)**
Total comprehensive income / (loss) for the period	**0**	**0**	**(735)**	**0**	**0**	**(167.377)**	**(168.112)**	**(19)**	**(168.131)**
Share capital decrease	(573.651)	0	573.651	0	0	0	**0**	0	**0**
Acquisition of subsidiaries	0	0	(3)	0	0	(72)	**(74)**	74	**0**
Balance, June 30, 2011	**14.709**	**1.320.885**	**641.429**	**30.847**	**(91.610)**	**(1.078.883)**	**837.379**	**25**	**837.404**
Balance, January 1, 2010	**588.360**	**1.320.885**	**65.790**	**30.847**	**(91.610)**	**33.896**	**1.948.169**	**92**	**1.948.261**
Currency translation differences	0	0	328	0	0	0	**328**	6	**334**
Net profit / (loss) for the period	0	0	0	0	0	25.282	**25.282**	(66)	**25.216**
Total comprehensive income / (loss) for the period	**0**	**0**	**328**	**0**	**0**	**25.282**	**25.610**	**(60)**	**25.550**
Dividends	0	0	0	0	0	(11.338)	**(11.338)**	0	**(11.338)**
Disposal of subsidiaries	0	0	2.852	0	0	(2.852)	**0**	0	**0**
Acquisition of subsidiaries	0	0	0	0	0	(162)	**(162)**	62	**(100)**
Balance, June 30, 2010	**588.360**	**1.320.885**	**68.970**	**30.847**	**(91.610)**	**44.826**	**1.962.280**	**94**	**1.962.374**

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

(All amounts presented in thousands Euro, except otherwise stated)

COMPANY'S STATEMENT OF CHANGES IN EQUITY

The Company

	Share capital	Paid-in surplus	Legal and other reserves	Revaluation reserves	Treasury shares	Retained earnings / (losses)	Total equity
Balance, January 1, 2011	**588.360**	**1.320.885**	**67.971**	**30.847**	**(91.610)**	**(860.655)**	**1.055.799**
Net profit / (loss) for the period	0	0	0	0	0	(156.408)	**(156.408)**
Total comprehensive income / (loss) for the period	**0**	**0**	**0**	**0**	**0**	**(156.408)**	**(156.408)**
Share capital decrease	(573.651)	0	573.651	0	0	0	**0**
Dividends	0	0	0	0	0	0	**0**
Balance, June 30, 2011	**14.709**	**1.320.885**	**641.622**	**30.847**	**(91.610)**	**(1.017.063)**	**899.391**
Balance, January 1, 2010	**588.360**	**1.320.885**	**68.747**	**30.847**	**(91.610)**	**72.667**	**1.989.898**
Net profit / (loss) for the period	0	0	0	0	0	13.291	**13.291**
Total comprehensive income / (loss) for the period	**0**	**0**	**0**	**0**	**0**	**13.291**	**13.291**
Dividends	0	0	0	0	0	(11.338)	**(11.338)**
Balance, June 30, 2010	**588.360**	**1.320.885**	**68.747**	**30.847**	**(91.610)**	**74.621**	**1.991.852**

(All amounts presented in thousands Euro, except otherwise stated)

CONSOLIDATED AND COMPANY'S STATEMENT OF CASH FLOWS

	The Group		The Company	
	1.1. - 30.06.2011	**1.1. - 30.06.2010**	**1.1. - 30.06.2011**	**1.1. - 30.06.2010**
Cash flows from operating activities				
Profit / (loss) before income taxes (continuing operations)	**(161.217)**	**44.898**	**(147.981)**	**31.162**
Profit / (loss) before income taxes (discontinued operations)	**0**	**4.581**	**0**	**(4.278)**
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortisation	57.311	67.090	43.378	61.342
Provisions	68.373	5.750	66.072	2.642
Debit interest and similar charges	33.222	26.593	28.499	21.784
Revenues from investments and credit interest	(2.835)	(74)	(320)	(1.255)
Losses from valuation of derivatives	(1.123)	4.660	(973)	4.660
(Gain) / losses from disposal of fixed assets	3	(140)	(19)	(121)
Profit / (loss) before working capital changes	**(6.267)**	**153.357**	**(11.346)**	**115.934**
(Increase)/Decrease in:				
Inventories	16.288	(3.729)	1.008	(1.420)
Trade receivables	20.157	(115.502)	17.754	(62.657)
Other receivables	(5.703)	(23.742)	(8.284)	(37.350)
Increase/(Decrease) in:				
Liabilities (except bank)	(20.902)	(35.237)	152	(40.029)
Other liabilities	(18.268)	(20.691)	(16.313)	(30.243)
Income taxes paid	(1.861)	(5.851)	(1.546)	(4.484)
Interest paid	(22.919)	(24.789)	(19.815)	(22.361)
Exchange differences	55	(165)	(122)	(121)
Operating cash flows of discontinued operations	0	(17.410)	0	6.991
Cash flows from operating activities	**(39.418)**	**(93.758)**	**(38.513)**	**(75.740)**
Cash flows from investing activities				
(Purchase) / disposal of PPE and intangible assets	(15.792)	(73.002)	(10.225)	(45.304)
Gains / (losses) on disposal of investments	(6.455)	0	(6.455)	0
Interest and other related income received	546	181	448	90
Acquisition of subsidiaries (net of cash acquired)	0	(67)	0	(4.050)
(Purchase) / disposal of long term investments	0	0	0	605
(Purchase) / disposal of short term investments	22.789	(1)	22.789	0
Guaranties (paid) / received	(1.206)	178	(1.581)	(409)
Investing cash flows of discontinued operations	0	142.529	0	144.730
Cash flows from investing activities	**(119)**	**69.818**	**4.976**	**95.662**
Cash flows from financing activities				
Proceeds from/ (repayments) of borrowings	(20.028)	(25.538)	(20.000)	(30.549)
Repayments of finance lease	(308)	(2.125)	(125)	(959)
Financing cash flows of discontinued operations	0	573	0	0
Cash flows from financing activities	**(20.335)**	**(27.089)**	**(20.125)**	**(31.508)**
Net increase/(decrease) in cash and cash equivalents	**(59.873)**	**(51.029)**	**(53.662)**	**(11.586)**
Cash and cash equivalents at beginning of period	**83.333**	**216.398**	**66.088**	**158.426**
Cash and cash equivalents at end of period	**23.460**	**165.369**	**12.426**	**146.840**

The accompanying notes from page 48 to page 75 are an integral part of the interim condensed financial statements

1. GENERAL INFORMATION

The Group consists of the parent company ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL AND CHEMICAL PRODUCTS, with distinctive title ALAPIS SA (i.e. 'the Company') and its subsidiaries (i.e. 'the Group'). The principal activities of the Group and the Company are on the following business segments:

- Pharmaceutical
- Other activities (powder detergents)

The Company's shares are listed in the Athens Stock Exchange.

The number of employees as of June 30, 2011 for the Group and the Company was 1.472 and 637 respectively (June 30, 2010: 2.020 and 988 for the Group and the Company respectively).

The financial statements for the six month period ended June 30, 2011 were approved for issue by the Board of Directors at its meeting of August 29, 2011.

2. KEY EVENTS

On December 31, 2010 and on June 30, 2011, specific financial terms (covenants) of financing amounting € 735.000 (balance as at June 30, 2011), were not within the terms of the contracts and as a result this financing reclassified to current borrowings. The Company is in discussions with financial institutions for the improvement of the structure of the financing, which are taking place in a positive climate (note 12).

The 2nd Repeat Extraordinary General Shareholders Meeting that was held on August 29, 2011 decided the increase of the Company's share capital. Assuming that the increase will be taken-up in full, the total proceeds thereof are expected to be equal to € 98.060, without having deducted the relevant costs (note 20).

On March 31, 2011 the Board of Directors of the Company decided to proceed with the discontinuation of powder detergents production operation and either to proceed with the disposal of the entire segment or the disposal of the segment (including inventories and employees) excluding all fixed assets which will be classified as investment properties with the intention to subsequently lease them. The financial information of the aforementioned segment is presented as a part of continuing operations of the Group and the Company, since the preconditions for classification as discontinued operation, as defined by IFRS 5 have not been fulfilled until August 29, 2011, approval date of the financial statements.

During 2008, ALAPIS SA concluded a raw material supply agreement with NEOCHIMIKI SA, securing the steady flow of raw materials which are used in production of products in behalf of its customers. The duration of the agreement was five years and expires on December, 2012. According to the terms of the supply agreement, NEOCHIMIKI SA is required to maintain in stock certain quantities of the abovementioned raw materials, while the Company is obligated to annually purchase a certain minimum volume of these raw materials from NEOCHIMIKI SA. If the Company does not meet the minimum required purchases in any year of the contract while the counter-party complies with the terms of the agreement, then the former is obligated to pay to NEOCHIMIKI SA an amount equal to the annual difference. According to the terms of the contract, if the Company demands any other product besides the aforementioned ones, then the Company and NEOCHIMIKI SA have to negotiate in good faith on the specifications, the price and volume of these new raw materials. Under this contract, the Company had proceeded in prepayments, for the smooth and unhindered flow of the required raw materials. Due to the apparent inability of NEOCHIMIKI SA to meet its contract obligations, that is to supply the Company with the specified amounts of raw materials which were expressly agreed under the terms of the contract, the Management of the Company, in accordance with the principle of prudence, proceeded with the creation of a provision for impairment of receivables amounting to € 64.948; while, at the second quarter, it has initiated negotiations for the final termination of the contract, in accordance with the best interest of the Company since the Company intends to proceed with the discontinuation of the detergent segment.

3. BASIS OF PREPARATION

The interim condensed financial statements for the six month period ended June 30, 2011 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2010, which have been prepared in accordance with IFRSs.

During the current period, as was the case at the end of the previous year, the Group may not be in a position to fully repay its existing current banking liabilities by the amount its consolidated current liabilities exceed its total current assets, that is by the amount of € 723.994.

Specifically: a) On December, 2007, the Company signed a contract with a consortium of lending banks, for 5 year duration stand by revolving credit facility, up to the amount of € 640.000, with Euribor plus 0,75%-1,80% margin, fully repayable at maturity, in order to finance its acquisition of companies as well as to cover the Company's general financial needs and b) on October, 2009, in order to finance its working capital, the Company signed a contract for the issuance of a seven year duration bond loan, amounting to € 100.000 (balance € 95.000 as at June 30, 2011), which was covered by TT HELLENIC POSTBANK SA. The interest rate was set at five percent (5%) fixed, on an annual basis, for the first three years, thereafter switching to Euribor plus margin. The abovementioned contracts include covenants referring to the maintenance of specific financial figures and ratios on behalf of the Company for the entire duration of the loans. The increase in current liabilities is due to the fact that specific financial conditions (covenants) were not within the limits established by the aforementioned contracts, a case which provides the lenders with denunciation rights, rendering those loans immediately redeemable. As a result the specific financing facilities were reclassified as current borrowings. The Management of the Group is in advanced discussions with lending banks for the improvement of the structure of its financing, which are taking place in a positive climate.

Moreover, the second repeat Extraordinary General Shareholders Meeting, that was held on August 29, 2011, decided the increase of the Company's share capital up to up to € 98.060 through payment of cash, the issuance of up to 326.866.740 new common dematerialized voting shares in book entry form at a nominal value of € 0,30 per share at a ratio of 20 new shares for 3 existing shares, with pre-emption rights in favour of its existing shareholders (note 20). It is estimated that the planned capital increase will allow the Company and the Group to achieve the necessary liquidity to seamlessly proceed with their normal course of business and the implementation of their business plan.

Based on the above Management's actions, the financial reports of the Group and the Company for the period ending on June 30, 2011 were prepared under the assumption of going concern. Consequently, the attached financial statements of the Group and the Company do not include adjustments and reclassifications of assets and liabilities which could have resulted in case the Group and the Company where not in a position to liquefy their assets to meet their liabilities under the normal course of their business.

Nevertheless, the above mentioned possibility that the Company's refinancing process ends unsuccessfully suggests that there is uncertainty regarding the ability of the Company and -by extension- the Group, to normally continue their operation.

The amounts in the financial statements are expressed in thousands Euro. Is noted that if any casting differences are due to rounding.

4. ESTIMATES

The preparation of interim condensed financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2010.

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2010.

The Group set out in its attached Board of Directors' report the principal risks and uncertainties that could have an impact on its performance. The Group operates a structured risk management process, which identifies and evaluates risks and uncertainties and reviews mitigation activity.

These risks, together with examples of mitigating activity, are set out in more detail in this Financial Report for the six month period ended June 30, 2011 on pages 13 up to 25, which is also available on Company's website: http://www.alapis.eu/.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

(a) The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price (level 1).
(b) The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for non-current debt (level 2).
(c) Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments (level 3).

(All amounts presented in thousands Euro, except otherwise stated)

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at June 30, 2011 and December 31, 2010.

The Group
30.06.2011

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	2.318	0	0	**2.318**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	7.209	0	**7.209**

The Group
31.12.2010

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short-term investments	4.085	0	0	**4.085**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

The Company
30.06.2011

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short term investments	2.137	0	0	**2.137**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	7.209	0	**7.209**

The Company
31.12.2010

Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets at fair value through the income statement				
Short term investments	3.278	0	0	**3.278**
Liabilities				
Liabilities at fair value through the income statement				
Derivatives	0	8.332	0	**8.332**

Pursuant to Law 3867/2010 (article 27) concerning the adjustment of Hospitals' debts to supplying companies, the Company and its subsidiaries proceeded in receiving Hellenic Republic Bonds from National Bank of Greece in order to cover hospitals' debts to them regarding the period from January 1, 2007, to December 31, 2009. On June 30, 2011, Hellenic Republic Bonds of amount € 2.314 and € 2.137 for the Group and the Company respectively, are not valuated because Management's obligations are their assignment as part of sales signed contracts on behalf of third parties.

6. ACCOUNTING POLICIES

The accounting policies are consistent with those of the annual financial statements for the year ended December 31, 2010, except as described below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual results.

(a) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2011.

IAS 24, Related party disclosures – amendment *(effective from January 1, 2011).*

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group has adopted IAS 24 (amendment) since January 1, 2011.

IFRS 7, Financial instruments– amendment *(effective from January 1, 2011).*

The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The Group has adopted IFRS 7 (amendment) since January 1, 2011.

IAS 32, Financial instruments: Presentation - amendment *(effective from February 1, 2010).*

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment has not impact to the Group's financial statements.

IFRIC 13, Customer loyalty programmes – amendment *(effective from January 1, 2011).*

The meaning of 'fair value' is clarified in the context of measuring award credits under customer loyalty programmes. This interpretation has not impact to the Group's financial statements.

IFRIC 14, The limit on a defined benefit asset, minimum funding requirements and their interaction *(effective from January 1, 2011).*

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

IFRIC 19, Extinguishing financial liabilities with equity instruments *(effective from July 1, 2010).*

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

Improvements to International Financial Reporting Standards 2010 were issued in May 2010. The effective dates vary standard by standard but most are effective January 1, 2011. These improvements are set out in more detail in the 2010 Annual Financial Report on pages 100 up to 102, available on Company's website: http://www.alapis.eu/.

(b) New standards, new interpretations and amendments to existing standards which are not effective for the financial year beginning January 1, 2011 and have not early adopted

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning January 1, 2011 and have not been early adopted.

IFRS 9, Financial instruments *(effective from January 1, 2013).*

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

IFRS 13, Fair value measurement *(effective from January 1, 2013).*

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

IFRS 10, Consolidated financial statements *(effective from January 1, 2013).*

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships. This standard has not yet been endorsed by the EU.

IFRS 11, Joint arrangements *(effective from January 1, 2013).*

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control. This standard has not yet been endorsed by the EU.

IFRS 12, Disclosure of interests in other entities *(effective from January 1, 2013).*

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28. This standard has not yet been endorsed by the EU.

IAS 27, Separate financial statements – amendment *(effective from January 1, 2013).*

This standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 'Consolidated and separate financial statements'. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 'Investments in associates' and IAS 31 'Interests in joint ventures' regarding separate financial statements. This amendment has not yet been endorsed by the EU.

IAS 28, Investments in associates and joint ventures – amendment *(effective from January 1, 2013).*

IAS 28 'Investments in associates and joint ventures' replaces IAS 28 'Investments in associates'. The objective of this standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11. This amendment has not yet been endorsed by the EU.

(All amounts presented in thousands Euro, except otherwise stated)

7. CONSOLIDATION BASIS

The consolidated financial statements comprise the financial statements of the parent and subsidiaries of the Group. In the table below are listed all companies included in the consolidation with the percentage of participation of the Group, the country of incorporation, the consolidation method and the activity for each company.

CORPORATE NAME	DIRECT / INDIRECT	HQ / COUNTRY	% CONSOLIDATION	CONSOLIDATION METHOD	ACTIVITY
ALAPIS SA	-	GREECE	PARENT COMPANY	-	Pharmaceutical and detergents
ALAPIS ROMANIA SRL	DIRECT	ROMANIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS BULGARIA EOOD	DIRECT	BULGARIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS HUNGARY KFT	DIRECT	HUNGARY	100,00%	Full consolidation	Pharmaceutical
ALAPIS DOO	DIRECT	CROATIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS SER DOO	DIRECT	SERBIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS PHARMAKAPOTHIKI SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
FARMAGORA SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
ALAPIS SLVN DOO	DIRECT	SLOVENIA	100,00%	Full consolidation	Pharmaceutical
ALAPIS ALBANIA SHPK	DIRECT	ALBANIA	100,00%	Full consolidation	Pharmaceutical
VETERIN POLAND SPZOO	DIRECT	POLAND	100,00%	Full consolidation	Pharmaceutical
ALAPIS UKRAINE SA	DIRECT	UKRAINE	100,00%	Full consolidation	Pharmaceutical
KP MARINOPOYLOS SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
IPIROPHARM SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
PHARMAKEMPORIKI SA	INDIRECT	GREECE	50,82%	Full consolidation	Pharmaceutical
ANDREAS CHRISTOFOGLOU SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
PHARMASOFT LTD	INDIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
EUROMEDICINES LTD	INDIRECT	UK	100,00%	Full consolidation	Pharmaceutical
SUMADIJALEK AD	DIRECT	SERBIA	100,00%	Full consolidation	Pharmaceutical

(All amounts presented in thousands Euro, except otherwise stated)

CORPORATE NAME	DIRECT / INDIRECT	HQ / COUNTRY	% CONSOLIDATION	CONSOLIDATION METHOD	ACTIVITY
ALAPIS RESEARCH LABORATORIES INC	DIRECT	USA	100,00%	Full consolidation	Pharmaceutical
PHARMACARE LTD	DIRECT	CYPRUS	100,00%	Full consolidation	Pharmaceutical
ALAPIS LUXEMBURG SA	DIRECT	LUXEMBURG	100,00%	Full consolidation	Pharmaceutical
GEROLPHARM SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
SANTA PHARMA SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
PNG GEROLYMATOS MEDICAL SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
SAMBROOK MED SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
MEDSYSTEMS SA	DIRECT	GREECE	100,00%	Full consolidation	Pharmaceutical
ALAPIS LUXEMBURG SA	DIRECT	LUXEMBURG	100,00%	Full consolidation	Pharmaceutical
GEROLYMATOS INC	DIRECT	USA	100,00%	Full consolidation	Pharmaceutical
HSP UNIPESSOAL LDA	INDIRECT	PORTUGAL	100,00%	Full consolidation	Pharmaceutical
GENESIS ILAC SA	DIRECT	TURKEY	50,00%	Proportionate consolidation	Pharmaceutical

In the consolidated financial statements for the six month period ended June 30, 2011 the following companies: GEROLYMATOS PRESTIGE SPA S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, SHISEIDO HELLAS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, NOVO MD SA (former ALAPIS MEDICAL AND DIAGNOSTICS SA), MEDIMEC SA, KTINIATRIKI PROMITHEFTIKI SA and ALMEDIA PHARMACEUTICALS SA, are not consolidated to the Group as they were disposed during the previous year.

The Company, within the frame of restructuring the existing structure of the Group, fully serving the purposes of its activities and creating economies of scale :

a) will merge its 100% subsidiaries FARMAGORA SA and ALAPIS PHARMAKAPOTHIKI SA, by the absorption of the second from the first. According to the decisions as of December 31, 2010, of their Boards of Directors, the foresaid companies announce their intention for merger and the December 31, 2010 is set as the merger statement of financial position date of the absorbed company,

b) will merge its 100% subsidiaries SUMADIJALEK AD and ALAPIS SER DOO, by the absorption of the second from the first. According to the decisions as of June 30, 2011, of their Boards of Directors, the foresaid companies announce their intention for merger and the June 30, 2011 is set as the merger statement of financial position date of the absorbed company, and

c) will merge its 100% subsidiary PNG GEROLYMATOS MEDICAL SA, by absorption. According to the decisions as of May 30, 2011, of their Boards of Directors, the foresaid company and the parent company announce their intention for merger and the June 30, 2011 is set as the merger statement of financial position date of the absorbed company.

The aforementioned mergers are subject to approval of the relevant regulatory authorities.

8. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports as follows:

- Pharmaceutical
- Other activities (powder detergents)

Pharmaceutical
The Pharmaceutical sector is involved in the research and development, production, distribution, sale and marketing of pharmaceutical products for human use in the Greek market, with a presence in both the generic and original drug markets. The Group maintains an established product portfolio with an increasingly strong presence across therapeutic categories including for example, cardiovascular drugs, drugs for neurological disorders, antibiotics, gastroenterological treatments, antineoplastic and immunomodulating agents, dermatological and gynaecological treatments, and various contrast agents.

Other activities (powder detergents)
The other activities sub-division is primarily involved in the production of powdered form detergents for large multinational companies and large supermarket chains in Greece.

Management is measuring its performance by using the indicator/ratio of **EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortisation)

Group defines the EBITDA ratio as profit before income tax adding the financial and investing results along with total depreciation of property, plant and equipment and amortisation of intangible assets that correspond for the specific period. The item 'financial and investing results' comprises revenues, expenses, gains and losses pertaining to the time value of money (interests from deposits, loans etc.) and capital investments. The term 'capital investments' means placements in securities (stocks, debentures etc.), property, plant and equipment and intangible assets (investment properties or owner-occupied). The item 'financial and investing results' includes, among others, revenues from deposit interests, expenses from interests on debt capital, non-operating exchange differences, revenues from dividends, gains/losses from the sale, write-down, impairment, impairment reverse and securities valuation, of property, plant and equipment and intangible assets. The item 'depreciation' that is added in profit before income tax, is the one arising after setting-off the depreciation of property, plant and equipment (expense) with the corresponding amortisation of relative grants (revenue) that have granted for these assets.

Other information provided to the Board of Directors is measured in a manner consistent with that in the financial statements.

(All amounts presented in thousands Euro, except otherwise stated)

The segment information provided to the Board of Directors for the reportable segments for the six month period ended June 30, 2011 and 2010 is as follows:

1.1.- 30.06.2011	**Pharmaceutical**	**Other activities**	**Continuing operations**
Revenue	324.981	14.621	339.602
EBITDA	(4.334)	(70.448)	(74.782)
EBITDA excluding investing results	(4.186)	(70.448)	(74.633)
Depreciation and Amortisation	49.556	7.755	57.311
EBIT	(53.891)	(78.202)	(132.093)
Financial income / (expenses)			(29.124)
Profit / (loss) before income tax			(161.217)
Income tax			(6.179)
Net Profit / (loss)			(167.396)

(All amounts presented in thousands Euro, except otherwise stated)

1.1.- 30.06.2010	**Pharmaceutical**	**Other activities**	**Continuing operations**	**Discontinuing operations**	**Total**
Revenue	400.248	22.479	422.727	95.680	518.407
EBITDA	133.567	5.055	138.623	14.520	153.143
EBITDA excluding investing results	133.448	5.055	138.503	21.891	160.394
Depreciation and Amortisation	63.197	3.893	67.090	12.683	79.773
EBIT	70.370	1.162	71.532	1.837	73.370
Financial income / (expenses)			(26.635)	2.744	(23.891)
Profit / (loss) before income tax			44.898	4.581	49.479
Income tax			(19.876)	(4.387)	(24.263)
Net Profit / (loss)			25.022	195	25.216

(All amounts presented in thousands Euro, except otherwise stated)

A reconciliation of ratio 'EBITDA' to 'Profit / (loss) before income tax' is provided as follows:

	1.1. - 30.06.2011	1.1. - 30.06.2010
EBITDA (continuing operations)	**(74.782)**	**138.623**
Finance income / (expenses)	(29.124)	(26.635)
Depreciation and amortisation	(57.311)	(67.090)
Profit / (loss) before income tax (continuing operations)	**(161.217)**	**44.898**

A reconciliation of ratio 'EBITDA excluding investing results' to 'Profit / (loss) before income tax' is provided as follows:

	1.1. - 30.06.2011	1.1. - 30.06.2010
EBITDA excluding investing results (continuing operations)	**(74.633)**	**138.503**
Finance income / (expenses)	(29.124)	(26.635)
Depreciation and amortisation	(57.311)	(67.090)
Gain / (losses) from disposal of PPE, intangible assets and investment properties	(143)	140
Impairment of other assets	(6)	(21)
Profit / (loss) before income tax (continuing operations)	**(161.217)**	**44.898**

The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the physical location and the operations of the segment respectively. The allocation of consolidated assets and liabilities, in each business segment, is presented below:

30.06.2011	**Pharmaceutical**	**Other activities**	**Total**
Assets	1.828.445	166.470	1.994.915
Liabilities	990.698	166.813	1.157.511

31.12.2010	**Pharmaceutical**	**Other activities**	**Total**
Assets	2.029.265	197.474	2.226.739
Liabilities	1.039.548	181.657	1.221.205

(All amounts presented in thousands Euro, except otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are analysed as follows:

	The Group	The Company
Opening balance 1.1.2011	**1.316.430**	**1.286.431**
Additions/disposals	1.997	617
Exchange differences	(76)	0
Write-offs	(6)	0
Depreciation	(30.554)	(29.882)
Closing balance 30.06.2011	**1.287.791**	**1.257.166**

10. INTANGIBLE ASSETS

Movements in intangible assets are analysed as follows:

	The Group	The Company
Opening balance 1.1.2011	**372.802**	**249.599**
Additions/disposals	13.889	9.627
Exchange differences	(11)	0
Depreciation	(26.757)	(13.495)
Closing balance 30.06.2011	**359.924**	**245.731**

11. SHORT TERM INVESTMENTS

Available for sale financial assets at fair value through profit or loss are analysed as follows:

30.06.2011	The Group	The Company
Listed securities	4	0
Hellenic Republic Bonds	2.314	2.137
Total	**2.318**	**2.137**

Pursuant to Law 3867/2010 (article 27) concerning the adjustment of Hospitals' debts to supplying companies, the Company and its subsidiaries proceeded in receiving Hellenic Republic Bonds from National Bank of Greece in order to cover hospitals' debts to them regarding the period from January 1, 2007, to December 31, 2009. On June 30, 2011, Hellenic Republic Bonds of amount € 2.314 and € 2.137 for the Group and the Company respectively, are not valuated because Management's obligations are their assignment as part of sales signed contracts on behalf of third parties.

(All amounts presented in thousands Euro, except otherwise stated)

12. BORROWINGS

Movements in borrowings are analysed as follows:

	The Group	The Company
Balance at 1.1.2011	**819.544**	**812.222**
Proceeds from borrowings	40.020	40.000
Factoring agreement transfer	10.752	10.752
Accrued interest	397	397
Payments of borrowings	(60.048)	(60.000)
Balance at 30.06.2011	**810.666**	**803.372**

On December 31,2010 and on June 30, 2011, specific financial terms (covenants) of financing amounting € 735.000 (balance as at June 30, 2011), were not within the terms of the contracts and as a result this financing reclassified to current borrowings. The Company is in discussions with financial institutions for the improvement of the structure of the financing, which are taking place in a positive climate. The Management estimates that at the end of the negotiations the Company will be in compliance with its revised covenants under these borrowing contracts, securing the appropriate funds for the proper continuation of the Company's activities in the future.

Also, on June 30, 2011, specific financial terms of factoring contract amount € 10.752 (balance as at June 30, 2011), were not within the terms of the contract and therefore this financing was transferred to current borrowings.

The second repeat Extraordinary General Shareholders Meeting that was held on April 26, 2011, approved the issuance of convertible bond loans up to an aggregate principal amount of € 300.000 and abrogated the relevant pre-emption rights of the Company's existing shareholders and at the same time granted the authority to the Board of Directors to determine the specific terms and conditions for the issuance and offering of the convertible bond loans under the terms and conditions which were approved by Extraordinary General Shareholders Meeting. The respective resolutions were registered with the Societes Anonymes Registry pursuant to the Announcements K2-4693/19.05.2011 and K2-4693/19.05.2011of the Ministry of Economy, Competitiveness and Shipping.

Finally, the Company signs factoring contracts with Greek and international financing institutions. Under these contracts, the Company receives approximately the 90% of the nominal value of assigned receivables by these financing institutions. As part of the signed contracts of receivables' assignment without recourse, the credit risk, in the event of inability of payment by the company's customers, is transferred to counterpart factors, under the condition that these receivables are insured by third parties and after the assignment of the insurance credit policy to the counterpart factors.

(All amounts presented in thousands Euro, except otherwise stated)

Due to the current Greek economic conditions and the reduction of the approved credit limits, the Company is under negotiations in order to assign uninsured receivables under the abovementioned contracts as well, a matter that may lead in conversion of part of the existing factoring contracts to factoring contracts with recourse.

13. LIABILITIES FROM FINANCIAL LEASE

Movements in liabilities from financial lease are analysed as follows:

	The Group	The Company
Balance at 1.1.2011	**46.382**	**45.471**
Proceeds from borrowings	98	0
Payments of borrowings	(308)	(125)
Balance at 30.06.2011	**46.172**	**45.345**

Within the six month period ended June 30, 2011, the Group committed agreements of finance lease on motor vehicles amounting to € 98.

(All amounts presented in thousands Euro, except otherwise stated)

14. INCOME TAX

The expenses for income taxes reflected in the accompanying financial statements are analysed as follows:

	The Group		The Company	
	1.1 - 30.06.2011	1.1 - 30.06.2010	1.1 - 30.06.2011	1.1 - 30.06.2010
Current income tax	1.039	9.036	0	5.063
Prior years' tax charges paid	130	857	130	823
Provision for prior year tax charges	212	8.432	0	4.632
Deferred tax	4.798	1.552	8.297	2.819
Continuing operations	**6.179**	**19.876**	**8.427**	**13.338**
Plus: Income tax of discontinued operations	0	4.387	0	255
Total	**6.179**	**24.263**	**8.427**	**13.593**

	The Group		The Company	
	1.4 - 30.06.2011	1.4 - 30.06.2010	1.4 - 30.06.2011	1.4 - 30.06.2010
Current income tax	(420)	7.488	0	5.063
Prior years' tax charges paid	130	857	130	823
Provision for prior year tax charges	107	7.399	0	3.950
Deferred tax	11.465	(2.726)	13.376	(880)
Continuing operations	**11.281**	**13.017**	**13.506**	**8.957**
Plus: Income tax of discontinued operations	0	3.082	0	218
Total	**11.281**	**16.100**	**13.506**	**9.175**

According to the paragraph 9 of article 14 of L.3943/31.03.2011, the Greek corporation tax rate on which the tax on the profits of companies is calculated for the fiscal years ending after December 31, 2010 will amount to 20%. The deferred tax assets and liabilities have been calculated with the use of tax rates that will be in force the year that these differences will become permanent.

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

(All amounts presented in thousands Euro, except otherwise stated)

The non-tax audited fiscal years of the Company and Group's subsidiaries presented as follows:

DISTINCTIVE TITLE	TAX UNAUDITED FISCAL YEARS
ALAPIS SA	2008-2010
ALAPIS ROMANIA SRL	2010
ALAPIS BULGARIA EOOD	2009-2010
ALAPIS HUNGARY KFT	2009-2010
ALAPIS DOO	2010
ALAPIS SER DOO	2010
ALAPIS PHARMAKAPOTHIKI SA	2010
FARMAGORA SA	2008-2010
ALAPIS SLVN DOO	2010
ALAPIS ALBANIA SHPK	2009-2010
VETERIN POLAND SPZOO	2009-2010
ALAPIS UKRAINE SA	2009-2010
KP MARINOPOYLOS SA	2009-2010
IPIROPHARM SA	2009-2010
PHARMAKEMPORIKI SA	2008-2010
ANDREAS CHRISTOFOGLOU SA	2010
PHARMASOFT LTD	2010
EUROMEDICINES LTD	2010
SUMADIJALEK AD	2010
ALAPIS RESEARCH LABORATORIES INC	2010
PHARMACARE LTD	2010
ALAPIS LUXEMBURG SA	2010
GEROLPHARM SA	2007-2010
SANTA PHARMA SA	2009-2010
PNG GEROLYMATOS MEDICAL SA	2008-2010
SAMBROOK MED SA	2010
MEDSYSTEMS SA	2010
ALAPIS LUXEMBURG SA	2010
GEROLYMATOS INC	2010
GENESIS ILAC SA	2009-2010
HSP UNIPESSOAL LDA	2010

The amount for the unaudited fiscal years provision amounts to € 9.134 and € 5.257 for the Group and the Company respectively. The Group, based upon previous years' tax examinations and past interpretations of the tax laws, believes they have provided adequate provisions for probable future tax assessments.

(All amounts presented in thousands Euro, except otherwise stated)

15. EARNINGS / (LOSSES) PER SHARE

Basic earnings / (losses) per share for the continuing operations are as follows:

	The Group	
	1.1 - 30.06.2011	1.1 - 30.06.2010
Profit / (loss) attributable to owners of the parent company (continuing operations)	(167.377)	25.088
Weighted average number of shares in circulation	47.240.543	47.240.543
Earnings / (losses) per share (continuing operations)	**(3,5431)**	**0,5311**

	The Group	
	1.4. - 30.06.2011	1.4. - 30.06.2010
Equity attributable to owners of the parent (continuing operations)	(145.180)	6.689
Weighted average number of shares in circulation	47.240.543	47.240.543
Earnings per share (continuing operations)	**(3,0732)**	**0,1416**

	The Company	
	1.1 - 30.06.2011	1.1 - 30.06.2010
Profit / (loss) attributable to owners of the parent company (continuing operations)	(156.408)	17.825
Weighted average number of shares in circulation	47.240.543	47.240.543
Earnings / (losses) per share (continuing operations)	**(3,3109)**	**0,3773**

	The Company	
	1.4. - 30.06.2011	1.4. - 30.06.2010
Equity attributable to owners of the parent (continuing operations)	(136.092)	3.883
Weighted average number of shares in circulation	47.240.543	47.240.543
Earnings per share (continuing operations)	**(2,8808)**	**0,0822**

The Company’s Extraordinary General Shareholders Meeting that took place on April 4, 2011, decided the increase of the nominal value of each share from € 2,40 to € 12,00 and at the same time the reduction of the total number of existing shares from 245.150.055 to 49.030.011 common registered shares (reverse split), with a ratio of 1 new share in replacement of 5 existing shares. On April 18, 2011 the Ministry of Finance, Competition and Shipping decision No K2-3453 which approved the amendment of the respective articles of the Company's Articles of Association, was registered with the Prefecture of Athens Registry of Public Companies. The Athens Exchange, at its session on May 6, 2011 approved the listing of the aforementioned 49.030.011 new common registered shares each with a nominal value of € 12,00 in replacement of the existing common registered shares. The first trading day of the 49.030.011 new shares with the new nominal value € 12,00 per share on the ATHEX was May 19, 2011.

As a result, the weighted average number of shares in circulation regarding all the periods presented was restated in relation to the financial statements initially reported, in order earnings / (losses) per share to become comparable to those of the current period.

16. SHARE CAPITAL

The second repeat Extraordinary General Shareholders Meeting that was held on April 26, 2011 resolved upon the reduction of the Company's share capital by € 573.651 by reduction of the nominal value of the common registered shares from € 12,00 to € 0,30 per share and the balance would arise as a result would be recorded into a special reserve, according to article 4, paragraph 4a of C.L. 2190/1920, therefore, no capital will be returned to shareholders and the total number of the Company's shares will not be increased through the issuance of bonus shares. After the aforementioned decrease the Company's share capital amounts to € 14.709 divided into 49.030.011 common registered shares of nominal value € 0,30 per share. The Ministry of Economy, Competitiveness and Shipping approved the amendment of the relevant article of the Company's Articles of Association via its Decision No. K2-4011/16.05.2011.

17. TREASURY SHARES

The Company has proceeded in the purchase of totally 71.578.743 treasury shares of € 91.610 value and of € 1,28 per share average cost (including commissions and expenses). The Company, during the first six month period of 2011 and until August 29, 2011 approval date of the financial statements, did not operate any transaction regarding treasury shares. On August 29, 2011 approval date of the financial statements and after the aforementioned reverse split (note 15) that was decided by the Company's Extraordinary General Shareholders meeting, the number of treasury shares held by the Company was 1.789.468.

18. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Litigation and claims

The Company and its subsidiaries are parties to various lawsuits (as a defendant or as a plaintiff) and arbitration proceedings in the normal course of business. Management and the Company's legal advisors estimate that all of the lawsuits are expected to be settled without any material adverse effect on the Group's or the Company's financial position or results of operations. The amount of the provision for any litigation issues on June 30, 2011 amount to € 19.415 for the Group and € 15.725 for the Company.

(b) Guarantees

The Group had the following contingent liabilities on June 30, 2011:

- It has issued letters of guarantee for good performance for a total amount of € 1.205.
- It has provided guarantees for repayment of bank overdrafts and commercial liabilities of various subsidiaries and associates for a total amount of € 325.
- It has provided guarantees for its participation in various competitions for a total amount of € 918.

(c) Guaranties to financial institutions

On behalf of its subsidiaries, the Company has provided guarantees to financial institutions on the compliance with borrowing and factoring contracts amounting to € 7.000 and € 86.513 respectively.

Until the date of the disposal of companies GEROLYMATOS ANIMAL HEALTH SA, GEROLYMATOS COSMETICS SA, MEDIMEC SA and NOVO MD SA (former ALAPIS MEDICAL AND DIAGNOSTICS SA), the parent company had pledged to financial institutions for assigned receivables loan contracts and factoring contracts of total amount € 119.546 on June 30, 2011. After the aforementioned disposal, discussions have begun between these financial institutions and the Company in order to remove the guaranty which is expected to be completed during the current year. The abovementioned guaranties are covered by assigned receivables contracts of the companies and / or assigned receivables' insurance contracts.

Finally, the subsidiaries KP MARINOPOULOS SA, FARMAGORA SA, PNG GEROLYMATOS MEDICAL SA, GEROLPHARM SA and EUROMEDICINES LTD have provided guarantees towards financial institutions for the compliance of their parent company with obligations arising from loan agreements of total amount € 735.000.

(All amounts presented in thousands Euro, except otherwise stated)

19. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of ALAPIS SA and its subsidiaries which are presented in note 7. Regarding ALAPIS SA, there is no ultimate parent in the form of a legal entity to hold a significant percentage and the financial statements of the Company are not included in consolidated financial statements of any other company.

ALAPIS SA sells and purchases goods and services and signs financial agreements to and from certain related companies in the ordinary course of their business. Such related companies consist of associates or companies, which have common ownership and/or management with ALAPIS SA.

Account balances with related parties as of June 30, 2011 and December 31, 2010 respectively, are as follows:

	The Group		The Company	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Trade receivables from subsidiaries	0	0	79.067	65.674
Trade receivables from associates	0	0	0	0
Total	**0**	**0**	**79.067**	**65.674**
Trade payables to subsidiaries	0	0	23.777	12.674
Trade payables to associates	10.103	0	10.103	0
Borrowings to associates	40.000	0	40.000	0
Total	**50.103**	**0**	**73.880**	**12.674**

Transactions with related parties for the six month period ended June 30, 2011 and 2010 respectively, are analysed as follows:

	The Group		The Company	
	1.1. - 30.06.2011	1.1. - 30.06.2010	1.1. - 30.06.2011	1.1. - 30.06.2010
Sales to subsidiaries	0	0	1.723	118.328
Sales to associates	0	0	0	0
Total	**0**	**0**	**1.723**	**118.328**
Purchases from subsidiaries	0	0	5.145	11.344
Purchases from associates	1.036	0	1.036	0
Debit interest and similar charges	1.177	0	1.177	0
Total	**2.213**	**0**	**7.358**	**11.344**

Sales and services rendered to related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. No guarantees have been provided or received for the above receivables. Key management personnel and members of the Board of Directors fees, for the Group and the Company, for the six month period ended June 30, 2011 as defined in IAS 24 amount to € 1.043. There are no receivables for the Group and the Company as defined in IAS 24 from key management personnel and members of the Board of Directors. The liabilities of the Group and the Company, as of June 30, 2011, to key management personnel and members of the Board of Directors as defined in IAS 24, amount up to €55.

20. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In the second repeat Extraordinary General Shareholders Meeting, which took place on April 26, 2011, it was decided to increase the Company's share capital by € 29.418 through payment of cash, to issue 98.060.022 new common registered voting shares in book entry form at a nominal value of € 0,30 per share at a ratio of 2 new shares to 1 existing share, with pre-emption rights in favour of its existing shareholders, and at an issue price of € 1,00 per new share. The difference between the nominal value of the new shares and the issue price, which is expected to amount € 68.642, will be recorded net of the increase-related expenses to the shareholders equity account 'Paid in surplus'. Assuming that the increase will be taken-up in full, the total proceeds thereof are expected to be equal to € 98.060, without having deducted the relevant costs. It was approved that the issue price may be higher than the market price at the time of detachment of the pre-emption right. The deadline for taking-up the increase was approved to be four (4) months starting from the date of the Extraordinary General Shareholders Meeting resolution, which may be extended by one month, according to article 11, paragraph 4 of C.L. 2190/1920, as well as to authorize the Company's Board of Directors to determine, among other things, the deadline for the exercise of the pre-emption rights and other details of the increase. The Ministry of Economy, Competitiveness and Shipping approved the amendment of the relevant article of the Company's Articles of Association via its Decision No. K2-4011/16.05.2011. The second repeat Extraordinary General Shareholders Meeting that was held on August 29, 2011, approved the revocation of the aforementioned decision that was resolved by the second repeat Meeting dated April 26, 2011, for the increase of the Company's share capital by payment of cash, with pre-emption rights in favour of the existing shareholders and issuance of new common registered shares, for the grant of relevant authorizations to the Company's Board of Directors and for the modification of article 5 of the Company's articles of association, while it also approved the increase of the Company's share capital by € 98.060 through payment of cash, the issuance of up to 326.866.740 new common dematerialized voting shares in book entry form at a nominal value of € 0,30 per share at a ratio of 20 new shares for 3 existing shares, with pre-emption rights in favour of its existing shareholders. Moreover, it granted the authority to the Company's Board of Directors, pursuant to article 13 par. 6 of Codified Law 2190/1920, to determine the issue price per new share, which may be higher than the Company's outstanding shares' market price at the ex-rights date and in any case it cannot be lower than € 0,30, within a period of one year from such a decision, as well as to determine the deadlines for the payment of capital and the exercise of the pre-emptive rights together with the remaining details concerning the increase. It is noted that the deadline for the coverage of the share capital in accordance to article 11 of Codified Law 2190/1920 (four-month period plus the option for a one-month extension) will commence from the date the decision will be taken by the Board of Directors that determines the issue price. The difference, if any, between the new shares' nominal value and the issue price, will be accounted for by crediting the shareholders Equity account, 'Paid in surplus'.

(All amounts presented in thousands Euro, except otherwise stated)

Also, the Repeat Extraordinary General Shareholders Meeting approved to give to the Company's shareholders, who have fully exercised their pre-emption rights in the increase, the possibility to subscribe, without limitation at the issue price, to any new shares that may have not been taken-up, while in case the increase is not taken-up in full, it is suggested that the Board of Directors will have the discretion to offer any unsubscribed new shares to third parties for subscription at least at the issue price, otherwise the Company's share capital will be increased by the amount of the final take-up, in accordance with article 13a of C.L. 2190/1920. Moreover, the repeat Extraordinary General Shareholders Meeting approved the sale of the pre-emption rights arising from the total of 1.789.468 treasury shares of the Company during the trading period of such rights on the Athens Exchange, to the extent that such shares have not previously been sold to potential interested third party investors and finally, approved the amendment of article 5 of the Company's articles of association.

On August 29, 2011, the Management of the Company due to the rising global economic crisis, decided to proceed in a gradually assets' liquidation of the subsidiaries ALAPIS BULGARIA EOOD, ALAPIS ROMANIA SRL, ALAPIS DOO and GEROLYMATOS INC that maintains in the markets of Bulgaria, Romania, Croatia and United States of America respectively, serving these markets from now on through the parent and other subsidiaries of the Group.

Finally, following the decision of the Company's Board of Directors dated August 23, 2011, its decision dated August 5, 2011 was revoked as well as its subsequent invitation to the shareholders to an Extraordinary General Meeting scheduled for August 29, 2011 with sole issue of the daily agenda the increase of the nominal value of the shares of the Company with simultaneous reduction of the total number of shares (reverse split). This revocation follows the amendment of the ATHEX Rulebook and more specifically is due to the annulment of subparagraph (6) of paragraph 7.2.5, pursuant to the relevant approval of this amendment by virtue of the decision of the Board of Directors of the Hellenic Capital Market Commission No. 594/19.08.2011. Consequently, the reasons for the convocation of the aforementioned Extraordinary General Meeting and more specifically the prevention of the transfer of the Company's shares to the Low Free Float and Special Trading Characteristics category, due to the fact that the average closing price of the company's share was lower than the € 0,30 threshold, have elapsed.

Besides all the aforementioned, there are no events after the end of the reporting period which would materially affect the financial position of the Group and the Company that must be disclosed according to the IFRSs.

Athens, August 29, 2011

President of the BoD	Managing Director	Member of the BoD	Chief Accounting Officer
Aristotelis Charalampakis	Stilianos Kimparidis	Nikolaos Karantanis	Kyriakos Soukaras

DATA AND INFORMATION

ALAPIS HOLDING INDUSTRIAL AND COMMERCIAL SOCIETE ANONYME OF PHARMACEUTICAL AND CHEMICAL PRODUCTS
Company's Number in the Register of Societes Anonymes: 8057/06/B/86/11
REGISTERED ADRESS : 2,AFTOKRATOROS NIKOLAOU STR, P.C 17671 ATHENS
DATA AND INFORMATION FOR THE PERIOD 1 JANUARY 2011 TO 30 JUNE 2011
According to Decision 4/507/28.04.2009 of the Capital Market Committee

The following data and information aim at providing general information on the financial standing and the financial results of ALAPIS S.A.. We, therefore, recommend the reader, before proceeding to any kind of investment or other transaction with the company, to look to the company's website www.alapis.eu, where all periodical financial statements under IFRS together with the Audit report of the external auditor (when necessary) are presented.

COMPANY DETAILS

Website :	www.alapis.eu
Approval date for issuing by the Board of Directors :	August 29, 2011
Certified Auditor Accountant :	Vrasidas Damilakos R.N. SOEL (GR) 22791
Audit Company :	DELTA Certified Public Accountants SA
Type of Report :	Unqualified opinion - emphasis of matter

STATEMENT OF FINANCIAL POSITION (amounts in thousands €)

	The Group		The Company	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
ASSETS				
Property, plant and equipment	1.287.791	1.316.430	1.257.166	1.286.431
Investment in property, plant and equipment	46.009	46.180	46.009	46.180
Intangible assets	359.924	372.802	245.731	249.599
Other non current assets	29.176	26.451	275.253	275.406
Inventories	70.925	87.695	22.069	23.077
Trade receivables	95.618	147.629	84.790	133.883
Other current assets	105.472	229.551	52.832	163.715
TOTAL ASSETS	**1.994.915**	**2.226.739**	**1.983.850**	**2.178.291**
EQUITY AND LIABILITIES				
Share capital	14.709	588.360	14.709	588.360
Other equity items	822.670	417.205	884.682	467.439
Total owners' equity (a)	837.379	1.005.565	899.391	1.055.799
Non controlling interests (b)	25	(31)	0	0
Total equity (c) = (a) + (b)	**837.404**	**1.005.534**	**899.391**	**1.055.799**
Long term borrowings	0	0	0	0
Provisions / other long term liabilities	161.504	159.096	139.696	136.633
Short term borrowings	810.666	819.544	803.372	812.222
Other short term liabilities	185.342	242.564	141.392	173.636
Total liabilities (d)	**1.157.511**	**1.221.205**	**1.084.459**	**1.122.491**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.994.915**	**2.226.739**	**1.983.850**	**2.178.291**

STATEMENT OF COMPREHENSIVE INCOME (amounts in thousands €)

	The Group			
	1.1. - 30.06.2011	1.1. - 30.06.2010		
	Continuing operations	Continuing operations	Discontinued operations	Total
Revenue	339.602	422.727	95.680	518.407
Gross profit/(loss)	27.298	140.378	46.581	186.959
Profit before tax, financial and investing results (EBIT)	(132.093)	71.532	1.837	73.370
Profit/(loss) before tax	(161.217)	44.898	4.581	49.479
Profit/(loss) (a)	**(167.396)**	**25.022**	**195**	**25.216**
Owners of the parent	(167.377)	25.088	195	25.282
Non-controlling interests	(19)	(66)	0	(66)
Other comprehensive income (net of tax) (b)	(735)	334	0	334
Total comprehensive income (net of tax) (a) + (b)	(168.131)	25.356	195	25.550
Owners of the parent	(168.112)	25.415	195	25.610
Non-controlling interests	(19)	(60)	0	(60)
Net profit per share - basic (in €)	(3,5431)	0,5311	0,0041	0,5352
Profit/(loss) before interest, taxes, depreciation and amortisation (EBITDA)	(74.782)	138.623	14.520	153.143
Profit/(loss) before interest, taxes, depreciation, amortisation and investing results (EBITDA before investing results)	(74.633)	138.503	21.891	160.394

	The Group			
	1.4. - 30.06.2011	1.4. - 30.06.2010		
	Continuing operations	Continuing operations	Discontinued operations	Total
Revenue	164.209	212.070	34.097	246.167
Gross profit/(loss)	2.406	80.640	17.514	98.154
Profit before tax, financial and investing results (EBIT)	(116.007)	37.604	(2.814)	34.790
Profit/(loss) before tax	(133.883)	19.640	1.215	20.855
Profit/(loss) (a)	**(145.164)**	**6.622**	**(1.867)**	**4.755**
Owners of the parent	(145.180)	6.689	(1.867)	4.822
Non-controlling interests	16	(67)	0	(67)
Other comprehensive income (net of tax) (b)	(554)	263	0	263
Total comprehensive income (net of tax) (a) + (b)	(145.718)	6.885	(1.867)	5.019
Owners of the parent	(145.734)	6.950	(1.867)	5.083
Non-controlling interests	16	(65)	0	(65)
Net profit per share - basic (in €)	(3,0732)	0,1416	(0,0395)	0,1021
Profit/(loss) before interest, taxes, depreciation and amortisation (EBITDA)	(85.750)	69.380	3.051	72.432
Profit/(loss) before interest, taxes, depreciation, amortisation and investing results (EBITDA before investing results)	(85.749)	69.285	10.421	79.706

	The Company			
	1.1. - 30.06.2011	1.1. - 30.06.2010		
	Continuing operations	Continuing operations	Discontinued operations	Total
Revenue	41.574	184.528	34.070	218.598
Gross profit/(loss)	2.591	106.070	9.623	115.693
Profit before tax, financial and investing results (EBIT)	(120.915)	57.514	(5.442)	52.072
Profit/(loss) before tax	(147.981)	31.162	(4.278)	26.884
Profit/(loss) (a)	**(156.408)**	**17.825**	**(4.534)**	**13.291**
Owners of the parent	(156.408)	17.825	(4.534)	13.291
Non-controlling interests	0	0	0	0
Other comprehensive income (net of tax) (b)	0	0	0	0
Total comprehensive income (net of tax) (a) + (b)	(156.408)	17.825	(4.534)	13.291
Owners of the parent	(156.408)	17.825	(4.534)	13.291
Non-controlling interests	0	0	0	0
Net profit per share - basic (in €)	(3,3109)	0,3773	(0,0960)	0,2813
Profit/(loss) before interest, taxes, depreciation and amortisation (EBITDA)	(77.538)	118.855	127	118.982
Profit/(loss) before interest, taxes, depreciation, amortisation and investing results (EBITDA before investing results)	(77.418)	118.734	7.500	126.234

	The Company			
	1.4. - 30.06.2011	1.4. - 30.06.2010		
	Continuing operations	Continuing operations	Discontinued operations	Total
Revenue	17.405	100.627	18.741	119.368
Gross profit/(loss)	(3.721)	59.367	5.121	64.487
Profit before tax, financial and investing results (EBIT)	(105.278)	30.613	(4.988)	25.625
Profit/(loss) before tax	(122.586)	12.840	(3.824)	9.016
Profit/(loss) (a)	**(136.092)**	**3.883**	**(4.043)**	**(159)**
Owners of the parent	(136.092)	3.883	(4.043)	(159)
Non-controlling interests	0	0	0	0
Other comprehensive income (net of tax) (b)	0	0	0	0
Total comprehensive income (net of tax) (a) + (b)	(136.092)	3.883	(4.043)	(159)
Owners of the parent	(136.092)	3.883	(4.043)	(159)
Non-controlling interests	0	0	0	0
Net profit per share - basic (in €)	(2,8808)	0,0822	(0,0856)	(0,0034)
Profit/(loss) before interest, taxes, depreciation and amortisation (EBITDA)	(80.655)	61.295	(2.515)	58.780
Profit/(loss) before interest, taxes, depreciation, amortisation and investing results (EBITDA before investing results)	(80.667)	61.180	4.858	66.038

ADDITIONAL DATA AND INFORMATION (amounts in thousands €)

1. The matter of emphasis of the Certified Auditor Accountant refers to note 3 of the six month financial statement which states that the Group is in advanced discussions with financial institutions for the renegotiation of the terms and the duration extension of the current financing of a total amount of € 735.000 , due to the fact that specific covenants were not achieved. These loans are presented in the line item "Short term borrowings" of the current financial statements.
2. The companies included in the consolidated financial statements, together with their registered addresses, the consolidation method and their share of participation are analyzed in note 7 of the six month financial statement and their tax unaudited FYs are analyzed in note 14 of the six month financial statement.
3. The financial statements of the Company are not included in the consolidated financial statements of any other company.
4.On March 31, 2011 the Board of Directors of the Company decided to proceed with the discontinuation of powder detergents production operation and either to proceed with the disposal of the entire segment or the disposal of the segment (including inventories and employees) excluding all fixed assets which would be classified as investment properties with the intention to subsequently lease them. The financial information of the aforementioned segment is presented as a part of continuing operations of the Group and the Company, since the preconditions for classification as discontinued operation, as defined by IFRS 5, had not been fulfilled until August 29, 2011, approval date of the financial statements.
5. There are no litigation matters which may have material impact on the financial position of the Group and the Company. The amount of provisions for any litigation matters on June 30, 2011 amounts to €19.415 for the Group and €15.725 for the Company. The provisions for tax unaudited FYs on June 30, 2011 amount to €9.134 for the Group and €5.257 for the Company. The Group and the Company have made no other provisions.
6.On June 30, 2011 ,the Group has created an asset impairment provision amounting to €69.027, €64.948 of whom relate to an asset impairment provision of NEOCHIMIKI SA. In the context of a 2008 contract with NEOCHIMIKI SA, the Company had proceeded in prepayments , aiming at the smooth and unhindered flow of necessary raw materials provided for by the contract.

CASH FLOW STATEMENT (amounts in thousands €)

	The Group		The Company	
	1.1. - 30.06.2011	1.1. - 30.06.2010	1.1. - 30.06.2011	1.1. - 30.06.2010
Operating activities				
Profit / (loss) before income taxes (continuing operations)	**(161.217)**	**44.898**	**(147.981)**	**31.162**
Profit / (loss) before income taxes (discontinued operations)	**0**	**4.581**	**0**	**(4.278)**
Plus/ less adjustments for:				
Depreciation and amortisation	57.311	67.090	43.378	61.342
(Gain) / Loss from disposal of assets	3	(140)	(19)	(121)
Provisions	68.373	5.750	66.072	2.642
Exchange differences	55	(165)	(122)	(121)
Results (income, expenses, gain, loss) from investing activity	(3.958)	4.586	(1.293)	3.404
Interest expense	33.222	26.593	28.499	21.784
Plus/less changes in working capital:				
Decrease / (increase) of inventories	16.288	(3.729)	1.008	(1.420)
Decrease / (increase) of trade receivables	20.157	(115.502)	17.754	(62.657)
Decrease / (increase) of other receivables	(5.703)	(23.742)	(8.284)	(37.350)
(Decrease) / Increase of trade liabilities (excluding borrowings)	(20.902)	(35.237)	152	(40.029)
(Decrease) / Increase of other liabilities(excluding borrowings)	(18.268)	(20.691)	(16.313)	(30.243)
Less:				
Interest paid	(22.919)	(24.789)	(19.815)	(22.361)
Taxes paid	(1.861)	(5.851)	(1.546)	(4.484)
Operating cash flow from discontinued operation	0	(17.410)	0	6.991
Net cash flows from operating activities (a)	**(39.418)**	**(93.758)**	**(38.513)**	**(75.740)**
Investing activities				
(Acquisition)/Disposal of subsidiaries, related, joint ventures and other investments	22.789	(69)	22.789	(3.445)
(Purchase)/Disposal of assets	(15.792)	(73.002)	(10.225)	(45.304)
Interest received	546	181	448	90
Gains / (losses) on disposal of investments	(6.455)	0	(6.455)	0
Proceeds from grants / Guarantees paid	(1.206)	178	(1.581)	(409)
Investing cash flow form discontinued operation	0	142.529	0	144.730
Net cash flows from investing activities (b)	**(119)**	**69.818**	**4.976**	**95.662**
Financing activities				
Proceeds from /(payments of) borrowings	(20.028)	(25.538)	(20.000)	(30.549)
Repayments of finance lease	(308)	(2.125)	(125)	(959)
Financing activities from discontinued operation	0	573	0	0
Net cash flows from financing activities (c)	**(20.335)**	**(27.089)**	**(20.125)**	**(31.508)**
Net increase in cash and cash equivalents (a)+(b)+(c)	**(59.873)**	**(51.029)**	**(53.662)**	**(11.586)**
Cash and cash equivalents at beginning of the period	**83.333**	**216.398**	**66.088**	**158.426**
Cash and cash equivalents at end of the period	**23.460**	**165.369**	**12.426**	**146.840**

STATEMENT OF CHANGES IN EQUITY (amounts in thousands €)

	The Group		The Company	
	1.1. - 30.06.2011	1.1. - 30.06.2010	1.1. - 30.06.2011	1.1. - 30.06.2010
Equity balance at the beginning of the period (1.1.2011 and 1.1.2010 respectively)	**1.005.534**	**1.948.261**	**1.055.799**	**1.989.898**
Total comprehensive income (net of tax) (continuing and discontinued operations)	(168.131)	25.550	(156.408)	13.291
Dividends	0	(11.338)	0	(11.338)
Acquisition of subsidiaries	0	(100)	0	0
Equity balance at the end of the period (30.06.2011 and 30.06.2010 respectively)	**837.404**	**1.962.374**	**899.391**	**1.991.852**

ADDITIONAL DATA AND INFORMATION (continued) (amounts in thousands €)

Due to the apparent inability of NEOCHIMIKI SA to meet its contract obligations, that is to supply the Company with the specified amounts of raw materials expressly agreed under the terms of the contract, the Management of the Company proceeded with the creation of the abovementioned provision in accordance with the principle of prudence, while in the second quarter, it has initiated negotiations for the final termination of the contract, in accordance with the best interest of the Company, given its intention to proceed with the discontinuation of the detergent segment. Further analysis is presented in note 2 of the six month financial statement.
7. The number of employees at the end of the current period for the Group and the Company is 1.472 and 637 respectively and for the six month period ended on June 30, 2010 was 2.020 and 988 for the Group and the Company respectively.
8. The accumulated amounts of the transactions and balances on June 30, 2011 between the Company and the associated companies as defined in IAS 24,are as follows:

	Group	Company
a) Income	0	1.723
b) Expenses	2.213	7.358
c) Receivables	0	79.067
d) Liabilities	50.103	73.880
e) Rewards to Managers and Members of the Board of Directors	1.043	1.043
f) Receivables from Managers and Members of the Board of Directors	0	0
g) Liabilities to Managers and Members of the Board of Directors	55	55

9. In the consolidated financial statements for the period ended June 30, 2011 the following companies : GEROLYMATOS PRESTIGE SPA S BEAUTY SALON SA, GEROLYMATOS COSMETICS SA, SHISEIDO HELLAS SA, BEAUTY WORKS SA, PROVET SA, GEROLYMATOS ANIMAL HEALTH SA, ALAPIS MEDICAL AND DIAGNOSTICS SA, MEDIMEC SA, ALMEDIA PHARMACEUTICALS SA, KTINIATRIKI – PROMITHEUTIKI SA are not consolidated into the Group as they were disposed during the previous year.
10. The amounts and the nature of other comprehensive income after tax are analyzed in the following table:

	The Group		The Company	
	1.1. - 30.06.2011	1.1. - 30.06.2010	1.1. - 30.06.2011	1.1. - 30.06.2010
Other comprehensive income / (expenses)				
Currency translation differences	(735)	334	0	0
Other comprehensive income / (expenses) (after tax)	**(735)**	**334**	**0**	**0**

11.The Company's Extraordinary General Shareholders Meeting, that took place on April 04, 2011, decided the increase of the nominal value of each share from €2,40 to €12,00 and at the same time the reduction of the total number of existing shares from 245.150.055 to 49.030.011 common registered shares (reverse split), with a ratio of 1 new share in replacement of 5 existing shares. Pursuant to the above, the company's share capital amounted to €588.360, divided into 49.030.011 shares of nominal value €12,00 per share. The first trading day of the 49.030.011 new shares with the new nominal value €12,00 per share on the ATHEX was May 19, 2011. The weighted average number of shares in circulation regarding all the periods presented, was restated in relation to the financial statements initially reported, in order for earnings per share to become comparable to those of the current period. Moreover the 2nd Repeat Extraordinary General Shareholders Meeting that was held on April 26, 2011 resolved upon the reduction of the Company's share capital by €573.651 by reduction of the nominal value of the common registered shares from €12,00 to €0,30 per share and the balance that would arise as a result will be recorded into a special reserve, according to article 4, paragraph 4a of C.L. 2190/1920, therefore, no capital will be returned to shareholders and the total number of the Company's shares would not increase through the issuance of bonus shares. After the aforementioned decrease, the Company's share capital amounts to €14.709 divided into 49.030.011 common registered shares of nominal value €0,30 per share. The Ministry of Economy, Competitiveness and Shipping approved the amendment of the relevant article of the Company's Articles of Association via its Decision No. K2-4011/16.05.2011.
12.The Company has proceeded to the purchase of totally 71.578.743 treasury shares of € 91.610 value and of €1,28 per share average cost (including commissions and expenses). The Company, during the first six month period of 2011 and until August 29, 2011 approval date of the financial statements, did not operate any transaction regarding treasury shares. On August 29, 2011 approval date of the financial statements and after the aforementioned reverse split that was decided by the Company's Extraordinary General Shareholders meeting, the number of treasury shares held by the Company was 1.789.468.
13.The 2nd Repeat Extraordinary General Shareholders Meeting that was held on April 26, 2011 approved the issuance of convertible bond loan(s) up to an aggregate principal amount of €300.000 and abrogated the relevant pre-emption rights of the Company's existing shareholders and at the same time granted the authority to the Board of Directors to determine the specific terms and conditions for the issuance and offering of the convertible bond loan(s) under the terms and conditions which were approved by Repeat Extraordinary General Shareholders Meeting. The respective resolutions were registered with the Societes Anonymes Registry pursuant to the Announcements K2-4693/19.05.2011 and K2-4693/19.05.2011 of the Ministry of Economy, Competitiveness and Shipping. The 2nd Repeat Extraordinary General Shareholders Meeting that was held on August 29, 2011, approved the increase of the Company's share capital by €98.060 through payment of cash, the issuance of up to 326.866.740 new common dematerialized voting shares in book entry form at a nominal value of €0,30 per share at a ratio of 20 new shares for 3 existing shares, with pre-emption rights in favour of its existing shareholders. Moreover, it granted the authority to the Company's Board of Directors, pursuant to article 13 par. 6 of Codified Law 2190/1920, to determine the issue price per new share, which may be higher than the Company's outstanding shares' market price at the ex-rights date and in any case it cannot be lower than €0,30, within a period of one year from such a decision, as well as to determine the deadlines for the payment of capital and the exercise of the pre-emptive rights together with the remaining details concerning the increase. It is noted that the deadline for the coverage of the share capital in accordance to article 11 of Codified Law 2190/1920 (four-month period plus the option for a one-month extension) will commence from the date the decision will be taken by the Board of Directors that determines the issue price. The difference, if any, between the new shares' nominal value and the issue price, will be accounted for by crediting the Shareholders Equity account, 'Paid-in Surplus'. Also, the Repeat Extraordinary General Shareholders' Meeting on August 29, 2011 approved to give to the Company's shareholders, who have fully exercised their pre-emption rights in the increase, the possibility to subscribe, without limitation at the issue price, to any new shares that may have not been taken-up, while in case the increase is not taken-up in full, it is suggested that the Board of Directors will have the discretion to offer any unsubscribed new shares to third parties for subscription at least at the issue price, otherwise the Company's share capital will be increased by the amount of the final take-up, in accordance with article 13a of C.L. 2190/1920. Moreover, the Repeat Extraordinary General Shareholders Meeting approved the sale of the pre-emption rights arising from the total of 1.789.468 treasury shares of the Company during the trading period of such rights on the Athens Exchange, to the extent that such shares have not previously been sold to potential interested third party investors and finally, approved the amendment of article 5 of the Company's articles of association.
14. Following the decision of the Company's Board of Directors dated August 23, 2011, its decision dated August 5, 2011 was revoked as well as its subsequent invitation to the shareholders to an Extraordinary General Meeting scheduled for August 29, 2011 with sole issue of the daily agenda the increase of the nominal value of the shares of the Company with simultaneous reduction of the total number of shares (reverse split). This revocation follows the amendment of the ATHEX Rulebook and more specifically is due to the annulment of subparagraph (6) of paragraph 7.2.5, pursuant to the relevant approval of this amendment by virtue of the decision of the Board of Directors of the Hellenic Capital Market Commission No. 594/19.08.2011. Consequently, the reasons for the convocation of the aforementioned Extraordinary General Meeting and more specifically the prevention of the transfer of the Company's shares to the Low Free Float and Special Trading Characteristics category, due to the fact that for a period more than three consequently days, the average closing price of the company's share was lower than the € 0,30 threshold, have elapsed.
15.The Company, within the frame of restructuring the existing structure of the Group, fully serving the purposes of its activities and creating economies of scale: a) will merge its 100% subsidiaries FARMAGORA SA and ALAPIS PHARMAKAPOTHIKI SA, by the absorption of the second from the first. According to the decisions as of December 31, 2010, of their Boards of Directors, the foresaid companies announce their intention for merger and the December 31, 2010 is set as the merger statement of financial position date of the absorbed company, b) will merge its 100% subsidiaries SUMADIJALEK AD and ALAPIS SER DOO, by the absorption of the second from the first. According to the decisions as of June 30, 2011, of their Boards of Directors, the foresaid companies announce their intention for merger and the June 30, 2011 is set as the merger statement of financial position date of the absorbed company and c) will merge its 100% subsidiary PNG GEROLYMATOS MEDICAL SA, by absorption. According to the decisions as of May 30, 2011, of their Boards of Directors, the foresaid company and the parent company announce their intention for merger and the June 30, 2011 is set as the merger statement of financial position date of the absorbed company.
16.On August 29, 2011, the Management of the Company due to the rising global economic crisis, decided to proceed in a gradually assets' liquidation of the subsidiaries ALAPIS BULGARIA EOOD, ALAPIS ROMANIA SRL, ALAPIS D.O.O. and GEROLYMATOS INC that maintains in the markets of Bulgaria, Romania, Croatia and United States of America respectively, serving these markets from now on through the parent and other subsidiaries of the Group.