

EUROMEDICA S.A.
Annual Financial Report
for the year ended 31st December 2012
(Amounts are expressed in thousand Euros, unless otherwise stated)



Annual Financial Report
for the year ended 31st December 2012
in accordance with the International Financial Reporting Standards (IFRS)

It is certified that the attached Annual Financial Statements are those approved by the Board of Directors of “**EUROMEDICA S.A.**” on 27th March 2013, published in press and uploaded on the internet at the website address www.euromedica.gr. It is noted that the published summarized financial data, which are in accordance with International Financial Reporting Standards, intend to provide the reader with certain general financial information, but do not offer a complete presentation of the financial position and the results of the Company and the Group,. It is also noted that specific figures in the published summarized financial data have been reclassified and rounded up, for simplification purposes.

Zarakovitis Konstantinos
Chairman of the Board & A' Managing Director
EUROMEDICA S.A.

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Statement from the Members of the Board of Directors
(in accordance with par. 2 of article 4, L. 3556/2007)

We hereby declare that to the best of our knowledge the data presented in the annual Financial Statements of EUROMEDICA S.A., which have been prepared in accordance with the applicable accounting standards and the provisions of paragraph 2 article 4 of Law 3556/2007, fairly present the statement of financial position, statement of changes in equity and statement of comprehensive income for the year ended 31st December 2012, of the Company and the companies included in the consolidated financial statements, (the Group).

We hereby also declare that to the best of our knowledge the annual Board of Directors' Report fairly presents the development, the performance and the financial position of EUROMEDICA S.A. and the companies included in the consolidated financial statements as a whole, including a description of the most significant risks and uncertainties encountered.

Athens, 27 March 2013

Konstantinos Zarakovitis

I.D. No X 220651

Chairman of the Board &
A' Managing Director

Vasilios Tsimpikakis

I.D. No AE 163834

Vice Chairman of the Board

Vasiliki Stamataki

I.D. No Λ 072039

Member of the Board

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Annual Report of EUROMEDICA S.A.'s Board of Directors
on the Consolidated and Company Financial Statements
for the year ended 31st December 2012

To the shareholders,

In accordance with the provisions of Law 2190/1920 and the respective decisions issued by the Hellenic Capital Market Commission we submit the present Annual Report by the Board of Directors for the year 2012 (1/1/2012-31/12/2012). In addition the present report includes the declaration on corporate governance (Article 2, paragraph 2, Law 3873/2010)

The subject Report includes condensed financial information on the financial position and results of the Company EUROMEDICA S.A. and the its Group, a description of the significant events that took place during the fiscal year and their effect on the annual Financial Statements, a description of the most significant risks and uncertainties, a presentation of the significant transactions that occurred between the Company, the Group and related parties, a presentation of qualitative items and estimations regarding the progress of Company and Group activities for the next (current) financial year as well as information regarding shares, share capital and important agreements that were in effect at the end of the fiscal year 2012.

A. Condensed financial information for the Group and the Company

During the fiscal 2012 the demand for private healthcare services declined further due to application of austerity measures which led to significant reduction in disposable income and Gross Domestic Product. Despite the extremely adverse economic environment, the Group's Management, through specific actions, achieved the enhancement of the Group's economic figures. During the fiscal year the Group's Management intensified its efforts for successful completion of its liquidity improvement actions. The change in the key financial figures is also depicted in the Group's and the Company's attached financial results (amounts in thousands of Euros).

Sales revenue

The sales revenue of the Group and the Company, during the fiscal year 2012, reached € 209.539 (2011: € 191.956) and € 128.791 (2011: €110.451) respectively, showing an increase accordingly, by 9,2 % and 16,6 % relatively to 2011. The significant increase in sales revenue, despite the adverse economic conditions of the Greek economy, is mainly due to successful completion of the contract, which the Company signed during the last quarter of the previous fiscal year with the National Transitional Council of Libya, for the medical care of civil war's injured Libyans. This agreement resulted to a significant increase in the visits and admissions at the Group's clinics and rehabilitation centres.

Earnings before interest, taxes, investment results, total depreciation and amortization (E.B.I.T.D.A.)

Earnings before interest, taxes, financing and investing results, total depreciation and amortization (E.B.I.T.D.A.) on consolidated level, amounted to € 26.839 (2011: € (6.240)), showing an increase of 530,1% in relation to 2011. Respectively, earnings before interest, taxes, financing and investing results, total depreciation and amortization of the Company amounted to € 14.207 (2011: € (13.444)), showing an increase of 205,7 %, The significant

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increase in earnings before interest, taxes, financing and investing results, total depreciation and amortization on consolidated level, is attributed mostly to the significant increase in the Groups turnover together with a decrease in operational expenses which came about as a result of implementation of the Group's Management decisions for cuts on operational expenses.

Moreover, selling expenses showed a significant decrease, which is mostly attributed to the decreased, compared to the previous fiscal year, impairment of the Group's doubtful receivables, which amounted to € 9.958 (2011: € 19.104). Furthermore the Group's Management, during the fiscal year 2012, proceeded with the wright off of receivables amounting to € 189, against € 4.380 during the previous fiscal year.

Additionally, within the fiscal year 2012, under the provisions of par.4 article 34 of Law N. 4038/2012, Law N. 4132/07.03.2013 and a joint ministerial decision dated 19/2/2013 were issued. The decision set the discount rate which will be applied to the accumulated liabilities, of the health insurance funds that joined E.O.Π.Y.Y., towards the private sector's health care providers. The discount rate was set at 8% for private clinics and rehabilitation centers and at 15% for diagnostic centers. For this reason the Group and the Company made provisions, regarding the above discounts, amounting to € 7.009 and € 5.208 respectively.

Profit (loss) before taxes

During the fiscal year 2012 the Group produced loss before taxes of € (51.164). The loss was significantly decreased compared to the previous fiscal year, when it had reached € (115.369). The Company, produced a loss of € (62979) against € (75.711) during the 2011. The Group's improved results are attributed, along with the aforementioned in the previous paragraph, to the significant decrease of its investment losses which amounted to 25.406 (2011: € 60.557) and € 43.424 (2011: € 33.83) for the Group and the Company respectively. The investment results of the Group mainly regard: a) impairment of goodwill of € 24.387 (2011: € 48.184) (Note 20), b) impairment of the Group's investments in subsidiaries of € 19.866 (2011: € 11.198) (Note 21) and c) impairment of available for sale financial assets of € 439 (2011: € 4.110) (Note 23)

In the Group's and Company's Statement of Comprehensive Income, for the year ended 31/12/2012, non-recurring expenses were included, as analyzed in the following table:

Non-recurring expenses	GROUP	COMPANY
Receivables' write off	4.380	1.322
Provision for doubtful receivables	8.142	7.111
Loss from impairment of investments in associates	6.190	3.070
Loss from impairment of investments in subsidiaries	0	11.198
Loss from impairment of available for sale financial assets	1.239	1.239
Loss from impairment of goodwill	48.184	13.200
Loss from valuation of fixed assets at fair value	6.205	528
Tax and other fines and surcharges	1.508	1.508
Total	<u>75.848</u>	<u>39.176</u>

According to the above table, the Group's and Company's earnings before taxes, if non-recurring expenses were to be excluded, would have amounted, on 31/12/2012 to € (1.418) (2011: € (39.520)) and € (8.761) (2011: € (36.534)) respectively, while E.B.I.T.D.A. would have amounted to € 40.900 (2011: € 7.790) and € 19415 (2011: € (3.504)) respectively.

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Leverage ratio

The leverage ratio of the Group on 31/12/2012 deteriorated compared to 31/12/2011. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including short and long term borrowings as appearing in the statement of financial position) less cash and cash equivalents. Total capital is calculated as Equity (as appearing in the statement of financial position) plus net debt. More specifically:

	Note	GROUP	
		31/12/2011	31/12/2010
Loans	35	363.280	372.100
Less: Cash and cash equivalents	31	(6.442)	(14.685)
Net Debt		356.837	357.416
Total Equity		72.951	204.449
Total working capital		429.788	561.865
Leverage ratio		83,03%	63,61%

The change in the leverage ratio is mainly attributed to: (a) the increase of net debt by € 9.476, (b) the increase in cash and cash equivalents by € 274 and (d), the significant reduction in shareholders' equity caused primarily by after tax losses totaling € 58.543. As already mentioned the after tax losses of the Group were influenced significantly by non recurring expenses.

B. Significant events that took place during the fiscal year ended 31/12/2012 and their effect on the annual financial statements

Impairment of investments and goodwill

Impairment of goodwill

The Management of the Group on 31/12/2012, taking into account the current market conditions, as well as its 5 year business plan., tested at cash generating unit level, its assets and their Goodwill as well as its investments in subsidiaries and associates for impairment. The test showed that the recoverable amount of the assets tested fell short of the corresponding value in use, resulting to an impairment of the Group's and the Company's Goodwill by € 24.387 and € 22.761 respectively (see note 20). Moreover impairment loss of the subsidiaries' value of € 19.866, was included in the Company's financial statements. This impairment was recognized in the statement of comprehensive income and in particular under the item "Income (Loss) from investments" (see note 15).

Impairment of available for sale financial assets

Moreover, the Management of the Group conducted an impairment test of the Group's unlisted investments, classified as available for sale financial assets, since due to the general economic recession of the Greek economy, there was evidence of impairment. The equivalent Impairment loss amounted to € 439 and € 196 for the Group and the Company respectively (see Note 23). Moreover, during the fiscal year 2012, the value of the listed company IASO S.A. was increased by € 3.667. The increase was recognized in equity through the statement of other comprehensive income.

Valuation of owner occupied real estate property at fair value

The Management of the Group, in line with the adopted accounting standards, has appointed to certified independent real estate valuers the valuation (revaluation) of the Group's real

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estate property at fair value as at 31/12/2012. The book value of the Group's and Company's tangible assets decreased by € 23.072 (2011: 14.752) and € 11.691 (2011: 7.222) respectively.

The tangible assets' negative goodwill, decreased other comprehensive income and the Equity of the Group and the Company by € (18.457) (2011: € (6.845)) and € (9.353) (2011: € (5.355)) respectively, after subtracting the relative deferred tax asset for the Group and the Company of € 4.614 (2011: € 1.701) and € 2.338 (2011: € 1.339) respectively.

In addition, from valuation of specific real estate assets of the Group and the Company, negative goodwill of € (10.860) (2011: € (6.205)) and € (6.187) (2011: € (528)) respectively, emerged, which was recognized in the statement of comprehensive income under "Other operating expenses". This resulted to a decrease in the after tax results of the Group and the Company by € (8.688) (2011: € (4.964)) and € (4.949) (2011: € (423)) respectively, after subtracting the relative deferred tax asset for the Group and the Company of € 2.172 (2011: € 1.241) and € 1.237 (2011: € 106) respectively. Finally Losses of € (398) (2011: € (107)) and € (701) (2011: € (301)) resulted from revaluation of investment property for the Group and the Company respectively, which were recognized in the 2012 fiscal year's Statement of Comprehensive Income.

Changes in the structure of the Group during the fiscal year 2012

During the year ended 31/12/2012 there were no significant changes in the Group's structure. In note 3 of the attached Financial Statements there is a detailed analysis of the changes in the acquisition costs or/and the equity interests which took place within the fiscal year 2012.

Changes in Group's companies fixed assets

The subsidiary company S.A. TOURISTIKON EPICHIRISEON DITIKIS MAKEDONIAS, in line with efficient management and in order to achieve economic benefit, which would increase its liquidity, during the fiscal year 2012 and in particular on 7/3/2012, proceeded with the signing of an operating lease agreement for its owner occupied property. The agreement went into effect on 1st April 2012 and its duration was set to four (4) years. Consequently the respective property with a total amount of net book value € 2.631 was reclassified from owner-occupied property to investment property. The respective property was valued on 31/12/2012 at € 2.400 and its change in value was recognized in the statement of comprehensive income.

Changes in share capital of the Company

On 29/6/2012, the General Meeting of the Shareholders of the Company, in order to lift the conditions for application of provisions of article 47 of L. 2190/1920, decided the reduction of share capital by the amount of € 50.187 through incorporation of accumulated losses and the reduction of the nominal value of the Company's shares from € 3,10 to € 0,80. The Ministry for Development Competitiveness and Shipping approved the aforementioned share capital reduction with its No K2-4302/13.07.2012 decision.

C. Significant events after the fiscal year 2012

Acquisition of additional equity interest

The Parent company of the Group on 22/1/2013 proceeded with the finalization of, a fully paid for, acquisition (according to a pre-sales agreement) of an additional equity interest in its subsidiary company, IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDREIO IATRIKI S.A., through the purchase of 22.950 registered shares for the total amount of € 230. The equity interest of the Company and the Group, having taken into account the aforementioned acquisition, reached 100% (2011: 69,4%).

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D. Information and estimates on Group's and Company's business activity perspectives for the fiscal year ended 31/12/2012

The Group in the past, committed significant funds for implementation of its investment program, which involved the acquisition of modern medical equipment and especially the expansion of its companies' network, in the frame of modernization and expansion of its operations. However, this led to a significant increase in loans. The major factors, due to which the Group faces significant liquidity risk, are its increased loan liabilities and the severe liquidity problem of the Greek social security organizations. Furthermore, the decrease in disposable income during the last two years caused by the stabilization of fiscal deficit program has influenced the demand for medical services.

The Group's management takes into account domestic and international economic developments and adopts all necessary measures so as to limit the negative effects of the aforementioned crisis. Furthermore the inelastic nature of health services, combined with the Group's comprehensive and geographically, widely dispersed network, its appropriate management, the transfer of know-how between the Group, the complementarity in its activities, its unified scientific direction, its increased specialization, its prestigious medical and nursing staff, its latest generation technical equipment, its continuous improvement and development and its established brand name "EUROMEDICA", guarantee the achievement of its quantitative and qualitative objectives.

The most important Management plans regarding the Group's business strategy, for the current financial year (2013) are as follows:

- Efficient management of liquidity risk through successful renegotiation of the Group's bank liabilities and its credit terms with its main suppliers.
- Further reduction of the Group's operating costs, centralized negotiation of major contracts and cut of unproductive expenditures so as to enhance operating profitability.
- Expansion of the Group's operations into the field of medical tourism with the view to offer all inclusive packages to foreign patients.
- Acceleration of construction progress of the general clinic EUROMEDICA IONIOS GENIKI CLINIKI S.A., in Corfu.
- Continue construction works regarding the open and closed treatment rehabilitation centre, for the associate company KENTRO IATRIKIS APOKATASTASIS KABALAS – LYDIA S.A., in the region of Kavala, The centre will have bed capacity, 80. It is noted that the works are in their final stage and the centre is expected to start its operation within the third quarter of 2013.
- Continue construction works regarding an open and closed treatment rehabilitation centre, for the subsidiary company THISEFS APOTHERAPIAS KAI APOKATASTASIS S.A. with bed capacity, 60, in the region of Attiki. For this project, within the current fiscal year the subsidiary took a bank loan amounting to €8.300. It is estimated that the center will start operating within 2013.
- Successful completion of Management's discussions concerning new lines of credit.

Moreover Group's Management, taking into account both the unfavourable market circumstances as well as the Group's competitive advantages, decided within the context of strategic expansion of its business orientation, to emphasise upon its entry and establishment in selected foreign markets.

Towards this direction, Group's executives have began extensive rounds of investment discussions in countries such as Saudi Arabia, Katar, United Arab Emirates, Nigeria, Oman,

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Iraq and Libya. Group's management is considering expansion in the aforementioned markets, both through autonomous business presence and through ventures with private or public entities of these countries. Simultaneously, attempts are made to link the Group's Greek units to residents of foreign countries through relevant agreements, aiming at providing high quality medical services to foreign nationals. A successful recent example was the care of injured Libyans in Group's medical units.

Furthermore it should be mentioned that within the fiscal year 2012 the organization of Eniaios Organismos Parohis Ypiresion Ygias (E.O.P.Y.Y.) was established. E.O.P.Y.Y. unified, initially the four (4) largest social security insurance funds (I.K.A., O.A.E.E., O.G.A., O.P.A.D.) and other insurance funds followed. This together with the change in the private clinics' pricing of medical services, due to implementation of the "DRGs", is expected to have a positive impact on the Group's liquidity. An important step towards this direction is the legislative reform and the pressures of the International Monetary Fund and the European Union towards the Greek State to reduce fiscal deficit and settle its internal liabilities as well as all past liabilities of social security funds that have joined (E.O.P.Y.Y.), within set deadlines.

E. Group and Company research and development activities

During the fiscal year 2012, the Group and the Company, due to the nature of their business operations, did not incur any research and development expenses.

F. Company branches

During the fiscal year 2012, one (1) new branch was established. This is the newly established branch KENTRIKA ERGASTIRIA THESSALONIKIS.

By the end of the fiscal year 2012 the Company operated the following branches:

n/n	Branch Address	Subject of activity
1.	GENERAL CLINIC KYANOUS STAYROS	Relative to healthcare
2.	GENERAL CLINIC THESSALONIKI	Relative to healthcare
3.	GENERAL CLINIC ATHINAION	Relative to healthcare
4.	CLINIC PANAGIA	Relative to healthcare
5.	CENTRAL CLINIC THESSALONIKI	Relative to healthcare
6.	OBSTETRIC CLINIC MITERA KRITIS	Relative to healthcare
7.	GENERAL CLINIC ZODOHOS PIGI	Relative to healthcare
8.	OBSTETRIC CLINIC THEOMITOR	Relative to healthcare
9.	DIAGNOSTIC CENTER AGIAS PARASKEYIS	Medical profession exercise
10.	DIAGNOSTIC CENTER AMPELOKIPOI	Medical profession exercise
11.	DIAGNOSTIC CENTER GALATSIUO	Medical profession exercise
12.	DIAGNOSTIC CENTER EGKEFALOU	Medical profession exercise
13.	DIAGNOSTIC CENTER EGKEFALOU RETHIMNO	Medical profession exercise
14.	DIAGNOSTIC CENTER ELLINIKO	Medical profession exercise
15.	DIAGNOSTIC CENTER KIFISIA	Medical profession exercise
16.	DIAGNOSTIC CENTER PIRAEUS	Medical profession exercise
17.	DIAGNOSTIC CENTER PERISTERI	Medical profession exercise
18.	DIAGNOSTIC CENTER RENTI	Medical profession exercise
19.	DIAGNOSTIC CENTER SYNTAGMA	Medical profession exercise

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20.	DIAGNOSTIC CENTER POLIS	Medical profession exercise
22.	DIAGNOSTIC CENTER PAGRITIA HYGEIA	Medical profession exercise
22.	CENTRAL LAB THESSALONIKI	Medical profession exercise

At 31/12/2012 two (2) subsidiary companies of the Group operated branches, which are analyzed as follows:

Branches of the subsidiary company THESSALIKO KENTRO IATRIKIS APOTHERAPIAS KAI APOKATASTASIS S.A.

n/n	Branch Address	Subject of activity
1.	AROGI KARDITSAS	Health care practice

Branches of the subsidiary company ORASIS HELLENIC OPHTHALMOLOGICAL CENTER S.A..

n/n	Branch Address	Subject of activity
1.	EUROMEDICA-ORASIS P.FALIRO	Health care practice
2.	EUROMEDICA-ORASIS PERISTERI	Health care practice
3.	EUROMEDICA-ORASIS AMPELOKIPI	Health care practice

G. Treasury shares owned by the Group and the Company

The Company and the Group, by the end of fiscal year 2012, held 453.080 and 716.647 treasury shares respectively, which represent 2,1 % and 3,3 % accordingly, of the paid up share capital and were acquired for € 4.790 and € 8379 respectively. The market value of treasury shares held by the Company and the Group at the end of the year ended 31/12/2011 amounted to € 231 and € 364 respectively.

H. Financial Risk Management

The Group is exposed to various financial risks, of which the most significant are: unpredictable interest rates' fluctuations, credit risk, financial assets' price risk and liquidity risk. The managerial policies of the Group for dealing with those risks aim at minimizing the negative impact that those may have in the financial position and performance of the Group.

The Board of Directors draws up written principles regarding overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk, the use of derivative or non derivative financial instruments and excess liquidity investments.

Market risk

The macroeconomic and fiscal conditions of the Greek economy, according to the forecasts of the European Union, are expected to deteriorate further during the current fiscal year. An indication is offered by the forecasts for a 4,7% decline in Greece's GDP and an unemployment rate of 30%.

Moreover during the fiscal year 2012 and in particular on 18/12/2012 E.O.P.Y.Y. updated its pricing policy. According to the new policy the insured patients have to contribute with own funds to the medical expenses (DRGs). The contribution reaches, for the OGA insured patients 50% and 30% for the rest of the insured patients.

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The management of the Group, acknowledging the fact that the aforementioned adversities might influence the Group's operations and financial position, continuously updated its actions in order to ensure that the Group as well as the Company will maintain its market share. In line with this goal the Management of the Group, intends, by taking advantage of its high specialization, its prestigious medical and nursing staff and its latest generation technical equipment, to enter the sector of medical tourism. Appropriate agreements are being promoted with North Africa and countries of the Middle East. Those agreements, taking into account the successful results of the recent agreement with the Libyan embassy, will substitute for the potential decline in the number of Greek treated patients, due to the crisis, and will enhance the Group's and Company's liquidity.

Price risk

The Group is exposed to real estate price risk because of its significant real estate, which is presented in the consolidated statement of financial position under tangible assets and investment property items. The relative exposure of the Group is significantly reduced by the fact that the entire real estate of the Group is comprised of assets housing the clinics and diagnostic centers operated by the Group and there is no immediate plan for any disposals. Also the respective risk arising from the Group's investment property portfolio, even though it represents a relatively small fraction of its real estate, is essentially limited by the adopted strategy of the Management regarding such investments, which dictates real estate investments of long term horizon combined with short-term financial benefits mainly through the lease of property to selected tenants.

The Group is exposed to securities' price risk because of its investments in entities, which are included in its consolidated statement of financial position under "available for sale financial assets" and "financial assets at fair value through profit and loss" items. The Management of the Group monitors on a daily basis the prices of those financial assets traded in organized markets (stock exchange) and takes every appropriate action aiming to ensure satisfactory yields in relation to the time horizon of each investment.

On 31/12/2012 the available for sale financial assets included the investment in the share capital of the company IASO S.A. (5.315.532 shares of total value € 7.175), the shares of which are publicly traded in the Athens Stock Exchange. At that date, if the closing price of the subject shares was 1 % higher/lower and all other variables remained stable, the Equity of the Group would appear increased/decreased by approximately € 72.

The Group is exposed to price risk changes regarding equipment and other medical supplies, which get consumed while providing healthcare services. This risk is mainly dealt with, by a corresponding change in the selling prices of used inventory. The creation of the National Organization for the Provision of Healthcare Services (E.O.P.Y.Y.) combined with the introduction of the DRGs will increase price risk.

Cash flows and fair value interest rate risk

The Group holds short-term (usually weekly) cash deposits due to its increased cash requirements. Further to the aforesaid cash holdings no other significant interest-bearing assets are held and consequently the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The interest rate risk which the Group is exposed to, is increased by its short and long-term bank liabilities. It is noted that the Group through the parent company carries a convertible bond loan amounting to € 11.100 (valuated at 31/12/2012 to € 11.155), of fixed interest rate and conversion date, 20/7/2014. Due to the fixed interest rate, no interest rate risk exists.

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The remaining long and short-term bank liabilities of the Group are subject to volatile interest rates, a fact exposing the Group to cash flow interest rate risk.

On 31/12/2011, if the Group's bank liabilities' interest rates were 0,50 % higher/lower and all other variables remained stable, the after tax Results and the Equity of the Group would appear decreased/increased by approximately € 1.491, mainly because of increased/decreased debit interest cost that would emerge from loans with variable rate.

Credit risk

Credit risk is managed on group basis. Credit risk emerges from the credit exposures to retail customers, the financial situation of which is constantly monitored by the Group's companies.

Possible credit risk exists, related to the Group's and Company's cash & cash equivalent, arising from the unlikely possibility of a financial institution's default. In order to mitigate this risk, the Group, within the context of policies approved by its BoDs, sets limits to its exposure to different financial institutions. Additionally, the Group's deposits are placed only with financial institutions of high credit ratings.

The main income sources of the Group come from social security funds, individual customers and insurance firms. The Group has a significant concentration of its trade receivables, mainly due to the fact that most of these concern receivables from social security funds (E.O.P.Y.Y.) and insurance companies. The credit risk arising from receivables from social security funds and insurance companies is considered limited, since the discount that was applied within the fiscal year 2012, to the accumulated receivables of the Group from E.O.P.Y.Y. is considered an extraordinary measure, adopted due to the extremely adverse economic conditions.

Limited write off of receivables from individual customers is ensured, via the wide dispersion of the Group's customer basis and sufficient collateral where appropriate. Nevertheless, the Management of the Group, whenever it considers that the Group is exposed to high risk of non-collection of its trade receivables; it pledges sufficient collateral and makes appropriate provisions.

Liquidity risk

Availability of sufficient funding sources, as well as of cash and cash equivalent, are prerequisites for prudent liquidity risk management. Maintaining available funds for punctual payment of liabilities and consistent management of liquidity risk are considered of decisive importance for the Group's ability to continue as a going concern.

On 31/12/2012, the Group did not meet the financial covenants of its bank borrowings. In such an event the lenders are given the right to terminate the relevant loan agreements and make the borrowings repayable immediately. Therefore, by applying IAS 1 "Presentation of Financial Statements", the Group and the Company reclassified loans amounting to € 149.897 (2011: € 173.149) and € 128.174 (2011: €162.541) respectively, from "Long-term loans" to "Current portion of long-term debt".

Moreover, at the end of the fiscal year 2012 total current liabilities exceeded total current assets by the amount of € 314.860 (2011: € 274.929) and € 267.146 (2011: € 241.706) for the Group and Company respectively, taking into account the aforementioned reclassifications. Excluding these reclassifications, total current liabilities exceeded total current assets by the amount of € 164.963 (2011: €101.780) and € 138.973 (2011: € 79.254) for the Group and the Company respectively.

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Further information concerning the steps that the Group intends to undertake to enhance its liquidity is given in Note 7.

The Management of the Group taking into account the fact that the Company's shareholders' equity, by the end of the fiscal year 2012, was negative, mainly due to total impairment losses amounting to € 124 mil. which the Company incurred during the past four (4) fiscal years (2009 – 2012), as a result of the ongoing crisis present in Greece and the rest of the Euro zone, and also considering the adverse conditions in the money and capital markets, which render a share capital increase unlikely to be successful, intends during the current fiscal year, to undertake a series of steps to enhance the Groups liquidity and provide the Company with a stable and sustainable solution. Such steps include:

1. Further investigation of the prospects for a share capital increase, regardless the adverse conditions faced.
2. Renegotiations of the terms of a considerable portion of its existing bank loans, in view of extending the loans' repayment periods. The respective discussions are in an advanced stage and upon their completion, the Group, as well as the Company, are expected to strengthen their liquidity so as to be able to continue business operations as usual. After the completion of restructuring of the existing bank loans of the Group and the Company, the financing cost might change, as well as the collateral base.
3. Per case disinvestment in assets and equity interests, in cases of financially interesting proposals and reexamination of the Group's property management in view of enhancing its return.
4. Renegotiation of credit terms with the main suppliers of the Group, in view of converging its days payable and days sales outstanding. In the negotiations the Group's management takes into account E.O.P.Y.Y.s' collection schedule.
5. Administrative and organizational restructuring of the Group,. centralized negotiation of major contracts, and cutting down on operating and administrative costs aiming to further reduce operating costs and enhance operating results.
6. The expansion of the Group's health sector to new markets. The Management of the Group monitors closely the developments in the volatile economic and business environment and is constantly watchful so as to update and adopt its business strategy to the new facts. Taking into account the conditions prevailing in the Greek market, the heart of the Group's strategy involves the expansion of its operations to foreign markets and in particular to the Middle East. A turn towards medical tourism presents a priority for the Group's Management.

The following table demonstrates an analysis of financial liabilities in accordance with their contractual date of payment:

At 31/12/2011	Up to 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Loans	308.338	8.759	28.448	17.734
Suppliers and other liabilities	125.466	0	0	0
Other long-term liabilities	0	21.246	0	0

At 31/12/2010	Up to 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Loans	303.608	8.444	34.297	25.751
Suppliers and other liabilities	126.610	0	0	0
Other long-term liabilities	0	6.112	0	0

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I. Significant transactions between the Company the Group and related parties

The most significant transactions that occurred in the fiscal year ended 31/12/2012 between the Company the Group and related parties, as these are defined by the provisions of IAS 24, are as follows:

RELATED PARTIES	GROUP							
	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases	Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
EUROGENETIKI PROTIPO KENTRO EREVNON & EFARMOGON MORIAKIS VIOLOGIAS S.A.	0	(2)	99	(2)	56	(10)	201	(2)
MEDITRON S.A.	0	(1)	87	(13)	22	(1)	529	(13)
DORMED HELLAS S.A.	0		0	(1)	43	(1)	76	(1)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO KOZANIS IATRIKI S.A..	0		0		59	(3)	0	
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	0	(2)	0		135	(10)	4	(18)
MEDITREND S.A.	0		0		98	(1)	82	(1)
KENTRIKES IPIRESIES LARISAS S.A.	31	(2)	0		0	(2)	0	
KENTRO IATRIKI APOKATASTASIS KAVALAS LYDIA S.A.	0		0		7	(6)	0	
MEEFTIKI GINEKOLOGIKI KLINIKI LARISAS S.A.	0		674	(2)	319	(6)	546	
AXON HOLDINGS S.A.	0		437	(14)	324	(14)	0	(14)
AXON SECURITY S.A.	0	(9)	0		0		100	(9)
AXON EMPORIKI S..A	0		182	(9)	0	(11)	198	(11)
SONAK S.A.	0		0		25	(15)	217	(6)
GENIKI KLINIKI GAVRILAKI S.A.	0	(2)	0		239	(2)	185	(2)
NOSILEFTIKI AGIOS LOUKAS S.A.	0		0	(2)	1	(2)	0	
EUROMEDICA KARDIAS S.A.	0	(14)	0		0	(2)	1.047	(6)
EUROTHERAPIA S..A	0		0		802	(12)	0	
IPPOKRATIO DIAGNOSTIC	0	(7)	4	(7)	1.029	(6)	529	(7)
KERDOS EKDOTIKI S.A.	0	(7)	4	(7)	1	(7)	439	(7)
YGEIA AMPELOKIPON S.A.	0		0		22	(2)	0	
PROGENNITIKOA ELEGHOS S.A.	0		0		290	(2)	80	(2)
TOTAL	31		1.483		3.498		4.233	

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RELATED PARTIES	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases		Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
ELLINIKO OFTHALMOLOGIKO KENTRO ORASIS S.A.	12	(14)	0			268	(5)	0	
IPPOKRATIS IDIOTIKO DIAGNOSTIKO ERGASTIRIO PIRINIKIS S.A.	0		6	(2)		3	(3)	11	(2)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			32	(3)	0	
MELAMPOUS IATRIKI S.A.	0		0			38	(4)	0	
MEEFTIKI GINEKOLOGIKI KLINIKI LARISAS S.A.	0		0			145	(4)	0	
EUROMEDICA IDIOTIKO IATRIKO DIAGNOSTIKO ERGASTIRIO LARISAS IATRIKI S.A.	0		4	(2)		743	(3)	0	
						59	(2)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO PILIS AXIOU IATRIKI S.A.	11	(2)	26	(2)		206	(2)	198	(2)
						56	(3)		
GENESIS MAIEYTIKI GYNECOLOGIKI KLINIKI THESSALONIKIS S.A.	64	(2)	14	(2)		20	(2)	0	
						105	(3)		
EUROMEDICA AROGI KENTRO IATRIKIS APOTHERAPIAS KAI APOKATASTASIS S.A.	25	(2)	2.688	(2)		0		4.644	(2)
GENIKI KLINIKI DODEKANISOU S.A.	28	(6)	533	(2)		0		1.054	(2)
EURO PROCUREMENT S.A.	0		9.381	(1)		1.033	(3)	18.293	(1)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MAGNITIKIS TOMOGRAFIAS IATRIKI S.A.	0		3	(6)		0		1	(2)
EUROMEDICA PALEOU FALIROU IDIOTIKO POLIATRIO IATRIKI S.A.	354	(14)	445	(2)		456	(4)	0	
						57	(2)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			123	(3)	0	
YGEIA MAGNITIKI DIAGNOSI S.A.	0		0			27	(3)	0	
EUROMEDICA FINANCE S.A.	0		980	(9)		75	(6)	11.155	(9)
TOURISTIKES EPICHIRISIS DITIKIS MAKEDONIAS S.A.	0		0			326	(4)	1	(6)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ARISTOTELIO AXONIKOS TOMOGRAFOS IATRIKI S.A.	15	(2)	41	(2)		71	(2)	1	(6)
DATA DESIGN S.A.	0		667	(10)		365	(10)	0	
IONIA EUROMEDICA KORINTHOU IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			0		44	(2)
						148	(4)	0	
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDROUPOLIS IATRIKI S.A.	0		0			26	(3)	0	
THESSALIKO KENTRO IATRIKIS APOKATASTASIS S.A.	0		2.578	(2)		1.1198	(2)	1.381	(6)
KENTRO APOTHERAPIAS APOKATASTASIS IMERISIAS NOSILIAS S.A.	0		32	(6)		0		15	(6)
EUROMEDICA ANATOLIKIS ATTIKIS IDIOTIKO POLIATRIO IATRIKI S.A.	428	(2)	96	(2)		1.133	(2)	0	
IONIAN GENERAL CLINIC S.A.	0		0			167	(4)	0	

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COMPANY									
RELATED PARTIES	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases		Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
IATRIKI MEGARON IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			0		3	(2)
IONIA IDIOTIKO POLIATRIO IATRIKI S.A.	14	(2)	51	(2)		943	(4)	0	
						179	(3)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO EUROMEDICA GALINOS IATRIKI S.A.	0		0			0		1	(2)
IPPOKRATIS IDIOTIKO POLIATRIO IATRIKI S.A.	67	(2)	0			347	(2)	0	
IPPOKRATIS MAGNITIKI TOMOGRAFIA S.A.	0		0			4	(2)	0	
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			4	(3)	0	
IDIOTIKO POLIATRIO IATRIKI S.A.	0		5	(2)		18	(3)	6	(2)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MEDINET KAVALAS IATRIKI S.A.	0		0			40	(3)	10	(6)
EUROMEDICA APOKATASTASI ACHAIAS KENTRO IATRIKIS APOTHERAPIAS & APOKATASTASIS S.A.	3	(14)	0			219	(4)	0	
ZOI GENIKI & OGOLOGIKI IDIOTIKI KLINIKI S.A.	0		0			6	(4)	0	
EUROMEDICA ALBANIA HOLDINGS S.A.	3	(14)	0			32	(6)	0	
IONIA EUROMEDICA IDIOTIKO POLIATRIO IATRIKI S.A.	0		0			0		34	(2)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			0		28	(2)
IDIOTIKO POLIDIAGNOSTIKO ERGASTIRIO EUROMEDICA SERRON IATRIKI S.A.	0		0			1	(2)	0	
DIAGNOSTIKO KENTRO LARISAS S.A.	0		0			2	(2)	0	
NEVROPSYCHIATRIKI KLINIKI A.PISSALIDIS-A.KARIPI S.A.	60	(14)	0			0		0	
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDRIO IATRIKI S.A.	16	(2)	69	(2)		662	(4)	228	(2)
						224	(14)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO DITIKIS THESSALONIKIS IATRIKI S.A.	110	(14)	37	(2)		198	(2)	0	
AXONIKI DIAGNOSI S.A.	0		0			258	(4)	0	
EUROMEDICA KENTRO APOTHERAPIAS & APOKATASTASIS S.A.	2	(14)	0			5.716	(17)	0	
VOGIATZIS IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			18	(3)	0	
D.S. SIOVAS AKTINODIAGNOSTIKO ERGASTIRIO S.A.	0		0			6	(5)	0	
S.A. POROXIS IATRIKON IPIRESION APOTHERAPIAS & APOKATASTASIS	0		0			869	(3)	0	
S.K.D.S. S.A.	6	(14)	0			39	(3)	0	
GENIKI NOSILEFTIKI NOSILEFTIKON IPIRESION S..A	0		0			9	(6)	0	
EUROMEDICA GULF HOLDINGS S.A.	0		0			33	(4)	145	(2)
EUROMEDICA GALATSIU IDIOTIKO POLIATRIO IATRIKI S.A	0		0			4	(6)	0	
ALFA NEFRODINAMIKI S.A.	20	(2)	0			31	(6)	0	

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COMPANY									
RELATED PARTIES	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases		Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
EUROMEDICA ΚΟΣΜΗΤΙΚΗ ΙΔΙΩΤΙΚΟ ΠΟΛΥΙΑΤΡΕΙΟ ΙΑΤΡΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	0		0			91	(2)	0	
EUROGENETIKI PROTIPO KENTRO EREVNON & EFARMOGON MORIAKIS VIOLOGIAS S.A.	0		0			10	(2)	47	(2)
MEDITRON S.A.	0		0			0		87	(13)
DORMED HELLAS S.A.	0		0			0		53	(1)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO KOZANIS IATRIKI S.A..	0		0			57	(3)	0	
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	0		0			2	(2)	0	
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	0		0			0		2	(2)
MEDITREND S.A.	0		0			0		63	(1)
KENTRIKES IPIRESIES LARISAS S.A.	0		0			5	(2)	0	
KENTRO IATRIKI APOKATASTASIS KAVALAS LYDIA S.A.	0		0			7	(6)	0	
AXON HOLDINGS S.A.	0		422	(14)		380	(14)	0	
AXON SECURITY S.A.	2	(9)	0			0		100	(9)
AXON EMPORIKI S..A	0		174	(14)		766	(11)	0	
SONAK S.A.	0		0			23	(6)	215	(6)
GENIKI KLINIKI GAVRILAKI S.A.	4	(2)	53	(2)		8	(2)	143	(2)
EUROMEDICA KARDIAS S.A.	2	(14)	0			2	(2)	1.055	(6)
EUROTHERAPIA S..A	17	(12)	0			802	(12)	0	
KERDOS EKDOTIKI S.A.	0		0			1	(7)	57	(7)
PROGENNITIKOS ELEGHOS S.A.	0		0			78	(6)	10	(6)
TOTAL	1.489		18.276			18.386		40.622	

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DESCRIPTION OF THE ABOVE BALANCES

- (1) Trade transactions in medical consumables, sanitary material and medical services
- (2) Trade transactions related to rendering medical services.
- (3) Dividend payout receivables/ payables.
- (4) Amounts on account of future share capital increase.
- (5) Cash facilities.
- (6) Other transactions.
- (7) Expenses and liabilities from receipt services from publications in daily press
- (8) Expenses and liabilities from receipt of stock market transaction services
- (9) Interest expenses and liabilities due to the issuance of a bond loan by the subsidiary companies EUROMEDICA FINANCE No. 1 S.A. and AXON SECURITY S.A.
- (10) Expenses and liabilities from the receipt of IT support services.
- (11) Expenses and advance payments on account of the construction and renovation of premises of hospital units and diagnostic centers.
- (12) Expenses and liabilities from operating lease agreements and obligations of medical equipment.
- (13) Expenses and liabilities from the receipt of medical equipment maintenance services
- (14) Transactions from real estate lease.
- (15) Expenses and liabilities from purchase of software.
- (16) Expenses and liabilities from the receipt of accounting and consulting services.
- (17) Receivables property sale

Description of the most important balances

The companies of EUROMEDICA Group purchase by its subsidiary EUROPROCUREMENT S.A. the bulk of their needs in prosthetic surgical materials, hemodynamic laboratory materials, ophthalmic transplants, healthcare sanitary material and other consumables.

The parent company of the Group has a claim of € 429 against AXON HOLDINGS S.A. which regards advance rent payments.

The liability of € 1.099 towards the Company EUROMEDICA KARDIAS S.A. regards cash facilities.

The business activities of AXON DEVELOPMENT S.A. are related to construction. The above written off claim of € 731 concerns advance payments against the construction and renovation of buildings owned by the Group. These projects include architectural, mechanical and electrical studies as well as the supervision, project management and construction of buildings.

The liability of € 11.000 of the Parent Company to the subsidiary company Euromedica Finance No1 S.A. (with registered offices in Luxembourg) concerns the biggest part of the convertible bond loan of € 11.100, which is part of the long term bank debt restructuring. On 31/12/2012 the fair value of the liability amounted to € 11.155..

J. Composition of Company share capital

The share capital of the Company, after taking into account the reduction of capital with simultaneous decrease in its shares' nominal value, which took place during the fiscal year 2012, amounts to € 17.456.328,00 (amount in Euros) and is divided in 21.820.410 shares, of nominal value € 0,80 each. The Company's' shares are publicly traded and have been placed under supervision by the Athens Stock Exchange as of its 5/4/2012 resolution.

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The rights of the shareholders of the Company are proportional to the percentage of capital corresponding to the paid share value. Each share offers all rights provided by Law and by the Company's articles of association and more specifically:

- The right over the dividend from the annual or liquidation profits of the Company. These are calculated as at least equal to 35% of profits after tax and after the deduction of the statutory reserve. This amount is distributed by the Company as first dividend, while the distribution of additional dividend is decided by the Shareholders' General Meeting. Every shareholder recorded in the registry of Company shareholders is entitled to dividend, at the date when dividend beneficiaries are declared. The dividend is paid to the shareholder within 2 months from the date the Regular Shareholders' General Meeting approves the annual financial statements. The manner and place of dividend payment is announced through the Press. The right of claim elapses after 5 years starting from the end of the year that the Shareholders' General Meeting approved the profit distribution.
- The right over the proceeds of liquidation or accordingly over the capital amortization corresponding to each share, if decided by the Shareholders' General Meeting.
- The pre-emptive right in every Share Capital increase
- The right to receive a copy of the financial statements, the independent auditors' reports and the Board of Directors of the Company Report.
- The General Meeting of Company Shareholders maintains all its rights during liquidation, according to the Company's articles of association.

The responsibility of Company shareholders is limited to the nominal value of the shares they possess.

K. Limitations in Company's' shares transfer

Transfer of Company shares is settled according to the provisions of Law and there are no limitations in their transfer arising from the Company's articles of association.

L. Significant Direct or Indirect Participations pursuant to articles 9 - 11 of L. 3556/2007

The shareholders, individual persons or legal entities holding directly or indirectly a percentage larger than 5% of the share capital, during the fiscal year 2012, are the following:

- Thomas Liakounakos, direct equity interest of 0,4387% in the share capital and indirect equity interest through companies and individuals of 65,3188%.
- AXON HOLDINGS S.A., direct equity interest of 47,6200% in the share capital
- HEALTHCARE INVESTORS (Greece) L.L.C., direct equity interest of 10,1839% in the share capital
- CQS Convertible and Quantitative Strategies Master Fund Limited, direct equity interest of 9,3949% in the share capital.
- SONAK S.A., direct equity interest of 10,8104% in the share capital.

M. Shares offering special control rights

There are no company shares offering special control rights to their holders.

N. Limitations in voting rights

The Articles of Association do not impose any limitations in voting rights neither do any arise from any shareholders' contract that the Company has knowledge of.

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O. Agreements between Company shareholders

With the exception of the Shareholders' Agreement mentioned in paragraph (K) above, the Company has no knowledge regarding the existence of agreements between its shareholders, resulting in limitations of share transfers or voting rights.

P. Rules regarding appointment and replacement of Board of Directors' members and Articles of association amendments

The rules provided by the company's articles of association regarding the appointment and replacement of Board of Directors' Members as well as Articles of association amendments, are not differentiated from the provisions of Law. 2190/20.

Q. Power of the Board of Directors or of specific members of the Board of Directors to issue new shares or purchase treasury shares

A. According to the provisions of article 13 paragraph.1 elements b and c of Law. 2190/1920 combined with the provisions of the Company's articles of association, its Board of Directors has the right, by decision of the General Meeting taken by majority of 2/3 of its total members, to increase the share capital through issuance of new shares. In this case the share capital can be increased up to the amount of the paid up capital at the date that the power was granted to the Board of Directors. The power to the Board of Directors can be renewed by the General Shareholders' Meeting for a time period not exceeding five years for every renewal. The Company has issued a bond loan convertible in company shares. In case of conversion right exercise from the side of the bondholders, the issue of new shares takes place in accordance with the relative legislation.

B. According to the provisions of article 13 paragraph.13 of Law. 2190/1920, by decision of the General Meeting, a share distribution program, to members of the Board of Directors and personnel, can be initiated in the form of stock options according to the specific terms of this decision. The decision of the General Meeting sets the maximum number of shares that can be issued, which according to Law (article 16 of Law. 2190/1920) cannot exceed one tenth 1/10 of the existing shares, if the beneficiaries exercise the stock option right, the price and the distribution terms.

R. Important agreements activated, modified or expired in case of change in the control of the company following a Public Offer

No such agreements exist.

S. Agreements with members of the Board of Directors or with personnel which allow for compensation in the event of resignation or dismissal without a grounded reason, or termination of service or employment due to public offer.

There are no agreements between the Company and members of the Board of Directors or Company personnel allowing for compensation in case of resignation or dismissal without valid reason or termination of service or employment following a Public Offer.

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Corporate Governance Statement
(in accordance with Article 2, paragraph 2, Law 3873/2010)

Corporate Governance is the overall processes and systems, on the basis of which a company should be organized and managed. Corporate Governance directs the relationship between the Shareholders, Board of Directors' members, and the management team of a company.

According to Law 3873/2010 article 2 of paragraph. 2, the Board of Directors of EUROMEDICA S.A. (hereinafter, "the Company"), declares the following:

A. Code of Corporate Governance Applied by the Company

1. Code Applied and distribution location

Pursuant to resolution (1Θ) of the Company's Board of Directors meeting dated on 31.01.2011 The Company decided to voluntarily adopt, and since applies the **Code of Corporate Governance** which was drafted at the initiative of the Hellenic Federation of Enterprises (SEV) in collaboration with Athens Stock Exchange. Investors can access the relevant code from the website of the Athens Stock Exchange (www.ase.gr), the website of SEV (www.SEV.org.gr) and it will also be available on the Company's website www.euromedica.gr.

It is clarified that the SEV's code of Corporate Governance was published on January 2011 and was adopted by the Company pursuant to resolution of the Company's Board of Directors No: 1Θ/31.01.2011. The date of its adoption and application by the Company is 1st of February 2011. Before this date, the Company voluntarily applied the principles of Corporate Governance as those are indicated in the draft code that was put to public consultation on August 2010.

2 General description of applied code

The Code of Corporate Governance includes the following eleven (11) general principles:

- (I) Role and responsibilities of the Board
- (II) Size and composition of the Board
- (III) Role and profile of the chairman of the Board
- (IV) Duties and conduct of Board members
- (V) Nomination of Board members
- (VI) Functioning of the Board
- (VII) Board evaluation
- (VIII) Internal control system
- (IX) Level and structure of remuneration
- (X) Communication with shareholders
- (XI) The general meeting of shareholders.

The general principles include the general guidelines on the aforementioned issues, which are specialized by the special practices which concern only listed companies, as provided by the Code.

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B. Deviations from adopted Code and Company's special practices

The Company applies the Code of Corporate Governance as drafted by SEV in relation to which it has introduced limited deviations and special practices, as described in detail below. Moreover, since the Company in 2010 was not included in the indices FTSE / ATHEX 20 and FTSE / ATHEX Mid 40, it made partial use of the exemptions from the provisions of SEV, as those exemptions are detailed in annex I of SEV's Corporate Governance Code.

For the best possible understanding of the exemptions introduced, this document follows the order and numbering of the special practices of SEV's Code of the Corporate Governance C:

Section A' – The board and its members

1. Role and responsibilities of the board

1.2 The Company has not established a committee for leading the process for board appointments and for proposing to the board the remuneration of executive board members and key senior executives. The reasons are listed below, under item 5.4 of this statement.

2. Size and composition of the board

2.1 The company is managed by a Board of Directors which consists of eight members (8), consistent with the proposed by SEV practice, for a 7 to 15 members board. However the election of one additional member is under consideration.

2.2 Out of the 8 member of the board, (4) are executive and four (4) non-executive members, including two (2) independent non-executive members. The Board of Directors does not consist in its 1 / 3 of independent non-executive members, which presents a deviation from the proposed by SEV code of practice. The Company believes that an increased number of independent non-executive members would lead to increase of costs, and furthermore, that the above composition is sufficiently broad given the range of operational issues that the Board of Directors manages. Nevertheless, the composition of the board is and will remain in the case of an additional member, fully consistent with the provisions of Law 3016/2002, as well as article 10 of the Company's Articles of Association. Moreover a ratio between independent and non independent members is observed.

3. Role and profile of the chairman of the board

3.1 The distinction of the chairman's responsibilities of from those of the Managing Director is detailed in the Guide of internal rules and regulation of the Company, which is in the process of being updated. The Company has appointed two managing directors. The duties of the Chairman and of the one of the two directors are fulfilled by one person.

3.3 The Company has not appointed an independent vice-chairman from among its independent board members, even though the chairman is an executive member and also a managing director. The appointment of an independent vice-chairman would consequently lead to an increase in the number of board members, which is considered appropriate in view of those mentioned above (under 2.1)

3.4 Since an independent vice-chairman does not exist the current special practice cannot be applied.

5. Nomination of board members

5.1 The term of the board members is three years, which is fully consistent with the proposed by the Code of Corporate Governance maximum 4 year tenure. Thus, the renewal of the board's tenure by ordinary General Meetings is feasible.

5.4 The Company has not established a board committee with nomination and remuneration functions.

This deviation is due to the company's shareholder structure as well as the significant additional costs involved for setting up such a committee.

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Nevertheless, the Company is considering the possibility of establishing a board committee with nomination and remuneration function in its next General Shareholders' Meeting.

5.5 to 5.8 Given that no board committee with nomination and remuneration functions exists, the current special practices cannot be applied.

6. Functioning of the board

6.1 The Company does not prepare an annual calendar of meetings nor a 12-month agenda. As indicated by the Code

This deviation is attributed to the fact that due to the nature of the Company's business operations the Board of Directors is often forced to take decisions on extraordinary issues, which are not possible to predict. Moreover, advanced scheduling might deprive the board of its flexibility.

6.2 Furthermore the management of the Company has not appointed a company secretary, since it does not consider the existence of an intermediate coordinator between the President, the members of the board and the various committees as necessary.

Coordination, communication and organization of the Company's BoD and shareholders' meetings are performed by the Company's financial department, under the president's and Managing director's supervision.

6.3 Given that no company secretary exists, the current special practice cannot be applied.

Section B' - Internal Control

Internal control system

1.2 The Company has established a three-member audit committee in accordance with the provisions of Article 17 of Law 3693/2008, the Company's risk management system is also part of its responsibilities. The committee is composed of two non-executive members and one independent non-executive member who presides the Committee. The composition of the Audit Committee deviates from the recommended practice for composition in majority of independent non-executive directors. However the Company plans to adopt the proposed practice during the next election of its members.

The Company, for purposes of internal control of its procedures, has established an Internal Audit Unit ("Department of Internal Audit"), which has been appointed for this purpose in accordance with the provisions of Law 3016/2002

Section C - Remuneration

1.4 There is no board committee with nomination and remuneration functions, as mentioned in paragraph 5.4 above, which proposes to the BoD a framework for determining the remuneration of the BoD's members.

1.6 The Company has not established a Remuneration Committee for the reasons stated in paragraph 5.4 above.

1.7 - 1.9. Since there is no board committee with nomination and remuneration functions, the current special practices cannot be applied.

1.11 The remuneration report of the BoD is not included in the current Corporate Governance Statement, since the implementation of the relevant special practice of the CGC has been postponed until the first review of the Code, which is expected in 2013. Consultation around the review have began and will last until 15.4.2013. the review will be effective for fiscal periods beginning on or after 1.1.2013.

C. Corporate Governance Practices implemented by the Company in addition to the provisions of law

In addition to the provisions of the Law, the Company implements the following corporate practices:

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1. The Company has established the Strategic Planning Committee, which proposes to the Board policies regarding short and long term development of the Company. The composition of the Strategic Planning Committee is as follows (initially 5 members and currently 3):

- Thomas Liakounakos, President,
- Iakovos Ioannatos, Member,
- Paraskevi Paka, Member

2. The Company's articles of association provide for the Company's Board of Directors, tenure of 3 years, with maximum extension until the first ordinary General Meeting which will come to session after expiry of their tenure. In this way, a frequent evaluation of the board members efficiency, by the General Meeting, is indirectly achieved. The General Meeting may periodically renew the appointment of efficient Board Members and terminate of those who failed to deliver the expected results.

D. Description of the Company's control and risk management systems in relation to the process of financial statements' preparation.

The Company has established and implements a specific procedure for the preparation of its financial statements (consolidated and stand alone) as well as its Financial Report. All of the Company's units (branches) use unique software, which makes possible the automated consolidation of data entered by each unit. The Company and other Group companies also make use of unique front office software. For back office use however, the software is not unique, which makes the automated consolidation of data entered by each Group company, partially possible. Regardless, the Company repeatedly and thoroughly crosschecks the entered data and controls the items to be eliminated (intra-group transactions, receivables and payables, etc.). Subsequent to data collection, processing and analysis, the financial statements and data tables contained in the Economic Report are issued. Following the completion of audit procedures, the Financial Report including the financial statements is presented to the Board for approval.

In view of the above, the Company has established an Audit Committee as well as a Compliance and Risk Management Committee, which are responsible for proper operation of the control and risk management systems.

The main features of these systems, implemented by the Company, in relation to the process of financial statements' preparation are:

- Selection of experienced executives with clearly separated roles and areas of responsibility.
- Regarding the audit of Financial Statements:
- Preparation and update of procedures' model relating to the generation of financial results.
 - Regular review of accounting principles and policies.
 - Adoption of safeguards relative to the security of information systems used.
 - Regular communication of the Independent Certified Auditors with Management and the Audit Committee.
 - Regular meetings regarding the validation and recording of significant estimates affecting the financial statements.
 - Development of uniform accounting principles for all Group companies and centralized management of those principles.
- Regarding Risk Management:
- Development of risk management models and documentation of their implementation.

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E. Information required by article 10, paragraph 1, points (c), (d), (f), (h) and (i) of Directive 2004/25/EC

(c) The significant direct and indirect shareholdings in the Company on 31/12/2012 (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/ EC, and Articles 9 and 11 of Law 3556/07, i.e. shareholders holding directly or indirectly more than 5% of the total voting rights of the Company are the following:

- Thomas Liakounakos, holding direct stake of 0,4387% in the share capital and indirect, through controlled legal and natural entities, of 65,3188%.
- «AXON HOLDINGS S.A.», holding direct stake of 47,6200% in the share capital.
- «HEALTHCARE INVESTORS LLC holding direct stake of 10,1839% in the share capital.
- «CQS CONVERTIBLE AND QUANTITATIVE STRATEGIES MASTER FUND LTD», holding direct stake of 9,3949% in the share capital.
- «SONAK S.A.», holding direct stake of 10,8104% in the share capital.

(d) Euromedica has not issued any securities with special control rights.

(f) In accordance with the Company's Articles of Association there are no restrictions on voting rights.

(h) Rules governing the appointment and replacement of board members and the amendment of the articles of association, in accordance with Codified Law 2190/1920 and law 3604/2007, are analyzed as follows:

(i) The Board of Directors after its election by the General Meeting, elects at its first meeting the Chairman and Vice Chairman, as well as up to two Directors or Executive Directors.

(ii) When the Chairman is absent or hindered from exercising his duties, he is substituted by the Vice-Chairman. If the Vice-Chairman is also absent or hindered, he as well is substituted by a member of the board, appointed by the Board.

(iii) The Chairman, Vice Chairman and Chief or Executive Officer are always re-electable.

(iv) In case where, after resignation, death, or for any other reason, a Director from those elected by the General Meeting, ceases participating in the Board of Directors, the remaining Directors, provided that there are at least three (3), elect someone else to cover the vacancy for the remaining period until the expiry of the tenure of the substituted Director.

The decision of election in such manner is announced by the Board of Directors in the following Shareholders' General Meeting, which can replace the elected Director. The acts of the Director who has been elected in such manner are considered valid, without any approval of his election by the General Meeting being needed.

(v) In the above case, subject to the provisions of paragraph 3 Law 3016/2002, substitution is not mandatory and the remaining members of the board may continue the administration and representation of the entity without substitution of the lacking members, provided that their number exceeds the half of the members, as they were before the afore-mentioned events. In any case these members are not allowed to be less than three (3).

(i) According to the Company's Articles of Association:

(i) As stated in Article 6, paragraph 1.a and Article 6.a paragraph 2.b (b) of the Company's Articles of Association, during the first five years (5 years) from its legal establishment, the Company's Board of Directors has the right to decide by a majority of two thirds (2 / 3) of all its members: (a) the increase of share capital, wholly or in part through issue of new shares and (b) the issue of a bond loan through convertible bonds in accordance with Article 3 of Law 2190/1920. The amount of increase or bond loan, respectively, may not exceed the amount of the initial paid up share capital. These powers of the Board may also be delegated to it by the General Meeting of the Company's Shareholders. In such a case, the share capital may be increased by the amount of the paid up capital at the time the relevant power was granted to the Board. These powers of the Board may be renewed by the General

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Meeting of the Company's Shareholders for a period not exceeding five (5) years for each renewal.

(ii) As stated in Article 6.a paragraph 1 of the Company's Articles of Association, an ordinary or convertible loan can be decided either by (a) decision of the General Meeting which has been obtained by the usual quorum and a majority of articles 29 paragraph 1 and 2 and 31 paragraph 1 of Law 2190/20, or (b) decision of the Board of Directors. According to Article 6.a paragraph 2.a, 2.b. a convertible bond loan issue, is decided upon by a General Meeting of Shareholders having the quorum and majority required by Article 23 paragraph 2 and 24 paragraph 2 of the Company's Articles of Association.

(iii) Exceptionally, when reserves exceed one fourth (quarter) of the paid un share capital, a decision of the General Assembly having the quorum and majority voting provided for in Article 23 paragraph 2 and 24 paragraph 2 of the Company's Articles of Association, is always required.

(iv) In accordance with the provisions of paragraphs 1 to 9 of Article 16 of law 2190/20 and the specific terms and conditions stated in those paragraphs, the companies listed in the Athens Stock Exchange may, by decision of their shareholders' General meeting, acquire own shares through the Athens Stock Exchange, the nominal value of which may not exceed one tenth 1 / 10 of the company's paid up share capital. The Company's articles of association have no other provisions relevant to this issue.

F. Operational procedures of Shareholders General Meetings and its Key Powers –Shareholders' Rights

(1) Institutional Framework

The General Meeting of the shareholders is the supreme body of the Company, represents the whole of the shareholders and decides upon any matter that concerns the Company. Its legal resolutions are binding for all shareholders.

The convening and decision making of the Shareholders' General Meeting is in accordance with the provisions of Codified Law 2190/20, as amended and effective. Since the Annual General Meeting of 2011, the provisions of Law 3884/2010 are additionally applied.

(2) General Meeting Responsibilities

The General Meeting has conclusive competence in the following cases:

- a) Decision regarding modifications of the Company's Articles of Association,
- b) Increase or decrease in share capital (except for increases in accordance with Article 6 paragraph 1 of the Articles of Association, as mentioned above in G (i), as well as the increase required by other laws' provisions.
- c) Election of Board of Directors and Auditors,
- d) Approval of annual financial statements,
- e) Approval of after tax profits' distribution,
- f) Decision on matters concerning convertible bond loan issues (except in the case of Article 6a paragraph 2b of the Article of Association),
- g) Merger, demerger, change in legal structure, extension of operating period or dissolution of the Company,
- h) Decision regarding appointment of liquidators,
- i) Decisions regarding any other matter specified by law or by the Company's Articles of Association.

(3) Convening notice for General Meeting

The General Meeting is convened, in accordance with the relevant provisions of Law 2190/1920.

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The Company ensures timely notification of shareholders, by following the required by Law press publications of the General Meeting convening notice. Moreover the Company makes the General Meeting convening notice available from its website. The Convening notice among others clarifies the way in which the shareholders will be able to participate to the meeting and exercise their rights in person or through a representative.

The General Meeting is met in an ordinary session at least once a year within, maximum, six (6) months from the end of the equivalent accounting period. The Board of Directors convenes an extraordinary General Meeting, anytime it considers it necessary. Upon application of the shareholders representing the 1/20 at least of the paid in share capital or the Auditors of the Company, the Board of Directors is obliged to convene an extraordinary General Meeting.

(4) Shareholders' Participation – Decision making

Each shareholder may participate in the General Meeting regardless of the shares he possesses. During the General Meeting each shareholder can ask questions or give opinions on matters on the agenda. The shareholders may be represented at the General Meeting by another person, appropriately authorized.

The General Meeting of the Shareholders is found at quorum and comes to valid session on the issues of the agenda, when shareholders representing at least one fifth (1/5) of the paid in share capital are present or represented, except in cases specified by law and the articles of association (Article 23 paragraph 2) where enhanced quorum is required. If no such quorum exists, then the General Meeting adjourns the session and meets again within twenty (20) days from the date of the adjourned meeting. Such repetitive Meeting is found at quorum and comes to valid session on the issues of the initial agenda regardless the part of the paid share capital represented therein.

The General Meeting decides by absolute majority of the votes represented therein, with exception of the cases defined by Law and the Company's Articles of Association (paragraph 2, article 23), for which, in accordance with paragraph 2, article 24 of the Company's Articles of Association, enhanced majority is required.

The President, elected by the General Meeting, presides at the General Meeting and is assisted by a secretary who executes duties of a teller.

Minutes of the General Meetings are recorded in the book of minutes and signed by the Chairman and the Secretary of the General Meeting. Any member of the General Meeting may apply for a registered copy of the Minutes.

(5) Shareholders' rights

A description of the Company's shareholders' rights can be found in the Company's Articles of Association and in Codified Law 2190/1920.

Z. Composition and Operation of the Board of Directors and its Committees

Z.1 Board of Directors

1. Statutory framework

The BoD is the supreme body of the Company's Management. The role of the BoD and his members is specified in Chapter C', articles 9-16 of the Company's Articles of Association and in chapter «RESPONSIBILITIES-ORGANIZATION CHART» of the Company's internal operating regulation, which is currently updated.

2. Meetings

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The BoD meets at regular intervals and at least 3 times a month, to inform, examine and take decisions on all matters which, according to the Company's Articles of Association and the its internal operating regulation, are in its jurisdiction. During the year 2012 in all the meetings of the BoD, there was a quorum.

3. Responsibilities

The main non-delegated responsibilities of the Board of Directors include:

- Approval, with the assistance of the strategic planning committee, of the Company's long-term strategic and operational objectives,
- Preparation of annual budget,
- Appointment and / or discharge of executive Directors,
- Approval of financial statements,
- In collaboration with the Company's Audit and Risk Management committee, offer assurance regarding effectiveness of the Company's internal control and risk management systems,
- Approval of major capital expenditures, beyond the usual course of business,
- Deciding upon and implementing mergers, acquisitions and disposals of a significant portion of assets,
- control, and protect corporate interests and address potential conflicts of interest between the Company, its management and its main shareholders,
- Monitoring effectiveness of the administration system
- Decisions regarding transfer powers and duties to officers.

4. Responsibilities of members

The Board of Directors operates with collective responsibility without its members separating their responsibilities towards others. Each and every member devotes to his/her duties the time and attention required in order to perform them effectively. Moreover the members act independently and impartially. The Board of Directors receives timely, accurate and complete information in order to perform its duties, especially regarding matters affecting the prospects and financial position of the Company. The Board members refrain from taking serious outside professional commitments. No member participates in the BoD or management of another company, other than companies associated with the Company. The only exceptions are Mr. Ioannis Sossides and Mr. Ioannis Evangelaras, (during the fiscal year of 2012 the later participated in the BoD) who have been known and accepted to participate in the management of non-profit organizations and/or companies, whose statutory purpose and operational activity is completely different from the purpose and activities of the Company and its affiliated companies.

5. Composition

The composition of the Board on 31/12/2012 was as follows:

- Konstantinos Zarakovitis, Chairman and A' Managing Director, Executive member
- Vasilios S. Tsimpikakis, Vice-Chairman, Executive Member
- Spiridon I. Kotrotsios, Vice Chairman & B' Managing Director
- Ekaterini J. Kehayia, Executive member,
- Vasiliki N. Stamataki, Executive member,
- Nikolaos Th. Liakounakos, Non executive member
- Ioannis C. Sossidis, Non executive member
- George N. Hadjinicolaou, Non executive member

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- Ioannis Evangelaras, Independent Non-Executive
- Constantinos Leontios, Independent Non-Executive
- Maria Kontomou, Independent Non-Executive

The composition of the Board is fully consistent with the provisions of Law 3016/2002 on corporate governance of listed companies, according to which the Board should be composed by at least 1/3 of non-executive members and include at least 2 independent non-executive members. The independence of non-executive members is determined by the criteria set by the provisions of Law 3016/2002 and the Corporate Governance Code of SEV.

6. Members Curriculum Vitae

Vasilios Tsimpikakis, Vice Chairman of the BoD

Mr. Vasilios Tsimpikakis holds a degree in civil engineering and an Msc in management. He has 20 years experience from managerial positions and board of directors' memberships, related to various subjects and fields. He has been working in the medical sector since 2003, initially as Administration Manager and later on as Managing Director of GENESIS clinic in Thessaloniki. He was the Chairman of the Company since November 2011 and from November 2011 to June 2012 and thereafter he has been Vice Chairman.

Spyridon Kotrotsios, Vice Chairman of the BoD & Managing Director

Mr Spyridon Kotrotsios is a graduate of Business Administration from the Aristotle University of Thessaloniki and holds an Msc in Medical Administration from University of Pittsburg U.S.A. From January 2007 to January 2011, he was a General Manager of Euromedica Geniki Kliniki Dodekanisou and from January 2011 to November 2011 he was an administrative manager of Geniki Kliniki Kianous Stavros Thessalonikis. Since November 2011 he was Managing Director of the Company and Vice chairman of its BoD and from July 2012 he has been B' Managing Director of the Company.

Vasiliki Stamataki, Executive member

Ms Vasiliki Stamataki was born in Piraeus in 1954. Studied economics in DERE E AMERICAN COLLEGE and holds a Bsc in Business Administration and a Bsc in Economics. During her professional life she was a high ranking administrative manager in many of Euromedica Group's companies. Ms Stamataki, due to her long lasting professional service in the Group contains valuable specialized experience regarding the Group.

Vasiliki Stamataki - Executive member

Ms. Vasiliki Stamataki was born in Pireous 1n 1955. She studied economics at DERE E AMERICAN COLLEGE and holds a BSc in Business Administration and a BSc in Economics. In the course of her career she passed through various companies of the Group holding senior management positions. Ms. Vasiliki Stamataki possesses specialized experience of the Group due to her longlasting business relationship with it.

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Nikolaos Liakounakos, - Member of Board - Non executive member

Mr. Nikolaos Liakounakos holds a degree in Business Administration from Suffolk University of Boston and an MSc in Health Economics from London School of Economics. During his career he held a managerial position at the Company's Financial Analysis department, he was a regional manager at various of the Group's rehabilitation Centers as well as manager at various of the Group's Diagnostic Centers. He has been a member of the BoD since June 2012.

Ioannis Sossidis, Member of Board - Non executive member

Mr. Ioannis Sossidis is a member of the Lawyer's Association of Thessaloniki. He holds a law degree from Democritus University of Thraki and has completed postgraduate studies in International Economics and Public Law in Strasbourg. He is a member of the Board of the Company since 1999.

Constantine Leontes, Member of Board - Independent Non-Executive member

Mr. Constantine Leontes is a graduate of Industrial High School in Piraeus (AVSP). Since 1986 he has been working as an accountant - Accounting Manager in various companies, and has also studied economics at the University of Athens (ASOEE). From his graduation until now he has been a controller and financial consultant to several companies and since 1978 owns a company offering Tax and Accounting services. He is a member of the Board of Directors of the Company since May 2010.

7. Tenure

The current Board of Directors was elected pursuant to resolutions No 7D and 7E, 11 and 11A of the Company's board of directors' meeting, dated 01.11.2011, as published in the Government Gazettes No 8897/24.8.2012 and No 12125/17.11.2011. The Boards tenure expires on the date of the first ordinary Annual General Meeting of shareholders that will come to session during the first half of 2015 (until 30.06.2015).

G.2 Board Committees

The Company, consistent with the Code of Corporate Governance, has established committees consisting of Board members, for the promotion of its corporate operations. Pursuant to the resolution taken by the Ordinary General Meeting dated 29.6.2012, the Company has established, in accordance with the provisions of Article 17 of Law 3693/2008, a three-member Audit Committee which has been also assigned with risk management responsibilities.

The Company has also established, pursuant to resolutions by the Ordinary General Meeting dated 29.6.2012 and the Board of Directors with No. 1Θ/31.01.2011, a Compliance and Risk Management Committee, the main duties of which include, monitoring the Company's compliance with the provisions of existing legislation and managing business and other risks that arise from the Company's provided services. Below are listed, the committees composition, its duties and powers as well as the terms and conditions of its operation.

(1) Audit Committee

The Committee consists of 1 independent non-executive member and 2 non executive members. The composition of the Audit Committee during 2012 (after 29/6/2012) was the following:

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- Konstantinos Leontios, Chairman, independent non-executive member
- Nikolaos Liakounakos, non-executive member
- Ioannis Sossidis, non-executive member

The composition of the Audit Committee before the election on 29/6/2012 was the following:

- Ioannis Evaggelaras, Chairman, independent non-executive member
- Ioannis Sossidis, non-executive member
- Georgios Hatzinikolaou, non-executive member

The Board of Directors has delegated to the Audit Committee the following duties and powers:

- Monitoring the process of financial reporting,
- Monitoring the effective operation of the Company's internal control system, the efficiency of the internal auditor and studying his/her reports,
- Monitoring the progress of the statutory audit of the stand alone and consolidated financial statements,
- Reviewing and monitoring issues concerning the objectivity and independence of the external auditors or audit firms, particularly regarding the provision of other services to the Company by the certified auditor or audit firm,
- Making proposals to the Board on the appointment or replacement of external auditors as well as their fees,
- Supervising proposals of the Finance Director to the Board, regarding accounting principles followed and inspecting the Company's transactions with related parties, so as to ensure that these are within the range dictated by the Company's usual course of business,
- Receiving reports from the external auditor or audit firm on any matters relating to the progress and outcome of the statutory audit as well as reports on any weaknesses regarding the Company's system of internal control, and in particular weaknesses concerning procedures related to financial reporting and preparation of financial statements.

During fiscal year 2012, the Audit Committee met four (4) times, during which there was a quorum

(2) Compliance and Risk Management Committee

The Board of Directors recognizing the need for thorough and daily supervision of the Company's compliance with the complex and often changing corporate and stock exchange legislation as well as the need to diagnose and assess business risks and develop ways to address them, decided to establish the Compliance and Risk Management Committee and delegating it with the above responsibilities. The composition of the Committee in 2012 (after 29/6/2012) was as follows:

- Constantinos Kafiras
- Paraskevi Katsarou
- Anastasia Pasalari

The composition of the Committee before the election on 29/6/2012 was the following:

- Constantinos Kafiras
- Konstantinos Leontios
- Paraskevi Katsarou

The Committee's term shall last for one year and will be valid until the next Annual General Meeting.

Since the Company's compliance with current legislation as well as management of its business risks, are more appropriately and effectively implemented on a common basis, the Compliance and Risk Management Committee of the Company and its parent AXON HOLDINGS SA. is composed by the same members.

The Committee has the following duties and powers:

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- Being constantly up to date with corporate and stock exchange legislation,
- Ensuring, before their publication that the Company's actions comply with the relevant applicable laws and the Company's Articles of Association,
- Supervising the investors' relation department of the Company,
- Controlling the transactions' monitoring and reporting procedures,
- Processing models of risk management and overseeing their implementation,
- Identifying and resolving any conflicts of interest between Board members or directors of the Company and the Company.

Z.3 Evaluation of performance of the Board of Directors and its committees

The Company shall annually evaluate the effectiveness of the Board and its committees. The evaluation process is based on an assessment of the proper execution of the duties and obligations assigned to each committee. The process is headed by the President and the evaluation results are discussed by the BoD. The President supervises the measures taken to deal with weaknesses of administration. Accordingly, the Board of Directors evaluates the performance of the President, a process which is headed by non-executive members. Finally, non-executive directors meet once a year without the presence of executive members to assess the performance of the latter. On a per case basis, the Company may assign the assessment of the committees and the Board itself to qualified experts.

Z.4 Internal control system

The Company in order to reinforce the sense of security among its minority shareholders, it regularly reviews its internal control system, i.e. the set of procedures laid down to ensure the effectiveness and efficiency of corporate operations, the reliability of the Company's financial reporting and its compliance with applicable laws and regulations. The Board of Directors with the help of the Audit Committee has inspected the systems of control, including financial, operational, compliance and risk management systems, for risks which threaten the Company's objectives as well as the accuracy, completeness and validity of information provided to investors. The Company operates an Internal Control Department (supervisor Alexandra Berberidou).

During 2012, in accordance with provisions of Law 2238/1994 (par. 5 article 82), external auditors have been assigned with the Company's tax audit. No other non audit or consulting service was provided to the Group by external auditors.

Athens, 27 March 2013

The Chairman of the Board & A' Managing Director

The Vice President of the Board

Konstantinos Zarakovitis
I.D. No X 220651

Tsimpikakis Vasilios
I.D. No AE 163834

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We confirm that the above 11 page Director's Report is the one mentioned in the Auditors report which we issued on 29 March 2013.



BDO Hellas Certified Public Accountants S.A
8 Achilleos Str & L.Katsoni Str, 17674 Kallithea
SOEL Reg.Number 153

The Certified Public Accountant

Giannakoulopoulos Vasilios
Reg.Number 24571

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of «EUROMEDICA S.A.»

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of 'EUROMEDICA S.A.', which comprise of the separate and consolidated statement of financial position as at December 31, 2012, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements, in order to design audit procedures appropriate to the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

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

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of 'EUROMEDICA S.A.' and its subsidiaries as at December 31, 2012 and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

We draw your attention to Note 7 of the accompanying financial statements, referring in detail to the following:

- a) The Company's total equity is lower than 1/10 of the Company's share capital and preconditions of application of requirements of article 48 of Codified Law 2190/1920 are coming into force.
- b) Total current liabilities of the Company and the Group exceed their total current assets by € 267.146 th. and € 314.860 th. respectively.

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- c) Short term liabilities of the Company and the Group amounting to € 98.187 th. and € 133.013 th. respectively are overdue, of which, amounts of € 53.755 th. and € 60.555 th. respectively, refer to overdue liabilities to bank institutions.

With respect to the above the management has initiated a series of actions, as described in detail in Note 7 of the accompanying financial statements, so as to ensure the Company's and Group's ability to continue as a going concern. The successful completion of these actions is not guaranteed with certainty and therefore the existing conditions suggest material uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern.

Our opinion is not qualified in relation to those matters.

Report on Other Legal and Regulatory Requirements

- a) The Corporate Governance Statement is included in the Board of Directors Annual Report and it provides the information required in the article 43a of Codified Law 2190, paragraph 3d.
b) We have verified the consistency of the content of the Board of Directors' Report with the accompanying separate and consolidated financial statements in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, March 29, 2013



Hellas Certified Public Accountants S.A
8 Achilleos Str & L.Katsoni Str, 17674 Kallithea
SOEL Reg.Number 153

The Certified Public Accountant

Giannakoulopoulos I. Vassilios
Reg. Number 24571

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ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2012

IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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Group's and Company's Statement of Comprehensive Income

	Note	GROUP		COMPANY	
		1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
STATEMENT OF COMPREHENSIVE INCOME					
Sales	8	209.539	191.956	128.791	110.451
Less : cost of sales	9	(153.212)	(165.820)	(102.978)	(105.204)
Gross Profit		56.327	26.137	25.813	5.247
Other operating income	10	4.709	5.428	2.248	2.398
		61.036	31.565	28.061	7.644
Administrative expenses	11	(24.541)	(25.480)	(10.856)	(10.072)
Selling expenses	12	(11.887)	(25.196)	(1.458)	(18.345)
Other operating expenses	13	(26.179)	(11.366)	(16.917)	(2.679)
Operating results		(1.571)	(30.476)	(1.171)	(23.452)
Finance cost	14	(24.187)	(24.335)	(18.384)	(18.428)
Result of ordinary activities		(25.758)	(54.811)	(19.554)	(41.880)
Income (Loss) from investments	15	(25.406)	(60.557)	(43.424)	(33.831)
Profit before tax		(51.164)	(115.369)	(62.979)	(75.711)
Income tax expense	16	(2.506)	(6.581)	1.310	(3.584)
Profit for the year		(53.670)	(121.950)	(61.669)	(79.295)
Attributable to:					
- Owners of the parent		(55.227)	(118.690)	(61.669)	(79.295)
- Non-controlling interests		1.557	(3.260)	0	0
Other comprehensive income:					
Change in value of available-for-sale financial assets	23	3.667	0	3.667	0
Revaluation of fixed assets	18	(12.212)	(8.546)	(5.505)	(6.693)
Income tax on other total income	16	3.445	1.701	2.101	1.339
Other comprehensive income for the year, net of tax		(5.099)	(6.845)	263	(5.355)
Total comprehensive income for the year		(58.769)	(128.795)	(61.405)	(84.649)
Attributable to:					
- Owners of the parent		(57.813)	(124.898)	(61.405)	(84.649)
- Non-controlling interests		(956)	(3.897)	0	0
Earnings per share (€ per share)					
Basic	17	(2,6169)	(5,6245)	(3,0430)	(3,8272)

The notes from page 46 up to page 116 represent an integral part of the annual condensed financial statements.

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Group's and Company's Statement of Financial Position

STATEMENT OF FINANCIAL POSITION		GROUP		COMPANY		
ASSETS		Note	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-current assets						
Property, plant and equipment	18	354.534	395.494	121.457	140.231	
Intangible assets	19	2.875	3.353	2.181	2.424	
Goodwill	20	26.485	50.871	(0)	22.761	
Investment in subsidiaries	21	0	0	101.535	120.459	
Investment in associates	22	4.184	4.360	2.525	2.525	
Available for sale financial assets	23	9.560	6.080	9.387	5.905	
Investment property	24	4.610	2.377	4.919	5.620	
Long-term receivables	25	996	2.036	601	591	
Deferred income tax assets	16	3.001	2.492	0	0	
Total non-current assets		<u>406.244</u>	<u>467.064</u>	<u>242.605</u>	<u>300.517</u>	
Current assets						
Inventories	26	3.140	4.241	2.145	2.641	
Trade and other receivables	27	199.024	155.742	138.882	107.959	
Financial assets at fair value through profit or loss	28	31	19	8	8	
Cash and cash equivalents	29	6.716	6.442	2.832	1.448	
Total current assets		<u>208.912</u>	<u>166.445</u>	<u>143.866</u>	<u>112.055</u>	
TOTAL ASSETS		<u>615.156</u>	<u>633.508</u>	<u>386.471</u>	<u>412.571</u>	
EQUITY AND LIABILITIES						
EQUITY						
Share capital	30	17.456	67.643	17.456	67.643	
Share premium		57.247	57.247	57.247	57.247	
Other Reserves	31	32.518	39.017	9.977	13.381	
Retained earnings / (losses)		(145.821)	(144.602)	(129.307)	(121.493)	
Treasury shares	32	(8.379)	(8.379)	(4.790)	(4.790)	
Total equity attributable to equity holders of the Company		<u>(46.979)</u>	<u>10.927</u>	<u>(49.417)</u>	<u>11.989</u>	
Non-controlling interests		61.387	62.024	0	0	
Total equity		<u>14.407</u>	<u>72.951</u>	<u>(49.417)</u>	<u>11.989</u>	
LIABILITIES						
Long-term liabilities						
Borrowings	33	38.538	54.941	12.900	10.079	
Post-employment benefits	34	5.845	7.177	4.089	5.252	
Deferred income tax liabilities	16	18.881	25.438	4.195	10.012	
Government grants	35	7.110	7.000	50	65	
Provisions for other liabilities and charges	36	4.267	3.381	2.384	2.099	
Other long-term liabilities	37	2.335	21.246	1.257	19.315	
Total long-term liabilities		<u>76.976</u>	<u>119.184</u>	<u>24.875</u>	<u>46.822</u>	
Short-term liabilities						
Trade payables & other liabilities	38	174.750	125.466	130.582	81.862	
Borrowings	33	141.841	111.850	107.448	88.353	
Current portion of long-term debt	33	192.376	196.489	165.694	180.583	
Current income tax liabilities		14.805	7.569	7.289	2.963	
Total short-term liabilities		<u>523.773</u>	<u>441.374</u>	<u>411.013</u>	<u>353.761</u>	
Total liabilities		<u>600.749</u>	<u>560.557</u>	<u>435.887</u>	<u>400.583</u>	
TOTAL EQUITY AND LIABILITIES		<u>615.156</u>	<u>633.508</u>	<u>386.471</u>	<u>412.571</u>	

The notes from page 46 up to page 116 represent an integral part of the annual condensed financial statements.

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Group's Statement of Changes in Equity

	Share capital	Share premium	Differences from revaluation of partitions & securities	Statutory reserve	Convertible bond loan reserve	Merger reserve	Tax reserves	Revaluation of investments at fair value reserve	Revaluation of real estate property at fair value reserve	Retained earnings / (losses)	Treasury shares	Non-controlling interests	Total
Balance as at 1st January 2011	67.643	57.247	782	3.595	1.062	7.963	4.202	(0)	44.434	(39.696)	(8.400)	65.616	204.449
Total comprehensive income after tax for the year	0	0	0	0	0	0	0	0	(9.551)	(115.347)	0	(3.897)	(128.795)
Dividends paid	0	0	0	0	0	0	0	0	0	(6)	0	(1.071)	(1.077)
Formation of reserves through appropriation	0	0	0	77	0	0	(13.473)	0	0	13.396	0	0	0
Settlement of reserves	0	0	0	0	0	0	3	0	0	11	0	(6)	7
Movement in treasury shares	0	0	0	0	0	0	0	0	0	(6)	21	0	16
Change of equity interest in existing subsidiaries	0	0	0	(20)	0	0	2	0	(60)	(2.954)	0	1.382	(1.650)
Balances as at 31st December 2011	<u>67.643</u>	<u>57.247</u>	<u>782</u>	<u>3.651</u>	<u>1.062</u>	<u>7.963</u>	<u>(9.266)</u>	<u>(0)</u>	<u>34.824</u>	<u>(144.602)</u>	<u>(8.379)</u>	<u>62.024</u>	<u>72.951</u>
Balance as at 1st January 2012	67.643	57.247	782	3.651	1.062	7.963	(9.266)	(0)	34.824	(144.602)	(8.379)	62.024	72.951
Total comprehensive income after tax for the year	0	0	0	0	0	0	0	4.667	(7.257)	(55.227)	0	(956)	(58.772)
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	(354)	(354)
Formation of reserves through appropriation	0	0	0	49	0	0	(2.909)	0	0	2.860	0	0	0
Settlement of reserves	0	0	0	0	0	0	(10)	0	(1.041)	1.042	0	(9)	(18)
Reduction of share capital with offsetting losses	(50.187)	0	0	0	0	0	0	0	0	50.187	0	0	0
Own shares sold	0	0	0	0	0	0	0	0	0	0	0	(282)	(282)
Change of equity interest in existing subsidiaries	0	0	0	8	0	0	2	0	(9)	(82)	0	964	884
Balances as at 31st December 2012	<u>17.456</u>	<u>57.247</u>	<u>782</u>	<u>3.708</u>	<u>1.062</u>	<u>7.963</u>	<u>(12.183)</u>	<u>4.667</u>	<u>26.517</u>	<u>(145.821)</u>	<u>(8.379)</u>	<u>61.387</u>	<u>14.407</u>

The notes from page 46 up to page 116 represent an integral part of the annual condensed financial statements.

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Company's Statement of Changes in Equity

	Share capital	Share premium	Differences from revaluation of partitions & securities	Statutory reserve	Tax reserves	Merger reserve	Convertible bond loan reserve	Revaluation of investments at fair value reserve	Revaluation of real estate property at fair value reserve	Retained earnings / (losses)	Treasury shares	Total
Balance as at 1st January 2011	67.643	57.247	782	2.693	3.604	7.963	1.062	0	16.104	(55.661)	(4.801)	96.638
Total comprehensive income after tax for the year	0	0	0	0	0	0	0	0	(5.355)	(79.295)	0	(84.649)
Movement in treasury shares	0	0	0	0	0	0	0	0	0	(11)	11	0
Formation of reserves through appropriation	0	0	0	0	(13.474)	0	0	0	0	13.474	0	0
Balances as at 31st December 2011	<u>67.643</u>	<u>57.247</u>	<u>782</u>	<u>2.693</u>	<u>(9.870)</u>	<u>7.963</u>	<u>1.062</u>	<u>0</u>	<u>10.750</u>	<u>(121.493)</u>	<u>(4.790)</u>	<u>11.989</u>
Balance as at 1st January 2012	67.643	57.247	782	2.693	(9.870)	7.963	1.062	0	10.750	(121.493)	(4.790)	11.989
Total comprehensive income after tax for the year	0	0	0	0	0	0	0	4.667	(4.404)	(61.669)	0	(61.405)
Settlement of reserves	0	0	0	0	0	0	0	0	(810)	810	0	0
Reduction of share capital with offsetting losses	(50.187)	0	0	0	0	0	0	0	0	50.187	0	0
Formation of reserves through appropriation	0	0	0	0	(2.857)	0	0	0	0	2.857	0	0
Balances as at 31st December 2012	<u>17.456</u>	<u>57.247</u>	<u>782</u>	<u>2.693</u>	<u>(12.727)</u>	<u>7.963</u>	<u>1.062</u>	<u>4.667</u>	<u>5.535</u>	<u>(129.307)</u>	<u>(4.790)</u>	<u>(49.417)</u>

The notes from page 46 up to page 116 represent an integral part of the annual condensed financial statements.

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Group's and Company's Cash Flow Statement

	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Cash flow from operating activities:				
Profit before tax	(51.164)	(115.369)	(62.979)	(75.711)
Plus (less) adjustments for:				
Depreciation and amortization	17.517	18.104	9.207	9.321
Provisions	22.395	22.326	11.026	17.935
Loss (gain) from disposal of fixed assets	313	253	0	173
Loss (gain) from valuation from owner occupied property	10.859	6.205	6.187	528
Loss (gain) from valuation from investments in property	398	107	701	301
Impairment of subsidiaries	0	0	19.866	11.198
Impairment of available for sale financial assets	439	4.110	196	4.110
Gain from participating in associate companies	261	5.971	0	3.070
Impairment of available for sale financial assets	24.390	48.184	22.761	13.200
Income from investments	0	(436)	(99)	(1.150)
(Income) expenses, (gain) loss from investments	(95)	2.621	0	3.102
Amortization of government grants	(280)	(326)	(16)	(15)
Debit interest and other related expenses	24.187	24.335	18.384	18.428
	<u>49.222</u>	<u>16.086</u>	<u>25.233</u>	<u>4.491</u>
Plus / less adjustments for changes in working capital or concerning operating activities:				
Decrease / (increase) in inventories	1.081	1.771	495	1.103
Decrease / (increase) in receivables	(68.829)	2.434	(43.627)	3.400
Decrease / (increase) in long - term assets	1.025	589	(10)	595
(Decrease) / increase in payables (less loans)	36.651	10.450	33.857	10.842
(Less):				
Debit interests and other related expenses paid	(11.722)	(19.245)	(6.199)	(13.267)
Income taxes paid	(0)	0	0	(0)
Net cash in / out from operating activities (a)	<u>7.428</u>	<u>12.085</u>	<u>9.750</u>	<u>7.164</u>
Cash flows from investing activities				
Acquisitions of subsidiaries, affiliates, joint ventures and other investments	(267)	(528)	(408)	(848)
Purchase of tangible & intangible assets	(1.587)	(11.136)	0	(3.376)
Proceeds from tangible and intangible assets sales	62	625	0	361
Proceeds from sale of investments and financial assets	533	99	0	(25)
Interest received	54	77	2	6
Proceeds from government grants	390	2.677	(0)	0
Dividends received	0	0	355	754
Net cash from investing activities (b)	<u>(815)</u>	<u>(8.188)</u>	<u>(51)</u>	<u>(3.127)</u>
Cash flows from financing activities				
Proceeds from / Repayment of borrowings	(1.128)	(9.768)	(4.852)	(7.757)
Repayment of finance lease liabilities	(5.210)	(2.372)	(3.457)	(355)
Dividends paid	0	0	(7)	(15)
Net cash generated from financing activities (c)	<u>(6.339)</u>	<u>(12.140)</u>	<u>(8.316)</u>	<u>(8.127)</u>
Net increase / (decrease) in cash & cash equivalents (a)+(b)+(c)	<u>274</u>	<u>(8.243)</u>	<u>1.384</u>	<u>(4.090)</u>
Cash & cash equivalents at beginning of period	<u>6.442</u>	<u>14.685</u>	<u>1.448</u>	<u>5.538</u>
Cash & cash equivalents at end of the period	<u><u>6.716</u></u>	<u><u>6.442</u></u>	<u><u>2.832</u></u>	<u><u>1.448</u></u>

The notes from page 46 up to page 116 represent an integral part of the annual condensed financial statements.

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Company Information

Board of Directors:

ZARAKOVITIS KONSTANTINOS	(President & A' Managing Director)
TSIMPIKAKIS VASILIOS	(Vice President &)
KOTROTSIOS SPIRIDONAS	(B'Managing Director)
STAMATAKI VASILIKI	(Executive member)
LIAKOUNAKOS NIKOLAOS	(Non executive member) (
SOSSIDIS IOANNIS	(Non executive member)
LEONTIOS KONSTANTINOS	(Independent non executive member)
KONTOMOU MARIA	(Independent non executive member)

Registered office: Mesogeion Avenue 2-4
115 27 Athens
Greece

S.A. Reg. Number: 8429/06/B/86/50

Auditing Firm: **BDO** Hellas Certified Public Accountants S.A
8 Achilleos Str & L.Katsoni Str
176 74 Kallithea
Greece

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1. General description of the Group and the Company

The core business of the Group of Companies **EUROMEDICA S.A.** regards the establishment, organization and operation of clinics and scientific centres, equipped with advanced technology, as well as the provision of medical services of every nature.

The Registered office of the parent Company of **EUROMEDICA S.A.** Group (the Company or the Parent Company), is at 2-4 Mesogion Avenue in Athens.

The shares of the Parent Company are publicly traded and have been placed under supervision by the Athens Stock Exchange as of its 5/4/2012 resolution.

The consolidated financial Statements of the Company are included in the consolidated financial statements of its parent company AXON HOLDINGS S.A., which, as of 31/12/2012, participated, directly and indirectly, with a percentage of 54,8 % in the share capital of the Company and has its registered offices in Greece (12 Amerikis Street, Athens).

2. Basis of financial statements preparation

2.1 General

The attached annual consolidated and stand alone financial statements for the fiscal year ended 31/12/2012 have been prepared in accordance with the historical cost principle, with the exception of specific categories of tangible assets (buildings and land) and certain investments in shares and property that were accounted for at fair value. Also, the aforementioned financial statements have been prepared on a going concern basis (Note 7).

The attached annual consolidated and stand alone financial statements for the fiscal year ended 31/12/2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board and adopted by the European Union as well as the Interpretations published by the Standards Interpretations Committee with effective date 31st December 2012.

All figures in the annual financial statements are expressed in thousands of euro. It is noted that minor deviations are due to rounding up of figures.

2.2 Statutory Financial Statements

The Company, the subsidiaries and its associate companies prepare their accounting books according to the Greek Commercial Law (C.L. 2190/1920) and the current tax legislation. By 1st of January 2005, companies included in consolidated financial Statements are required, according to the terms of the current legislation, to prepare their statutory Financial Statements according to the IFRS that have been adopted by the European Union. Consequently, the aforementioned annual Financial statements are based on the financial statements that are prepared by the companies according to the current tax legislation, on which all the proper non-accounting entries/adjustments have been made so as to be reconciled with the IFRS.

2.3 Use of estimates

The preparation of the Financial Statements according to the IFRS requires the Management of the Company to make estimates and assumptions that influence the reported amounts on the statement of financial position and the statement of comprehensive income, as well as

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the disclosure of contingent receivables and liabilities at the reporting date. These estimates and assumptions are based on experience and other factors and data which are considered reasonable and revised in regular time intervals. The effect of the revisions of the adopted estimates and assumptions is recognized in the year that they are realised or even in the next, if the revision influences not only the present but also the next fiscal years. The segments that require higher degree of judgment as well as the segments where the assumptions and the estimates are significant to the financial statements are analyzed in paragraph "Important accounting estimates, assumptions and judgements of the Management" in Note 5.

2.4 Approval of the Financial Statements

The annual consolidated financial statements of the year ended 31st December 2012 (1/1-31/12/2012) have been approved for publication by the Board of Directors on 27 March 2013.

2.5 New standards, interpretations and amendments of existing standards

New standards, interpretations and amendments of existing standards which are mandatory for accounting years that begin on or after January 1, 2012, are presented in detail in the Annual Financial Report for the period ended 31 December 2011, which is available in the Company's website.

A) Standards and Interpretations effective for the current financial year

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

This amendment sets out disclosure requirements for transferred financial assets not derecognized in their entirety as well as on transferred financial assets derecognized in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment does not affect the financial statements the Group.

IAS 12 Income Taxes (Amended) (effective for annual periods beginning on or after 1 July 2012)

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale.

A) Standards and Interpretations effective for the periods beginning or after 1 January 2013

IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after July 1, 2012).

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The amendment affects presentation only and has no impact on the Group's financial position.

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IAS 19 (Amendment) “Employee Benefits” (effective for annual periods beginning on or after January 1, 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after January 1, 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IFRS 7 (Amendment) “Financial Instruments: Disclosures” (effective for annual periods beginning on or after January 1, 2013)

The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognized financial assets and recognized financial liabilities, on the entity’s financial position. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after January 1, 2015)

IFRS 9 is the first phase of the International Accounting Standards Board’s (“IASB”) 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 will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 13 “Fair Value Measurement” (effective for annual periods beginning on or after 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. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IFRIC 20 “Stripping costs in the production phase of a surface mine” (effective for annual periods beginning on or after January 1, 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation does not apply to the Group and the Company

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C) Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after January 1, 2013). The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. The main provisions are as follows:

IFRS 10 “Consolidated Financial Statements”

The 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. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IFRS 11 “Joint Arrangements”

The 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. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IFRS 12 “Disclosure of Interests in Other Entities”

The 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. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) “Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities. These amendments have not yet been endorsed by the EU.

IFRS 10, IFRS 12 and IAS 27 (Amendment) “Investment entities” (effective for annual periods beginning on or after 1 January 2014)

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value

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through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make. These amendments have not yet been endorsed by the EU.

IAS 27 (Amendment) “Separate Financial Statements”

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 IASB relocated to IAS 27 requirements from IAS 28 “Investments in Associates” and IAS 31 “Interests in Joint Ventures” regarding separate financial statements. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

IAS 28 (Amendment) “Investments in Associates and Joint Ventures”

The amendment IAS 28, 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. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

D) Amendments to standards that form part of the IASB’s 2011 annual improvements project. The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB’s annual improvements project. These amendments are effective for annual periods beginning on or after January 1, 2013 and have not yet been endorsed by the EU:

IAS 1 “Presentation of financial statements”

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 “Accounting policies, changes in accounting estimates and errors” or (b) voluntarily

IAS 16 “Property, plant and equipment”

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

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IFRS 7 (Amendment) “Financial Instruments: Disclosures”

This amendment sets out disclosure requirements for transferred financial assets not derecognized in their entirety as well as on transferred financial assets derecognized in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment does not affect the financial statements the Group.

IAS 12 Income Taxes (Amended) (effective for annual periods beginning on or after 1 July 2012)

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale.

A) Standards and Interpretations effective for the periods beginning or after 1 January 2013

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3. Group Structure

The Group **EUROMEDICA S.A.** includes the following companies:

COMPANY	REGISTERED OFFICE	PRINCIPAL ACTIVITY	PART/PATION PERCENTAGE	CONS/DATION METHOD	TYPE OF PART/PATION
EUROMEDICA S.A.	Athens	Medical services	Parent	Full	-
I. Subsidiary companies					
ORASIS HELLENIC OPHTHALMOLOGICAL CENTER S.A..	Athens	Medical services	82,0%	Full	Direct
IPPOKRATIS CENTER OF NUCLEAR MEDICINE S.A.	Thessaloniki	Medical services	60,0%	Full	Direct
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	Volos	Medical services	40,3%	Full	Direct
MELAMBUS MEDICINE S.A.	Larisa	Medical services	74,2%	Full	Direct & Indirect
EUROMEDICA IDIOTIKO IATRIKO DIAGNOSTIKO ERGASTIRIO LARISAS IATRIKI S.A.	Larisa	Medical services	70,0%	Full	Direct
IDIOTIKO DIAGNOSTIKO ERGASTIRIO PILIS AXIOU IATRIKI S.A.	Thessaloniki	Medical services	74,3%	Full	Direct & Indirect
GENESIS MAIEYTIKI GYNECOLOGIKI KLINIKI THESSALONIKIS S.A.	Thessaloniki	Medical services	50,0%	Full	Direct
EUROMEDICA AROGI KENTRO IATRIKIS APOTHERAPIAS KAI APOKATASTASIS S.A.	Thessaloniki	Medical services	45,9%	Full	Direct & Indirect
GENIKI KLINIKI DODEKANISOU S.A.	Rhodes	Medical services	59,8%	Full	Direct
EURO PROCUREMENT S.A.	Athens	Trading of medical equipment and supplies	100,0%	Full	Direct & Indirect
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MAGNITIKIS TOMOGRAFIAS IATRIKI S.A.	Volos	Medical services	39,0%	Full	Direct

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EUROMEDICA PALEOU FALIROU IDIOTIKO POLIATRIO IATRIKI S.A	P.Faliro	Medical services	49,0%	Full	Indirect
IDIOTIKO DIAGNOSTIKO ERGASTIRIO - IATRIKI S.A.	Serres	Medical services	47,0%	Full	Direct
YGEIA MAGNITIKI DIAGNOSI S.A.	Ptolemaida	Medical services	49,0%	Full	Direct
EUROMEDICA FINANCE No 1 S.A.	Luxembourg	Financial Services	100,0%	Full	Direct
TOURISTIKES EPICHIRISIS DITIKIS MAKEDONIAS S.A.	Numfaio	Hospitality services	99,7%	Full	Direct
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ARISTOTELIO AXONIKOS TOMOGRAFOS IATRIKI S.A.	Thessaloniki	Medical services	68,2%	Full	Indirect
DATA DESIGN S.A.	Athens	Production of IT systems	80,0%	Full	Indirect
IONIA EUROMEDICA KORINTHOU IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	Korinthos	Medical services	41,5%	Full	Indirect
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDROUPOLIS IATRIKI S.A.	Alexandroupoli	Medical services	35,5%	Full	Direct
THESSALIKO KENTRO IATRIKIS APOKATASTASIS S.A.	Larisa	Medical services	100,0%	Full	Direct
KENTRO APOTHERAPIAS KAI APOKATASTASIS IMERISIAS NOSILIAS S.A.	Larisa	Medical services	100,0%	Full	Direct & Indirect
EUROMEDICA ANATOLIKIS ATTIKIS IDIOTIKO POLUIATRIO IATRIKI S.A.	Pikermi	Medical services	80,2%	Full	Indirect
EUROMEDICA IONIOS GENIKI KLINIKI EKMETALEYSHS KAI LEITOURGIAS FOREON YGIONOMIKIS MERIMNAS S.A.	Corfu	Medical services	57,1%	Full	Direct
IATRIKI MEGARON -IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	Megara	Medical services	100,0%	Full	Direct & Indirect
IONIA IDIOTIKO POLUIATRIO S.A.	Elefsina	Medical services	100,0%	Full	Direct
IDIOTIKO DIAGNOSTIKO ERGASTIRIO EUROMEDICA- GALINOS IATRIKI S.A.	Trikala	Medical services	47,0%	Full	Direct
POLIDIAGNOSTIKO KENTRO PIERIAS S.A.	Katerini	Medical services	66,9%	Full	Indirect
IDIOTIKI NEUROPSYXIATRIKI KLINIKI KASTALIA S.A.	Karditsa	Medical services	50,0%	Full	Direct
IPPOKRATIS IDIOTIKO POLUIATRIO IATRIKI S.A.	Nikaia	Medical services	49,3%	Full	Direct
IPPOKRATIS MAGNITIKI TOMOGRAFIA S.A.	Nikaia	Medical services	43,1%	Full	Indirect
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	Volos	Medical services	40,0%	Full	Direct
IDIOTIKO POLIATRIO IATRIKI S.A.	Mitilini	Medical services	39,1%	Full	Direct
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MEDINET KAVALAS IATRIKI S.A.	Kavala	Medical services	39,0%	Full	Direct
EUROMEDICA APOKATASTASI ACHAIAS KENTRO IATRIKIS APOTHERAPIAS & APOKATASTASIS S.A.	Athens	Medical services	99,9%	Full	Direct & Indirect
ZOI GENIKI & OGOLOGIKI IDIOTIKI KLINIKI S.A.	Thessaloniki	Medical services	67,7%	Full	Direct & Indirect
EUROMEDICA ALBANIA HOLDINGS S.A.	Athens	Medical services	99,0%	Full	Direct
IONIA EUROMEDICA IDIOTIKO POLIATRIO IATRIKI S.A.	Aspropyrgos	Medical services	49,3%	Full	Indirect
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	Corfu	Medical services	37,4%	Full	Direct
IDIOTIKO POLIDIAGNOSTIKO ERGASTIRIO EUROMEDICA SERRON IATRIKI S.A.	Serres	Medical services	47,0%	Full	Direct

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DIAGNOSTIKO KENTRO LARISAS S.A.	Larisa	Medical services	42,0%	Full	Indirect
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDRIO IATRIKI S.A.	Thessaloniki	Medical services	69,4%	Full	Direct
IDIOTIKO DIAGNOSTIKO ERGASTIRIO DITIKIS THESSALONIKIS IATRIKI S.A.	Thessaloniki	Medical services	44,4%	Full	Direct
AXONIKI DIAGNOSI S.A.	Thessaloniki	Medical services	100,0%	Full	Direct
EUROMEDICA KENTRO APOTHERAPIAS & APOKATASTASIS S.A.	Athens	Medical services	46,8%	Full	Direct & Indirect
VOGIATZIS IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	Didimoteixo	Medical services	48,0%	Full	Direct
IDIOTIKO DIAGNOSTIKO ERGASTIRIO EUROMEDICA TRIKALON IATRIKI S.A.	Trikala	Medical services	23,0%	Full	Indirect
IDIOTIKI PSYCHIATRIKI KLINIKI PNOI ZOIS S.A.	Patra	Medical services	24,0%	Full	Indirect
D.S. SIOVAS AKTINODIAGNOSTIKO ERGASTIRIO S.A.	Grevena	Medical services	49,0%	Full	Direct
S.A. POROXIS IATRIKON IPIRESION APOTHERAPIAS & APOKATASTASIS	Larisa	Medical services	60,0%	Full	Direct
S.K.D.S. SYMVOULOI EPICHIRISEON S.A.	Athens	Consulting Services	80,0%	Full	Direct
GENIKI NOSILEFTIKI NOSILEFTIKON IPIRESION S..A	Thessaloniki	Medical services	51,3%	Full	Direct
EUROMEDICA GULF HOLDINGS S.A.	Thessaloniki	Holding company	99,0%	Full	Direct
EUROMEDICA GALATSIUO IDIOTIKO POLIIATRIO IATRIKI S.A	Athens	Medical services	100,0%	Full	Direct & Indirect
ALPHA NEFRODINAMIKI SA.	Serres	Medical services	47,0%	Full	Direct
EUROMEDICA KRITIS KENTRO APOTHERAPIAS & APOKATASTASIS S.A.	Heraklion	Medical services	48,3%	Full	Direct
DIAGNOSTIKO ERGASTIRIO LIMNOU IATRIKI S.A.	Limnos	Medical services	49,0%	Full	Direct
EUROMEDICA KOSMITIKI IDIOTIKO POLIIATRIO IATRIKI S.A.	Athens	Medical services	80,5%	Full	Direct & Indirect
II . Associates					
EUROGENETIKI PROTIPO KENTRO EREVNON & EFARMOGON MORIAKIS VIOLOGIAS S.A.	Thessaloniki	Medical services	40,0%	Equity method	Direct
MEDITRON S.A.	Thessaloniki	Trading and service of medical machinery	32,2%	Equity method	Indirect
DORMED HELLAS S.A.	Thessaloniki	Trading and service of medical machinery	38,5%	Equity method	Indirect
IDIOTIKO DIAGNOSTIKO ERGASTIRIO KOZANIS IATRIKI S.A..	Kozani	Medical services	21,0%	Equity method	Direct
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	Karditsa	Medical services	23,7%	Equity method	Indirect
MEDITREND S.A.	Athens	Trading and service of medical machinery	50,0%	Equity method	Indirect
EUROMEDICA AROGI DITIKIS MEKADONIAS KENTRO APOTHERAPIAS & APOKATASTASIS KOZANIS S.A.	Kozani	Medical services	24,9%	Equity method	Direct
KENTRIKES IPIRESIES LARISAS S.A.	Larisa	Medical services	36,0%	Equity method	Direct

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COMPANY	REGISTERED OFFICE	PRINCIPAL ACTIVITY	PART/PATION PERCENTAGE	CONS/DATION METHOD	TYPE OF PART/PATION
KENTRO IATRIKI APOKATASTASIS KAVALAS LYDIA S.A.	Kavala	Medical services	24,5%	Equity method	Direct
MEEFTIKI GINEKOLOGIKI KLINIKI LARISAS S.A.	Larisa	Medical services	29,6%	Equity method	Direct & Indirect

The country of the registered office for the above mentioned companies is Greece, except of EUROMEDICA FINANCE No 1 which is Luxemburg.

The Group controls the subsidiary companies included in the table above, even if its voting rights are less than 51 %, either through the majority of the members of the Board of Directors, or through a management agreement.

During the preparation of the consolidated financial statements, all the aforementioned subsidiaries of the Group were included in the consolidated financial statements, using the full consolidation method, as of January 1st of each equivalent fiscal year, except for the following:

a) IDIOTIKI CHIROURGIKI KLINIKI LARISAS S.A. which was included in the consolidated financial statements of the fiscal year 2012 through the equity method, whereas during the previous fiscal year, it was consolidated through the full consolidation method up until November 24th, 2011.

b) DIAGNOSTIC CENTER IKEDA Sh.p.k., which during the previous fiscal period, was included in the consolidated financial statements through the full consolidation method, whereas during the fiscal year 2012, was included in the consolidated financial statements only for the period 1/1-12/12/2012 since on 12/12/2012 the Group sold its entire equity interest.

c) NEVROPSYCHIATRIKI KLINIKI A.PISSALIDI – A.KARIPI S.A., which, for the period 1/1-2/8/2011 was included in the consolidated financial statements, through the full consolidation method, whereas during the fiscal year 2012 it was not included in the consolidated financial statements, since on 2/8/2011 the Group sold its entire equity interest.

d) APOTHERAPIA KAI APOKATASTASI IOANNINON S.A. which during the previous fiscal period, was included in the consolidated financial statements through the equity method, whereas during the fiscal year 2012, was included in the consolidated financial statements only for the period 1/1-30/9/2012 since on 30/9/2012 the Group sold its entire equity interest.

During the fiscal year 2012 the Group's holdings in subsidiaries and associate companies changed as follows:

Changes of acquisition cost and equity interests in existing subsidiary and associate companies

On 18/1/2012 the Extraordinary General meeting of shareholders, of the subsidiary company of the Group, ZOI GENIKI & OGOLOGIKI IDIOTIKI KLINIKI S.A., resolved upon the company's increase of share capital by the amount of € 200 through the issuance of 2.000 new shares of nominal value (amount in euro) € 100,00 each. The Board of director's of the subsidiary company on 18/5/2012 certified the payment of € 81, through payment in cash, and issuance of 809 new shares of nominal value (amount in euro) € 100,00 each. The

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Company participated in the share capital increase by € 50. As a consequence, the Group's equity interest reached on 31/12/2012, 67,7 %, (31/12/2011 : 68,00%).

On 19/1/2012 the Extraordinary General Meeting of shareholders, of the subsidiary company of the Group, EUROMEDICA AROGI KENTRO IATRIKIS APOTHERAPIAS & APOKATASTASIS S.A., resolved upon the company's increase of share capital by the amount of € 560 through the issuance of 19.310 new shares of nominal value (amount in euro) € 29,00 each and offering price which depended on the time of acquisition of shareholder status. Moreover the General Meeting resolved upon the increase of the subsidiary company's share capital by the amount of € 345, through incorporation in equity of the following liabilities: a) € 223 of the subsidiary company DATA DESIGN S.A. through issuance of 7.670 new shares of nominal value (amount in euro) € 29,00 each and offering price (amount in euro) € 29,003087 each b) € 123 of the group's related party AXON EMPORIKI VIOMIXANIKI OIKODOMIKI S.A. through the issuance of 4.231 new shares of nominal value (amount in euro) € 29,00 each and offering price (amount in euro) € 29,005677 each. From the aforementioned share capital increase the Board of director's of the subsidiary company certified on 20/6/2012 a) the amount of € 82 through cash payment and issuance of 2.710 new shares of nominal value (amount in €) € 29,00 each b) the amount of € 345 through incorporation of liabilities in equity. As a consequence of the above, the Group's equity interest reached, on 31/12/2012, 45,9 %, (31/12/2011 : 46,0%) without this percentage change causing a change in control.

On 2/2/2012 the Extraordinary General meeting of shareholders, of the subsidiary company of the Group, EUROMEDICA IONIOS GENIKI KLINIKI EKMETALEYSHS KAI LEITOURGIAS FOREON YGIONOMIKIS MERIMNAS S.A., resolved upon the company's increase of share capital by the amount of € 500 through the issuance of 50.000 new shares of nominal value (amount in €) € 10,00 each and offering price which depended on the time of acquisition of shareholder status. From the aforementioned share capital increase the Board of director's of the subsidiary company certified on 2/4/2012 the amount of € 275 through cash payment and issuance of 22.352 new shares of nominal value (amount in euro) € 10,00 each. The parent company of the group participated in the increase with € 150 and acquired 15.000 new shares of nominal value (amount in €) € 10,00 each. Moreover the subsidiary company of the group IDIOTIKO DIAGNOSTIKO ERGASTIRIO ANONYMI IATRIKI ETAIREIA participated in the increase with € 65 and acquired 3.823 new shares of nominal value (amount in €) € 10,00 each . As a consequence, the Group's equity interest reached, on 31/12/2012, 57,1%, (31/12/2011 : 56,6%) without this percentage change causing a change in control.

On 23/2/2012 the Extraordinary General meeting of shareholders, of the subsidiary company of the Group, THYSEYS APOTHERAPEIA KAI APOKATASTASI S.A., resolved upon the company's increase of share capital by the amount of € 1.000 through the issuance of 100.000 new shares of nominal value (amount in €) € 10,00 each. From the aforementioned share capital increase, the Board of director's of the subsidiary company, by its decision dated 29/5/2012 certified the amount of € 427 through cash payment and issuance of 42.750 new shares of nominal value (amount in €) € 10,00 each. The Company participated in the share capital increase by € 50. As a consequence, the Group's equity interest reached on 31/12/2012, 46,8% (31/12/2011 : 50,2%) without this percentage change causing a change in control.

On 16/12/2011 the Extraordinary General meeting of shareholders, of the subsidiary company of the Group, IDIOTIKO DIAGNOSTIKO ERGASTIRIO DITIKIS THESSALONIKIS S.A., resolved upon the company's increase of share capital by the amount of € 162 through the issuance of 5.400 new shares of nominal value (amount in €) € 30,00 each and offering

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price (amount in €) € 74,00 each. From the aforementioned share capital increase, the Board of director's of the subsidiary company, by its decision dated 31/8/2012 certified the amount of € 137 through cash payment and issuance of 4.550 new shares of nominal value (amount in €) € 30,00 each and a share premium account increase of € 200. As a consequence, the Group's equity interest reached on 31/12/2012, 44,4% (31/12/2011 : 42,0%) without this percentage change causing a change in control.

On 30/6/2012 the Ordinary General meeting of shareholders, of the subsidiary company of the Group, IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDRIO S.A., resolved upon the company's increase of share capital by the amount of € 300 through the issuance of 30.000 new shares of nominal value (amount in €) € 10,00 each and. From the aforementioned share capital increase, the Board of director's of the subsidiary company, by its decision dated 26/12/2012 certified the amount of € 300 through cash payment and issuance of 30.000 new shares of nominal value (amount in €) €10,00 each. The share capital increase was covered in full by the Parent Company. As a consequence, the Group's equity interest reached on 31/12/2012, 69,4% (31/12/2011 : 49,0%).

On 21/12/2012 the Extraordinary General Meeting of shareholders, of the subsidiary company of the Group, IDIOTIKO OFTHALMOLOGIKO IATRIO ORASIS S.A., resolved upon the company's increase of share capital by the amount of € 244 through incorporation in equity of the subsidiary's liability towards the Parent company and the issuance of 75.000 new shares of nominal value (amount in euro) € 3,25 each. As a consequence, the Group's equity interest reached on 31/12/2012, 82,0% (31/12/2011 : 68,5%).

Sale of equity interest in existing subsidiary company

The subsidiary company EUROMEDICA ALBANIA HOLDINGS S.A. on 12/12/2012 signed an agreement for the transfer of its entire share holding, i.e. 51,0% (50,49% for the Group) to the subsidiary company DIAGNOSTIC CENTER IKEDA Sh.p.k. for the total amount € 450. DIAGNOSTIC CENTER IKEDA Sh.p.k is included, with no effect, in the statement of total comprehensive income of the fiscal year 2012.

The subsidiary company APOTHERAPIA & APOKATASTASI S.A. during the last quarter of the fiscal year 2012 proceeded with the sale of its entire share holding, i.e. 49,0% (15,0 % for the Group). To the associate company APOTHERAPIA & APOKATASTASI IOANINON S.A. for the total amount of € 7. APOTHERAPIA & APOKATASTASI IOANINON S.A. is included, with no effect, in the statement of total comprehensive income of the fiscal year 2012.

4. Followed Accounting Policies

The basic accounting principles that have been adopted at the preparation of the financial statements, have been applied consistently for all years and by all companies that are included in these and are as follows:

4.1 Consolidation basis

The annual consolidated financial statements of the Group for the year ended 31st December 2012 include the Company and its subsidiaries.

Subsidiaries are all companies managed and controlled directly or indirectly by the Parent company of the Group mainly by holding the majority of the company's shares. In the subsidiary companies in which the direct or indirect equity interest of the Group is lower than 51 %, the Group has a dominant influence in decision making. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that control ceases.

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Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated.

Any contingent consideration to be transferred by the group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

In the financial statements of the parent company, investments in subsidiaries are accounted for at acquisition cost less any cumulative impairment losses.

It is noted that when the Parent Company contributes tangible assets, intangible assets or investment property to an existing or a newly established subsidiary company for exchange with shares of its issuance, the book value of the contributed assets is directed to the book value of the equity item in the financial statements. This kind of transactions has no effect to the consolidated financial statements.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

4.2 Investment in Associates

Associates are all entities over which the group exercises significant influence but do not qualify the conditions to be classified as subsidiaries. The consolidated financial statements of the Group include the Group's proportion of profits and losses of associate companies, after taking into account the required adjustments needed for compliance with the accounting policies of the Group, under the equity method, from the date that the Group acquires significant influence until the date that this influence ceases to exist. Intragroup balances, transactions as well as unrealized profits or losses which have emerged by intercompany transactions are eliminated, at a percentage equivalent to the Group's holding.

When the proportional share of the Group in the loss of the associated company exceeds the accounting value of the investment, the carrying value of the investment falls to zero and the recognition of further losses ceases, unless the Group has undertaken liabilities or contingent liabilities of the associate company, other than those arising from the ownership status.

Investments in associates are valued in the statutory financial statements of the Company at acquisition cost less any accumulated impairment losses.

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4.3 Operating and presentation currency and conversion of foreign currencies

The operating and presentation currency of the Parent Company and its subsidiaries is the Euro. Foreign currency transactions are converted into Euro using the exchange rates applicable at the dates of the transactions. At the statement of financial position date, the monetary assets and liabilities denominated in foreign currencies are adjusted to reflect current exchange rates.

Gains and losses arising from transactions in foreign currencies and by year-end valuation of monetary items in foreign currencies are recorded in the attached statement of comprehensive income.

The operating currency of foreign subsidiaries of the Group is the official currency of the country each one operates in. Therefore, at every statement of financial position date, the items of the Group's foreign subsidiaries' financial statements are converted into Euro according to the valid exchange rate at the date of the statement of financial position. The revenues and the expenses are converted following the weighted average exchange rate of each year. The aggregate difference arising from the aforementioned conversion is directed to a specific item of the equity up to the disposal, deletion or de-recognition of a subsidiary when it is directed to the statement of comprehensive income.

4.4 Tangible assets

The tangible assets are recognized in the financial statements at acquisition cost less accumulated depreciation, excluding land, buildings, clinics and offices that are recognized at fair value less depreciation subsequent to their revaluation date. Fair value is based on valuations by independent real estate valuers, which take place periodically every 2-3 years, unless an earlier valuation is deemed essential by the prevailing market conditions at each statement of financial position date. Accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation.

The historical acquisition cost of land-building, machinery or equipment includes purchase price plus import tariffs and non refundable purchase taxes, as well as any necessary costs for rendering the asset operational and ready for its intended use.

Subsequent expenses, made in relation to tangible assets, are capitalized only when they increase the future economic benefits expected to arise from the operation of the affected assets. All repairs and maintenance are expensed when they incur.

Upon retirement or sale of an asset, the relevant cost and the accumulated depreciation are eliminated from the respective accounts at the time of the retirement or sale and the relevant gains or losses are recognized in the statement of comprehensive income.

Residual values and useful lives of tangible fixed assets are reassessed at each statement of financial position date. When the carrying value of tangible assets exceeds their recoverable value, the difference (impairment) is recognized immediately as an expense in the statement of comprehensive income.

Depreciation is charged to the statement of comprehensive income, under the straight-line method, throughout the duration of the expected useful lives of the respective assets. Land is not depreciated.

The estimated duration of the useful life, for different asset categories, is as follows:

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Buildings	40-50 years
Machinery and equipment	12 years
Transportation equipment	10 years
Furniture and fixtures	6-14 years

Facilities in third party property are depreciated over the years of the relevant lease period. Residual values and useful lives of tangible assets are subject to reassessment at every year end. When the book values of the tangible assets are in excess of their recoverable amounts, the differences (impairment) are recognized as expenses in the statement of comprehensive income.

4.5 Intangible assets

4.5.1 Software programs

Software programs refer to the acquisition or development cost of software such as overheads, materials, services, as well as every expenditure that has been realized upon software development in order that this is set in use. Expenditures that enhance or broaden the performance of software programs beyond their original specifications and capabilities, are recognized as capital expenditures and increase the initial cost of the software.

The amortization expenses of software programs are charged to the statement of comprehensive income, under the straight-line method, throughout the duration of their useful lives. The estimated duration of their useful life is as follows:

Software	10 years
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4.5.2 Licenses

Licenses cover all expenses paid by the Group to ensure licensing and operating of diagnostic centers. The licenses are recognized as intangible assets by the amount of expenditure paid and are amortized by the straight-line method throughout the duration of their useful life. The estimated duration of their useful life is as follows:

Licenses	50 years
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4.5.3 Rental Rights

Rental Rights cover all expenses paid by the Group to acquire its service points. Rental Rights recognized as intangible assets by the amount of expenditure paid and amortized in accordance with the duration of the operating lease agreement of each diagnostic center.

4.5.4 Business Combinations, Goodwill and changes in non-controlling interests

Business combinations are recognized by the acquisition method, according to which the assets and liabilities (including contingent liabilities) of the acquirer are recognized at fair value at the acquisition date. The goodwill arising represents the difference between the acquisition cost and the fair value of the Group's percentage on the net assets of every subsidiary at the acquisition date. After the acquisition date, the recognized goodwill is measured at acquisition cost less any accumulated impairment losses.

The emerging goodwill from the acquisition of subsidiary companies is not amortized but rather tested for impairment at least annually or more frequently if events or changes in circumstances indicate that it might be impaired. At the acquisition date the goodwill is allocated to the cash flow generating units which are expected to benefit from the synergies of the business combination. For the acquired goodwill impairment test, the recoverable amount of each cash flow generating unit related to it is determined. In cases when the recoverable amount of a cash flow generating unit is less than its book value plus goodwill,

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then an impairment loss is recognized equal to their difference and is recognized in the statement of comprehensive income of the respective year or period.

When a cash flow generating unit (or a part of it), which goodwill has been allocated to, is sold, the allocated goodwill is included in the carrying amount of the sold cash flow generating unit in order to determine the result of the sale.

4.6 Impairment of assets

Tangible and intangible assets and other non-current assets are tested for the possibility of impairment loss whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Whenever the carrying amount of any asset exceeds its recoverable amount, the corresponding impairment loss is recognized in the income statement. The recoverable value of an asset is the largest amount between its estimated net selling price and its value in use. Net selling price is the possible revenue obtainable from the sale of an asset in a mutual transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. If there is no ability to estimate the recoverable amount of an asset for which there is an indication of value impairment, then the recoverable amount of the cash generating unit, in which the asset is grouped, is estimated instead.

Reversal of the impairment loss of assets which was accounted for in previous years, only occurs when there are sufficient indications that this impairment no longer exists or has been decreased. In such occasions the above mentioned reversal is recognized as a gain in the statement of comprehensive income.

4.7 Borrowing cost

The borrowing cost attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, is capitalized at the initial cost of these assets. All other borrowing costs are recognized in the statement of comprehensive income of the respective year or period. The borrowing cost consists of interest and other costs incurred by a company related on borrowed funds.

4.8 Investment property

Investment Property applies to property (land and/or buildings) held to earn rentals or for capital appreciation (or both), which is not used by any of the Group's subsidiaries. The remaining privately owned buildings and land are used for serving the Group's operations as well as for administrative purposes.

Investments in real estate property are monitored as long-term investments and valued at fair value, which is equal to their current price as estimated by independent real estate valuers. Changes in the fair value of investments in buildings and land are recognized in the statement of comprehensive income.

4.9 Inventories

Inventories are measured at the lowest between acquisition or production cost and net realizable value. The inventory cost is computed according to the weighted average cost method and includes acquisition expenses and transportation costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The net realizable value of raw material and packaging material is the expected cost of replacement in the normal operation of the Group. Impairment of the value of the inventories that have become obsolete is performed only if necessary. At 31/12/2012 and at 31/12/2011 there were no inventories valued at their net realizable value.

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4.10 Financial Instruments

Financial instrument is every contract that creates a financial asset in a company and a financial liability or equity holding in another company. The financial instruments of the Group and the Company are classified in the following categories based on the substance of the contract and the purpose for which they were acquired.

4.10.1 *Financial assets at fair value through P&L*

These are financial assets that meet any of the following conditions:

- Financial assets held for trading (including derivatives, except those designated as effective hedges, those that are acquired or created with the intent of sale or re-purchase and finally those that are part of a portfolio of recognized financial instruments).
- Upon initial recognition, the company specifies it as an item measured at fair value by recording the changes in the income statement.

Any realized or non realized profit or loss arisen from changes in the fair value of financial assets is recognized in the statement of comprehensive income of the respective year or period they have incurred.

4.10.2 *Loans and Receivables*

These consist of non-derivative financial assets with fixed or determined payments, which are not traded in active markets. In this category (loans and receivables) are not included:

- Receivables from advance payments for the purchase of goods or services,
- Receivables involving tax transactions, which have been imposed by the state through legislation,
- Anything not covered by an agreement that would give the company the right to receive cash or other financial assets.

Loans and receivables are recognized at net value under the effective interest rate method. Loans and receivables are included in current assets, except those with maturity greater than 12 months from the statement of financial position date. The latter are included in non-current assets.

4.10.3 *Investments held to maturity*

These include non-derivative financial assets with fixed or determined payments and maturity, which the Company has the intention and capability to hold until their maturity. The Group and the Company do not hold any investments of this category.

4.10.4 *Financial assets available for sale*

These include non-derivative financial assets which, are either identified in this category or cannot be included in any of the above. Trading in this category of investments is recorded at the date of the transaction, which is the date that the Group commits itself to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs. Unrealized profits or losses arising from changes in fair value of the financial assets available for sale are recognized in equity.

The fair value of the financial assets is determined by the current demand prices or by cash flow analysis. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques such as price to earnings or price to cash flow ratios adjusted to the specific circumstances of the issuer. Financial instruments which cannot be determined in a reliable way are evaluated at acquisition cost, less any

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impairment loss. When shares of companies classified as financial assets available for sale are sold or impaired, the accumulated fair value adjustments are carried over to the results as gains or losses from investments.

4.10.5 Offset of financial assets and liabilities

Where a legitimate executable right to offset recognized financial assets and financial liabilities exists, and there is an intention to settle the liability and realize the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

4.11 Trade and other receivables

Receivables from customers are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less impairment losses. Impairment losses (losses from bad debts) are recognized only when there is significant proof that the Group is not in the position of collecting all the amounts due under contractual terms. The amount of the impairment loss is the difference between the book value of the receivables and the present value of estimated future cash flows, discounted by the effective interest rate. The amount of the impairment loss is recognized in the statement of comprehensive income of the respective year or period as an expense.

4.12 Cash and cash equivalents

Cash also include cash equivalents such as bank overdraft accounts, time deposits and short-term deposits. Bank overdrafts, payable at first demand, which are inseparable part of the Group's managerial policy of cash and cash equivalents, are included, for the purpose of the preparation of the cash flow statements, as elementary part of cash and cash equivalents.

4.13 Share Capital

Common shares are characterized as capital. The increased external costs directly attributable to the issuance of new shares are presented in share capital, deductively from the receivable amount. When acquiring own shares, the price paid, including all relative expenses, is deducted from the total equity.

4.14 Loans

Loans are initially recognized at cost, which is fair value less the relative expenses of the contract. After initial recognition, loans and borrowings are measured at amortized cost using the effective interest rate method. Any difference between the amount received (less transaction costs) and the repayment value is recognized in the statement of comprehensive income during the period of the loans.

Loans are directed to the short-term liabilities unless the Group has the right to extend the settlement of the liability by twelve (12) months after the date of the financial statements.

4.14.1 Convertible Bond Loan

Convertible bond loans are initially recognized: a) to the financial liability and b) to the part of the equity which concerns the option provided to the owner to convert the bonds held to common shares of the Company.

Financial liability is initially assessed to the present value of the future payments that the Group has undertaken to make independently from the exercising of the option on behalf of the bondholders.

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The market rate at the date that a similar bond loan is issued without the conversion option is taken as the discount rate. Subsequently; the liability is assessed at the amortized cost using the effective rate method. The accrued interest included in the item of the financial cost.

4.15 Financial & Operating Leases

Financial leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are recognized as assets at fair value of the leased asset or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are allocated between to finance charges and to reduction of the lease liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance charges are directly recognized in the statement of comprehensive income of the respective year or period as expenses. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease period.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized in the statement of comprehensive income of the respective year or period as expenses on a straight line basis over the lease period.

4.16 Income taxes (current and deferred)

Current and deferred income taxes are calculated according to the carrying amounts of the financial statements; in accordance with the tax legislation in force in each country each company of the Group is located. Income tax expense refers to taxes attributable to the taxable profits of the Group as adjusted according to the requirements of tax legislation and computed by the effective tax rate.

Deferred income taxation is computed, using the liability method, on all temporary differences at the statement of financial position date between the tax base and book value of assets and liabilities.

The expected tax results resulting from the temporary tax differences are recognized and appeared as future (deferred) tax payables or receivables.

Deferred tax receivables are recognized for all the tax free temporary differences for tax purposes and taxable losses brought forward, to the extent of an available potential taxable profit against which the recognized temporary tax differences can be utilized is expected to exist.

The book value of the deferred tax receivables is revised at each of financial statements' date and reduced to the extent where it is not considered possible that enough potential taxable profits will be presented that a part or the total of the deferred tax assets can be utilized against them.

Current income tax receivables and payables concerning current and previous years are measured at the amount of the tax payable to the tax authorities (or are recovered by them), with the use of tax rates (and tax laws) that are in force at the financial statements' date.

4.17 Dividends

Dividends payable are disclosed as a liability at the time of their approval by the General Assembly of Shareholders.

4.18 Post-employment benefits

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The Group's obligation towards its personnel, for future payment of benefits according to each employees' working experience, is estimated and recorded on the basis of the expected to be paid earned right of each employee, at the statement of financial position date, discounted at its present value, in relation to its expected time of payment. The discount rate that is used in this case is equal to the return, at the statement of financial position date of the long-term Greek State bonds.

The relative obligation is calculated according to the financial and actuarial assumptions that are analyzed in Note 35 and are determined using the Projected Unit Credit Method. The net costs of retirement of the period are included in the wages cost in the attached statement of comprehensive income and are constituted by the present value of benefits that got accrued in the duration of period, the interest on the liabilities of benefits, the cost of previous employment, the actuarial profits or losses and other retirement costs. The costs of previous employment are recognized on a constant basis over the average period until the benefits of the program are established. The non acceptable actuarial profits and losses are recognized over the in average remaining duration of the period of services of the active employees and are included as part of the net cost of retirement of each period, if at the beginning of the period they exceed the 10% of future appreciated benefit liabilities. The liabilities for benefits of retirement are not funded.

4.19 Government social security programs

The personnel of the Group are mainly covered by the main State Social Security Institution (IKA) regarding the private sector which grants retirement and medical-pharmaceutical provisions and benefits. Every employee is compelled to contribute part of the monthly salary to the fund, while another part of the total contribution is covered by the Group. Upon retirement, the pension fund is responsible for the payment of the retirement benefits to the employees. Accordingly, the Group has no legal or presumptive obligation for the payment of future benefits consistent with this program.

4.20 Provisions and contingent liabilities, assets

Provisions are recognized when the Group has legal or constructive liability, as a result of past events, and is speculated that an outflow of resources will be required so that the obligation is settled, and a reliable estimate of the obligation amount can be made. The provisions are re-examined at every statement of financial position date. Regarding provisions expected to be settled in the long run, meaning that the time value of money is material, the respective amounts are measured by discounting the expected cash flows by a pre-tax discounted rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Contingent liabilities are not disclosed in the financial statements but rather announced, unless the probability for an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements, but are announced provided that the inflow of the economic benefits will be possible.

4.21 Government Grants

Grants on assets are initially recognized at face value when there is reasonable assurance that the funding will be received and that the Group will comply with the requirements and conditions attached to them.

Government grants regarding current expenses are recognized in the statement of comprehensive income over the period necessary to match them with the related costs that they are intended to compensate.

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Government grants regarding purchases of tangible assets are included in the non-current liabilities as deferred income and recognized as income in the statement of comprehensive income, during the useful life of the granted asset.

4.22 Revenue recognition

Revenue from the sale of goods and services is recognized when the significant risks and benefits of goods ownership are transferred to the buyer. Revenues from the provision of services are based on the stage of completeness, which is defined by the reference of the services provided so far, as a percentage of the total amount of the services that are going to be provided.

Interest income is recognized on a time proportion basis, taking into consideration the remaining balance of the initial amount and the existing rate for the period up to its ending, when it is defined that such income is payable to the Group.

Income from dividends is recognized as income at the approval date of its appropriation.

Income from financial leases is recognized on a straight line basis over the lease term.

4.23 Expenses

4.23.1 Operating leases

Lease payments under operating leases are recognized in the statement of comprehensive income as expenses during the period of use of the leased asset.

4.23.2 Finance leases

Finance leases, are recognized as loan contracts, resulting in recognizing (and depreciating) the leased assets as Group assets, with respective recognition of the finance liability to the leaser. The finance cost is recognized in the statement of comprehensive income as expense, at the time it is accrued.

4.23.3 Finance cost

The net finance cost is defined by the accrued interest expense on the existing loans, which is computed by the effective interest rate method.

4.24 Earnings per share

Basic earnings per share are calculated by dividing net profit of the period by the average number of common shares outstanding during the relevant period, excluding the mean of common shares of the parent Company that were acquired by the companies of the Group as treasury shares.

Diluted earnings per share are calculated by dividing net profit attributable to shareholders of the parent (after deducting the interest on the convertible shares, after taxes) with the weighted average number of shares outstanding during the year (adjusted for the effect of convertible shares).

4.25 Segment analysis of the Group's activities

The Board of Directors is the chief decision maker. The Board makes use of available internal information with a view to assess the efficiency and resource allocation. Group's Management, which defines the lines of business based on internal information, distinguishes the activities of the Group into the following segments:

- **Diagnostic centers:** which offer services for prevention and diagnosis of diseases without the need for hospitalization.

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- **Other companies:** Clinics which specialize in the diagnosis, prevention and treatment of reported illnesses, allowing hospitalization, recovery and rehabilitation centers which provide special physical education programs neuropsychological monitoring and evaluation, special fitness programs and physical therapy programs, speech therapy and ergo therapy and companies that provide services but medical are included in this field of activity.

The Board assesses the profitability of each segment based on its realized sales and operating results as well as by take into consideration its E.B.I.T.D.A. (Earnings Before Interest, Taxes, Depreciation and Amortization - Profit / (loss) before interest, taxes, finance income and total depreciation).

The Board computes E.B.I.T.D.A. as: earnings before taxes for the period, adding financial and finance income and the overall depreciation of tangible and intangible assets during the corresponding period. The "financial results and investment" for income, expenses, gains and losses related to the time value of money (interest on deposits, loans, etc.) and capital investment. The term "investment capital" means the placement of business in securities (shares, bonds, etc.), tangible and intangible assets (investment and owner-occupied). The line includes, among others, interest income on deposits, interest expense lending, dividend income, gains / losses from sale, remission, impairment, reversal of impairment and valuation of securities, tangible and intangible assets. The line of "depreciation" added to earnings before taxes, is what appears after clearing the depreciation of tangible fixed assets (expense), the amortization of any grants (revenue) received for these assets elements.

Any other information available to the Board evaluated in a manner consistent with the method of preparation.

4.26 Reclassification of prior fiscal year's items

Certain items of the statement of comprehensive income of the previous fiscal year ended 31/12/2011 were reclassified, so as to become comparable with those of the fiscal year 2012.

5. Important accounting estimates, management judgments & assumptions

The management of the Group proceeds in estimates, assumptions, judgements and evaluations in order to select the most suitable accounting principles and rules concerning the future development of events and of the in progress conditions and transactions. These estimates, judgements and assumptions are re-examined periodically so that they correspond to the current facts and reflect the current risks and are based on the previous experience of the Management of the Group concerning the nature and the level of the relative transactions and facts.

The basic estimates and evaluative judgements regarding data, the development of which could influence the financial statements for the next twelve months are as follows:

Goodwill impairment tests

The Group carries out the required by the provisions of the IFRS impairment test for the goodwill arising from mergers or acquisitions of companies whose control is assumed or influenced in an essential way, at least annually. Part of the process of the determination of the recoverable amount of each investment, is the calculation of the value in use of the cash flow generating units in which the relative goodwill has been allocated. The calculation of the

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value in use requires the estimation of the forecasted (future) cash flows of each cash flow generating unit, as well as the selection of an appropriate discount factor.

Impairment tests available for sale financial assets

The Group upon the date of the statement of the financial position makes an assessment as to whether there is objective evidence that a financial asset or a portfolio of financial assets have been impaired in value. If any such evidence exists, the Group recognizes the cumulative loss that was directly allocated in equity through the statement of comprehensive income, even though the financial asset is no longer recognized. The Group, for its financial assets that are traded in organized markets, regards their market values as their fair value and for those not traded in organized markets it uses various valuation methods in order to determine their fair value.

Provision for doubtful debts

The Group impairs the value of trade receivables when there is evidence or indications that the collection of each receivable in whole or up to a percentage is not feasible. The Management of the Group proceeds to temporary revaluation of the provision for doubtful debts in relation with the credit policy and data from the Group's Law Department, past data and recent developments of each case.

Provision for income tax

The provision for income tax under IFRS 12 is calculated by an estimate of payable taxes to tax authorities and includes the current income tax for each use, and provision for additional taxes that might arise in future tax audits. In order for the provision of the Company's income taxes to be determined, significant understanding of the above is required. The final statement of income taxes may differ from the amounts which are recorded in the financial statements of the Company and these differences will affect income tax and provisions for deferred taxes.

Estimated useful life of assets

The Group's Management reviews the useful lives of tangible and intangible fixed assets which are recognized either through acquisition or through business combinations. Those estimates are reviewed at least annually, taking into account the data and current market conditions.

Contingent liabilities

The Company and the Group are involved in various disputes and legal cases. The Company and the Group review the status of every major case on a periodic basis and assess the potential risk, based partly on the opinion of their legal services. If the potential damage from any litigation and legal matter is probable and the amount can be reliably estimated, the Company and the Group recognizes a liability for estimated losses. In case the conditions are not met the management of the Group should disclose the contingent liability in the notes of financial statements. In the cases that the recognition criteria are not met the contingent liability is disclosed in the explanatory notes. In order to determine the probability and to determine whether the risk can be estimated reliably a considerable degree of Management's judgment is required. Among the considerations the management of Group takes into account in decisions making, is the nature of difference or claim, the amount of contingent loss, the followed legal process, the progress of legal affairs (taking into account the progress of these affairs taking place after the current period and prior the date of financial statements), the opinions or views of legal experts and the experience of Group's management in such cases.

Provisions for staff retirement indemnities

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Provision for staff living indemnities is calculated to the discounted present value of the future benefits that will be accrued at the end of the fiscal year under the hypothesis that these benefits are accrued from the employees equally during their working life. The calculation of the liabilities resulted from aforesaid benefits is based on financial and actuarial assumptions that require from the Management to make respective assumptions concerning the discount rates, the percentage of wage increases, the mortality and disability, the retirement ages and other factors. Changed in these fundamental assumptions may have a substantial effect to the respective liability and the respective costs of each period. The net cost of the period consisted by the present value of the accrued benefits, the capitalizing interest of the future liability and the actuarial profits or losses. Due to the long-term horizon of these programs the aforementioned assumptions are underlined by a high level of uncertainty.

Revaluation of the fair value of the owner occupied assets and investment property

The most appropriate indication of the fair value of the investment property is the current values which are valid in an active market of relevant contracts.

If the collection of this kind of information is not feasible the Group determines the value within a range of logical estimations of the fair value based on the advices of independent estimators. The major assumptions establish the estimations of the Management on the determination of the fair value are these which are related with the receipt of rents, future rents, maintenance liabilities, as well as discount rates. These estimates are compared systematically with actual data from the market, with carried out transactions of the Company and those notified by the market.

6. Financial Risk Management

The Group is exposed to various financial risks, of which the most significant are the unexpected fluctuations in interest-rates, the credit risk and the liquidity risk. The managerial policies for dealing with those risks aim at minimizing the negative impact that these may have in the financial position and performance of the Group.

Risk management is carried out by the Management of the Finance Department of the Group under policies approved by the Board of Directors. The Management of the Finance Department recognizes, calculates and offsets financial risks in close cooperation with the Group's operating units. The Board designs written principles regarding overall risk management, as well as written policies covering specific areas such as interest rate risk, credit risk, the use of derivative or non derivative financial instruments and excess liquidity investments.

6.1 Market risk

6.1.1 Market risk

The macroeconomic and fiscal conditions of the Greek economy, according to the forecasts of the European Union, are expected to deteriorate further during the current fiscal year. An indication is offered by the forecasts for a 4,7% decline in Greece's GDP and an unemployment rate of 30%.

Moreover during the fiscal year 2012 and in particular on 18/12/2012 E.O.P.Y.Y. updated its pricing policy. According to the new policy the insured patients have to contribute with own funds to the medical expenses (DRGs). The contribution reaches, for the OGA insured patients 50% and 30% for the rest of the insured patients.

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The management of the Group, acknowledging the fact that the aforementioned adversities might influence the Group's operations and financial position continuously updated its actions in order to ensure that the Group as well as the Company will maintain its market share. In line with this goal the Management of the Group, intends, by taking advantage of its high specialization, its prestigious medical and nursing staff and its latest generation technical equipment, to enter the sector of medical tourism. Appropriate agreements are being promoted with North Africa and countries of the Middle East. Those agreements, taking into account the successful results of the recent agreement with the Libyan embassy, will substitute for the potential decline in the number of Greek treated patients, due to the crisis, and will enhance the Groups and Company's liquidity.

6.1.2 Foreign exchange risk

The Group is exposed to limited foreign exchange risk as the total of its assets and liabilities is denominated in Euro. Regarding the limited transactions in foreign currency other than the operational, the Group has adopted a currency policy of pre-settlement transactions, aiming at reducing foreign exchange differences.

6.1.3 Price risk

The Group is exposed to real estate price risk because of its significant investments in real estate, which are included in the consolidated statement of financial position under tangible assets and investment property items. The relative exposure of the Group is significantly reduced by the fact that the entire real estate of the Group is comprised of assets housing the clinics and diagnostic centers operated by the Group and there is no immediate plan for any disposals. Also the respective risk arising from the Group's investment property portfolio, even though it represents a relatively small fracture of its real estate property, is essentially limited by the adopted strategy of the Management regarding such investments, which dictates real estate investments of long term horizon combined with short-term financial benefits mainly through the lease of property to selected tenants.

The Group is exposed to securities' price risk because of its investments in entities, which are included in its consolidated statement of financial position under "available for sale financial assets" and "financial assets at fair value through profit and loss" items. The Management of the Group monitors on a daily basis the prices of those financial assets traded in organized markets (stock exchange) and takes every appropriate action aiming to ensure satisfactory yields in relation to the time horizon of each investment.

On 31/12/2012 the available for sale financial assets included the investment in the share capital of the company IASO S.A. (5.315.532 shares of total value € 7.175), the shares of which are publicly traded in the Athens Stock Exchange. At that date, if the closing price of the subject shares was 1 % higher/lower and all other variables remained stable, the Equity of the Group would appear increased/decreased by approximately € 72.

The Group is exposed to price risk changes regarding equipment and other medical supplies, which get consumed while providing healthcare services. This risk is mainly dealt with, by a corresponding change in the selling prices of used inventory. The creation of the National Organization for the Provision of Healthcare Services (E.O.P.Y.Y.) combined with the introduction of the DRGs will increase the price risk.

6.1.4 Cash flows and fair value interest rate risk

The Group holds short-term (usually weekly) cash deposits due to its increased cash requirements. Further to the aforesaid cash holdings no other significant interest-bearing assets are held and consequently the Group's income and operating cash flows are substantially independent of changes in market interest rates.

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The interest rate risk which the Group is exposed to, is increased by its short and long-term bank liabilities. It is noted that the Group through the parent company carries a convertible bond loan amounting to € 11.100 (valuated at 31/12/2012 to € 11.155), of fixed interest rate and conversion date, 20/7/2014. Due to the fixed interest rate, no interest rate risk exists. The remaining long and short-term bank liabilities of the Group are subject to volatile interest rates, a fact exposing the Group to cash flow interest rate risk.

On 31/12/2012, if the Group's bank liabilities' interest rates were 0,50 % higher/lower and all other variables remained stable, the after tax Results and the Equity of the Group would appear decreased/increased by approximately € 1.491, mainly because of increased/decreased debit interest cost that would emerge from loans with floating rate.

6.2 Credit risk

Credit risk is managed on group basis. Credit risk emerges from the credit exposures to retail customers, the financial situation of which is constantly monitored by the Group's companies.

Possible credit risk exists, related to the Group's and Company's cash & cash equivalent, arising from the unlikely possibility of a financial institution's default. In order to mitigate this risk, the Group, within the context of policies approved by its BoDs, sets limits to its exposure to different financial institutions. Additionally, the Group's deposits are placed only with financial institutions of high credit ratings.

The main income sources of the Group come from social security funds, individual customers and insurance firms. The Group has a significant concentration of its trade receivables, mainly due to the fact that most of these concern receivables from social security funds (E.O.P.Y.Y.) and insurance companies. The credit risk arising from receivables from social security funds and insurance companies is considered limited, since the discount that was applied within the fiscal year 2012, to the accumulated receivables of the Group from E.O.P.Y.Y. is considered an extraordinary measure, adopted due to the extremely adverse economic conditions.

Limited impairment of receivables from individual customers is ensured via the wide dispersion of the Group's customer basis and sufficient collateral where appropriate. Nevertheless, the Management of the Group, whenever it considers that the Group is exposed to high risk of non-collection of its trade receivables; it pledges sufficient collateral and makes appropriate provisions.

6.3 Liquidity risk

Availability of sufficient funding sources, as well as of cash and cash equivalent, are prerequisites for prudent liquidity risk management. Maintaining available funds for punctual payment of liabilities and consistent management of liquidity risk, are considered of decisive importance for Group's ability to continue as a going concern.

On 31/12/2012, the Group did not meet the financial covenants of its bank borrowings. In such an event the lenders are given the right to terminate the relevant loan agreements and make the borrowings repayable immediately. Therefore, by applying IAS 1 "Presentation of Financial Statements", the Group and the Company reclassified loans amounting to € 149.897 (2011: € 173.149) and € 128.174 (2011: € 162.541) respectively, from "Long-term loans" to "Current portion of long-term debt".

Moreover, at the end of the fiscal year 2012 total current liabilities exceeded total current assets by the amount of € 314.860 (2011: € 274.929) and € 267.146 (2011: € 241.706) for

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the Group and Company respectively taking into account the aforementioned reclassifications. Excluding these reclassifications, total current liabilities exceeded total current assets by the amount of € 164.963 (2011: €101.780) and € 138.973 (2011: € 79.254) for the Group and the Company respectively.

Further information concerning the steps that the Group intends to undertake to enhance its liquidity is given in Note 7.

The following table demonstrates an analysis of financial liabilities in accordance with their contractual date of payment:

At 31/12/2012	Up to 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Loans	334.218	7.194	17.832	13.512
Suppliers and other liabilities	174.750	0	0	0
Other long-term liabilities	0	2.335	0	0

At 31/12/2011	Up to 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Loans	308.338	8.759	28.448	17.734
Suppliers and other liabilities	125.466	0	0	0
Other long-term liabilities	0	21.246	0	0

6.4 Capital risk management

The Group's objective when managing its capital is to preserve the Group's going concern ability, provide returns for shareholders and benefits for other stakeholders, as well as maintain an optimal capital structure so as to reduce its cost of capital.

The Group monitors its capital through its leverage ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings, as recorded in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, as recorded in the consolidated statement of financial position, plus net debt.

More specifically:

	Note	GROUP	
		At 31/12/2012	At 31/12/2011
Loans	33	372.756	363.280
Less: Cash and cash equivalents	29	(6.716)	(6.442)
Net Debt		366.039	356.838
Total Equity		14.407	72.951
Total working capital		380.447	429.788
Leverage ratio		96,21%	83,03%

The change in the leverage ratio is mainly attributed to: (a) the increase of net debt by € 9.476, (b) the increase in cash and cash equivalents by € 274 and (d), the significant reduction in shareholders' equity caused primarily by after tax losses totaling € 58.543. As already mentioned the after tax losses of the Group were influenced significantly by non recurring expenses which are presented in detail in note 7.

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6.5 Calculation of fair value

The following tables present a comparison of the book values and the fair values of all the financial assets of the Group and the Company.

Group	Note	Book Value		Fair Value	
		At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Assets					
Available for sale financial assets	23	9.560	6.080	9.560	6.080
Long-term receivables	25	996	2.036	996	2.036
Trade and other receivables	27	199.024	155.742	199.024	155.742
Cash and cash equivalents	29	6.716	6.442	6.716	6.442
Liabilities					
Long-term loans	33	38.538	54.941	38.538	54.941
Short-term loans	33	334.218	308.338	334.218	308.338
Other long-term liabilities	37	2.335	21.246	2.335	21.246
Trade payables & other liabilities	38	174.750	125.466	174.750	125.466
Total		<u>766.138</u>	<u>680.292</u>	<u>766.138</u>	<u>680.292</u>

Company	Note	Book Value		Fair Value	
		At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Assets					
Available for sale financial assets	23	9.387	5.905	9.387	5.905
Long-term receivables	25	601	591	601	591
Trade and other receivables	27	138.882	107.959	138.882	107.959
Cash and cash equivalents	29	2.832	1.448	2.832	1.448
Liabilities					
		0	0	0	0
Long-term loans	33	12.900	10.079	12.900	10.079
Short-term loans	33	273.142	268.935	273.142	268.935
Other long-term liabilities	37	1.257	19.315	1.257	19.315
Trade payables & other liabilities	38	130.582	81.862	130.582	81.862
Total		<u>569.582</u>	<u>496.095</u>	<u>569.582</u>	<u>496.095</u>

The Group abides by the following hierarchy for calculation and disclosure of the fair value of its financial instruments per valuation method:

Level 1: quoted prices for similar instruments

Level 2: other valuation methods based directly on published market prices or calculated indirectly from published market prices for similar instruments.

Level 3: methods using inflows that have a significant impact on and are not based at available information from current transactions.

During the fiscal year 2012 there were no transfers between Level 1 and 2, neither to nor out of Level 3 for calculation of fair values.

The following table presents the financial assets and liabilities of the Group and the Company at fair value as at 31 December 2012 and 31 December 2011 respectively.

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	Note	Group		Company		Level
		At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011	
Assets						
Available for sale financial assets	23	2.385	2.572	2.212	2.397	Level 3
Available for sale financial assets	23	7.175	3.508	7.175	3.508	Level 1
Financial assets at fair value through profit or loss	28	31	19	8	8	Level 1
Σύνολο		<u>9.591</u>	<u>6.099</u>	<u>9.395</u>	<u>5.913</u>	

7. Group's going concern

By the end of the fiscal year 2012 total current liabilities exceeded total current assets by the amount of € 314.860 (2011: € 274.929) and € 267.146 (2011: € 241.706) for the Group and Company respectively taking into account the reclassifications of the Groups long term bank liabilities due to non compliance with certain covenants (note 33). Excluding these reclassifications, total current liabilities exceeded total current assets by the amount of € 164.963 (2011: € 101.780) and € 138.973 (2011: € 79254) for the Group and the Company respectively.

Moreover despite the Company's decision to reduce its share capital by the amount of € 50.187 through the incorporation of accumulated losses and the reduction of the nominal value of the Company's shares from € 3,10 to € 0,80 the Company shareholders' equity at 31/12/2012 was negative. As a consequence the conditions were met, for application of the provisions of article 48 of L. 2190/1920.

Furthermore the following subsidiary companies as at 31/12/2012 also meet the conditions for application of the provisions of article 48 of L. 2190/1920: IDITIKO OFTHALMOLOGIKO IATRIO "ORASIS" S.A., MELABOUS S.A., GENIKI NOSILEYTIKI S.A. EUROMEDICA PALEOU FALIROU IDIOTIKO POLIATRIO S.A., IDIOTIKO DIAGNOSTIKO ERGASTIRIO AXONIKOS TOMOGRAFOS S.A., IONIA EUROMEDICA KORINTHOU – IDIOTIKO DIAGNOSTIKO ERGASTIRIO S.A., EUROMEDICA-KOSMITIKI IDIOTIKO POLIATRIO S.A., IATRIKI MEGARON IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A., POLIDIAGNOSTIKO KENTRO PIERIAS S.A., AXONIKI DIAGNOSI S.A., D.S. SIOVAS – AKTINIODIAGNOSTIKO ERGASTIRIO GREVENON.

Finally, until the date of approval of the attached Financial Statements, the Group and the Company had overdue liabilities totaling € 133.013 and € 98.187 respectively which are analyzed as follows:

	GROUP	COMPANY
Suppliers	5.560	3.936
Notes payable	28.335	12.624
Cheques payable	5.395	3.294
Social Securities	16.861	15.340
Sundry creditors	0	0
Current income tax liabilities	3.514	1.481
Payroll	4.166	2.603
Finance lease	8.628	5.153
Loans	60.555	53.755
Balance	<u>133.013</u>	<u>98.187</u>

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It is noted that the overdue balance of the liabilities to suppliers accounts for orders for payment applied for by suppliers adding up to € 2.846 and € 2.540 for the Group and the Company respectively. Regarding liabilities for which orders of payment have been issued, the Management of the Group has proceeded, for part of them, with repayment agreements and will continue its efforts for agreements which will cover the rest of the unsettled balance. As far as the existing orders for payment are concerned, until the date of approval of the Financial Statements, no court decision has been issued. However the Management of the Group, taking into account the feedback of its legal department, estimates that the outcome of the aforementioned cases will have no material effect on the financial position and operation of the Company and the Group.

The statement of comprehensive income of the Group and the Company, of the fiscal year 2012, as well as that of the comparative period includes significant non recurring expenses which are analyzed in the following table:

	GROUP		COMPANY	
	1/1- 31/12/2012	1/1-31/12/2011	1/1- 31/12/2012	1/1-31/12/2011
Non recurring expenses				
Prediction rebate claims from the EOPYY	7.009	0	5.208	0
Receivables write-off	0	4.380	0	1.322
Provision for impairment of trade receivables	7.052	8.142	0	7.111
Impairment loss of investments in associates	0	6.190	0	3.070
Impairment loss of investments in subsidiaries	0	0	19.866	11.198
Impairment loss of available for sale financial assets	439	1.239	196	1.239
Goodwill impairment charge	24.387	48.184	22.761	13.200
Impairment charge from valuation of property	10.860	6.205	6.187	528
Tax and other fines and surcharges	0	1.508	0	1.508
Σύνολο	<u>49.746</u>	<u>75.848</u>	<u>54.218</u>	<u>39.176</u>

During the fiscal year 2012 the Group's and the Company's operating results improved compared to the previous fiscal year. This is mainly attributable to the successful completion of the agreement signed between the parent company and the Transitional National Council of Libya regarding the medical treatment, during the last quarter of the previous fiscal year, of Libyan civil war casualties. This agreement resulted to a significant increase in the visits and admissions of the Group's clinics and rehabilitation centres. This agreement had a positive effect in the Group's and Company's liquidity, despite the initial delays in payments and the discount that was given, at a later stage, following a mutual agreement.

The Management of the Group, as part of its strategy for enhancing its liquidity, intends to enter the sector of medical tourism. Appropriate agreements are being promoted with North Africa and countries of the Middle East. Those agreements, taking into account the successful results of the resent agreement with the Libyan embassy, will substitute for the potential decline in the number of Greek treated patients, due to the crisis, and will enhance the Groups and Company's liquidity.

Additionally, within the fiscal year 2012, and under the provisions of par.4 article 34 of Law N. 4038/2012, Law N. 4132/07.03.2013 and a joint ministerial decision dated 19/2/2013 were issued. The decision set the discount rate which will be applied to the accumulated liabilities, of the health insurance funds that joined E.O.Π.Y.Y., towards the private sector's health care providers. The discount rate was set at 8% for private clinics and rehabilitation centers and at 15% for diagnostic centers. For this reason the Group and the Company made provisions, regarding the above discounts, amounting to € 7.009 and € 5.208 respectively.

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The Group's Management, trusts that the Greek public sector will fully repay its liabilities, following a course of conduct consistent with the declarations of the Greek Government. This will have a positive impact on the Group's and Company's liquidity respectively.

The Management of the Group taking into account the fact that the Company's shareholders' equity, by the end of the fiscal year 2012, was negative, mainly due to total impairment losses amounting to € 124 mil. which the Company incurred during the past four (4) fiscal years (2009 – 2012), as a result of the ongoing crisis present in Greece and the rest of the Euro zone, and also considering the adverse conditions in the money and capital markets, which render a share capital increase unlikely to be successful, intends during the current fiscal year, to undertake a series of steps to enhance the Groups liquidity and provide the Company with a stable and sustainable solution. Such steps include:

1. Further investigation of the prospects for a share capital increase, regardless the adverse conditions faced.
2. Renegotiations of the terms of a considerable portion of its existing bank loans, in view of extending the loans' repayment periods. The respective discussions are in an advanced stage and upon their completion, the Group, as well as the Company, are expected to strengthen their liquidity so as to be able to continue business operations as usual. After the completion of restructuring of the existing bank loans of the Group and the Company, the financing cost might change, as well as the collateral base.
3. Per case disinvestment in assets and equity interests, in cases of financially interesting proposals and reexamination of the Group's property management in view of enhancing its return.
4. Renegotiation of credit terms with the main suppliers of the Group, in view of converging its days payable and days sales outstanding. In the negotiations the Group's management takes into account E.O.P.Y.Y.s' collection schedule.
5. Administrative and organizational restructuring of the Group, centralized negotiation of major contracts and cutting down on operating and administrative costs aiming to further reduce operating costs and enhance operating results.
6. The expansion of the Group's health sector to new markets. The Management of the Group monitors closely the developments in the volatile economic and business environment and is constantly watchful so as to update and adopt its business strategy to the new facts. Taking into account the conditions prevailing in the Greek market, the heart of the Group's strategy involves the expansion of its operations to foreign markets and in particular to the Middle East. A turn towards medical tourism presents a priority for the Group's Management.

Based on the above management actions, the financial statements of the Company and the Group, for the fiscal year 2012, were prepared on a going concern basis. Consequently, the attached Company and Group financial statements do not include adjustments and reclassifications of assets and liabilities which might have risen in case were, the Company and the Group, were not able, during their normal course of business, to pay their liabilities.

Nevertheless, the possibility of an unsuccessful completion of the process of renegotiation of terms, of the Group's existing bank loans and trade payables, implies uncertainty concerning the continuation of the Company's and the Group's operations.

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8. Segment reporting

The presented information regarding segment reporting is the information presented to the board of directors and chief executive officers, so that they can allocate the available resources and assess the performance of the various Segments of the company.

The Group's Management, which determines the segments based on internal information, distinguishes the segments of the Group as follows:

- **Diagnostic centers:** which supply services for prevention and diagnosis of diseases without hospitalization.
- **Other companies:** The other companies segment includes clinics which are specialized in diagnosis, prevention and treatment of diseases, providing hospitalization services, rehabilitation and recovery centers that provide specialized services, physiotherapy, special physical training programs and neurophysiologic check up and evaluation, special fitness programs and physical therapy programs, speech therapy and occupational therapy as well as companies providing other than medical services.

The assessment of each segment is carried out based on sales, operating results and earnings before interest, taxes, depreciation and amortization. Transactions between operating segments are eliminated upon consolidation.

The information provided to the Board concerning the segments for the years ended December 31, 2012 and December 31, 2011 are as follows:

8.1 Analysis per activity

8.1.1 Data for the period 1/1-31/12/2012

	Diagnostic centers	Other companies	Elimination of intercompany transactions	Total of Group
Sales to third parties	63.748	145.791	0	209.539
Less: Total cost of sales	(41.316)	(111.896)	0	(153.212)
Gross profit (loss)	22.432	33.895	0	56.327
Other operating income	1.600	3.109	0	4.709
Administrative expenses	(9.476)	(15.065)	0	(24.541)
Selling expenses	(2.326)	(9.561)	0	(11.887)
Other operating expenses	(6.205)	(19.973)	0	(26.179)
Operating profit (loss)	6.025	(7.596)	0	(1.571)
Finance cost				(24.187)
Result of ordinary activities				(25.758)
Investment income				(25.406)
Result before taxes				(51.164)
Income tax				(2.506)
Results after taxes				(53.670)
Other information of the Statement of Comprehensive Income				
Depreciation and amortization	6.183	11.334	0	17.517

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8.1.2 Data for the period 1/1-31/12/2011

	Diagnostic centers	Other companies	Elimination of intercompany transactions	Total of Group
Sales to third parties	61.610	130.346	0	191.956
Less: Total cost of sales	(48.921)	(116.899)	0	(165.820)
Gross profit (loss)	12.690	13.447	0	26.137
Other operating income	1.400	4.028	0	5.428
Administrative expenses	(10.138)	(15.342)	0	(25.480)
Selling expenses	(6.602)	(18.594)	0	(25.196)
Other operating expenses	(1.503)	(9.862)	0	(11.366)
Operating profit (loss)	(4.153)	(26.323)	0	(30.476)
Finance cost				(24.335)
Result of ordinary activities				(54.811)
Investment income				(60.557)
Result before taxes				(115.369)
Income tax				(6.581)
Results after taxes				<u>(121.950)</u>
Other information of the Statement of Comprehensive Income				
Depreciation and amortization	6.602	11.503	0	18.104

9. Cost of sales

Cost of sales is analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Cost of goods	22.957	36.394	26.281	32.575
Personel costs	53.947	55.621	30.152	32.112
Third party fees	25.357	25.301	17.280	15.416
Third party elaborations	2.587	1.621	703	598
Rent expenses	3.693	3.894	1.920	2.058
Repairs and maintenance expenses	3.483	3.601	1.739	1.749
Other supplies	9.356	9.799	5.067	4.165
Sundry taxes and duties	2.646	4.244	1.413	2.142
Transportation expenses	558	644	335	290
Travelling expenses	554	431	514	417
Advertising and promotional expenses	263	195	255	174
Other expenses	13.240	7.954	9.673	5.201
Depreciation expenses	14.300	15.142	7.527	7.621
Provision for Staff retirement indemnities	271	979	119	686
Total	<u>153.212</u>	<u>165.820</u>	<u>102.978</u>	<u>105.204</u>

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10. Other income

Other income is analyzed as follows:

	GROUP		COMPANY	
	1/1- 31/12/2012	1/1- 31/12/2011	1/1- 31/12/2012	1/1-31/12/2011
Income from grants	408	400	73	9
Income from sales of services to third parties	607	686	524	573
Income from assets rental	1.091	1.440	734	1.143
Extraordinary and non operating expenses	99	527	88	433
Income from government grant for assets	280	326	16	15
Profit from disposal of assets	18	31	0	0
Prior year's income	388	386	25	104
Income from provision for staff retirement indemnities	325	0	251	0
Income from other provisions of prior years	419	715	0	0
Other income	645	206	536	112
Income from commissions and brokerage fees	430	710	0	9
Total	<u>4.710</u>	<u>5.428</u>	<u>2.248</u>	<u>2.398</u>

11. Administrative expenses

Administrative expenses are analyzed as follows:

	GROUP		COMPANY	
	1/1- 31/12/2012	1/1- 31/12/2011	1/1- 31/12/2012	1/1-31/12/2011
Personnel costs	11.426	12.089	5.052	5.314
Third party fees	3.287	3.351	787	706
Third party elaborations	546	700	32	27
Rents	553	799	145	126
Repairs and maintenance	214	229	41	42
Other supplies	805	825	121	185
Sundry taxes and duties	807	962	32	36
Transportation expenses	169	156	79	69
Travelling expenses	166	144	122	99
Promotion expenses	174	164	60	41
Other expenses	3.265	3.126	2.707	1.727
Depreciation expenses	3.074	2.841	1.679	1.700
Provision for Staff retirement indemnities	55	94	0	0
Total	<u>24.541</u>	<u>25.480</u>	<u>10.856</u>	<u>10.072</u>

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12. Selling expenses

Selling expenses are analyzed as follows:

	GROUP		COMPANY	
	1/1- 31/12/2010	1/1- 31/12/2009	1/1- 31/12/2010	1/1-31/12/2009
Personel costs	721	698	318	334
Third party elaborations	41	43	0	0
Rents	163	131	2	1
Repairs and maintenance	37	19	0	0
Other supplies	83	68	1	2
Sundry taxes and duties	189	144	0	0
Transportation expenses	18	35	4	3
Travelling expenses	24	15	6	5
Promotion expenses	138	204	3	2
Other expenses	368	229	117	63
Depreciation expenses	143	122	0	0
Provision for doubtful accounts receivable	5	5	0	0
Receivables write-off	0	4.380	0	1.322
Provision for impairment of trade receivables	9.958	19.104	1.007	16.611
Total	<u>11.887</u>	<u>25.196</u>	<u>1.458</u>	<u>18.345</u>

13. Other operating expenses

Other operating expenses are analyzed as follows:

	GROUP		COMPANY	
	1/1- 31/12/2012	1/1- 31/12/2011	1/1- 31/12/2012	1/1- 31/12/2011
Tax and other fines and surcharges	1.992	1.411	1.374	860
Extraordinary and non operating expenses and losses	62	272	5	48
Losses from disposal of fixed assets	397	284	27	173
Losses from doubtful debts	189	288	0	0
Prediction rebate claims from the EOPYY	7.009	0	5.208	0
Social security contributions	0	104	0	104
Prior year's tax and other fines	3.588	670	3.561	647
Provisions for litigation cases	644	0	0	0
Other prior year's expenses	1.439	2.131	554	318
Loss from valuation of fixed assets at fair values	10.860	6.205	6.187	528
Total	<u>26.178</u>	<u>11.366</u>	<u>16.917</u>	<u>2.679</u>

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14. Financing cost (net)

Financial income and expenses are analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Debit interest from banking liabilities	22.441	22.508	16.731	17.077
Effective interest rate	1.239	1.252	1.227	1.234
Other financial expenses	561	652	428	123
Total financial expenses	24.242	24.412	18.386	18.434
Credit interest and relative income	54	64	2	6
Other financial income	0	12	0	0
Total financial income	54	77	2	6
Net financial income (expenses)	<u>(24.187)</u>	<u>(24.335)</u>	<u>(18.384)</u>	<u>(18.428)</u>

15. Investment income (expenses)

Investment income (expenses) is analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Income from investments	0	436	99	1.150
Profit from investment in associates	0	219	0	0
Profit from investments' sales	162	0	0	0
Total investment income	162	655	99	1.150
Loss from disposal of investment	0	2.337	0	2.832
Loss from valuation of investment property at fair value	398	107	701	301
Loss from impairment of investments in associates	0	6.190	0	3.070
Loss from impairment of investments in subsidiaries	0	0	19.866	11.198
Loss from impairment of available for sale financial assets	439	4.110	196	4.110
Loss from impairment of goodwill	24.387	48.184	22.761	13.200
Other investment expenses	83	284	0	271
Total investment expenses	25.568	61.212	43.524	34.981
Net income (expenses) from investments	<u>(25.406)</u>	<u>(60.557)</u>	<u>(43.424)</u>	<u>(33.831)</u>

The Group's profit of € 162, from disposal of investments, resulted from the disposal of the subsidiary company DIAGNOSTIC CENTER IKEDA Sh p.k.,(see Note 20),

Loss from impairment of investments in subsidiary companies amounting to € 19.866 for the Company, regards the impairment of investments' value in subsidiary companies, as it resulted from the impairment test with date 31/12/2012 (See Note 21).

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Loss from impairment of available for sale financial assets amounting to € 439 and € 196 for the Group and the Company respectively regards the impairment of available for sale financial assets, as it resulted from the impairment test with date 31/12/2012. (See Note 23).

Loss from impairment of goodwill amounting to € 24.387 and € 22.761 for the Group and the Company respectively, regards the impairment of goodwill, as it resulted from the impairment test with date 31/12/2012 (See Note 20).

16. Income taxes

The income tax charges in the income statement are analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Income taxes	4.455	1.794	1.482	0
Prior years tax audit differences	11	214	0	0
Reversal of provisions taken for unaudited tax years	(5)	0	0	0
Special tax contribution L.3845/2010	0	0	0	44
Other taxation	762	950	639	600
Tax provision for unaudited fiscal years	891	499	285	0
Deferred taxes	(3.608)	3.125	(3.715)	2.939
Total taxes reported in the Statement of comprehensive Income	<u>2.506</u>	<u>6.581</u>	<u>(1.310)</u>	<u>3.584</u>
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Profits before tax	(51.164)	(115.369)	(62.979)	(75.711)
Tax calculated by Companys' tax rate (2012: 20 %, 2011: 20 %)	(10.233)	(23.074)	(12.596)	(15.142)
Tax imposed on the losses of the period	11.079	27.992	10.362	18.081
Prior years tax differences	11	214	0	0
Reversal of provisions taken for unaudited tax years	(5)	0	0	0
Special tax contribution L.3845/2010	0	0	0	44
Other taxation	762	950	639	600
Provision for tax unaudited fiscal years	891	499	285	0
Total taxes reported in the Statement of comprehensive Income	<u>2.506</u>	<u>6.581</u>	<u>(1.310)</u>	<u>3.584</u>

The fact that in certain occasions, income and expenses are recognized in a different period than that when income is taxed and expenses are deducted, for the purpose of taxable income definition, creates the necessity for recognition of deferred tax assets or deferred tax liabilities. The realised by the Group deferred tax asset (liability) is analyzed as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Deferred tax assets	(18.881)	(25.438)	(13.859)	(14.600)
Deferred tax liabilities	3.001	2.492	9.663	4.588
Total deferred taxes in the Statement of Financial Position	<u>(15.879)</u>	<u>(22.946)</u>	<u>(4.195)</u>	<u>(10.012)</u>

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	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Begging balance	(22.946)	(21.363)	(10.012)	(8.411)
Income taxes charged to the income statement	3.608	(3.125)	3.715	(2.939)
Income taxes charged directly to equity	3.458	1.541	2.101	1.339
Ending balance	<u>(15.880)</u>	<u>(22.946)</u>	<u>(4.195)</u>	<u>(10.012)</u>

	GROUP			
	At 31/12/2011	(Charges) / Credits of Results	Charges / (Credits) of equities	At 31/12/2012
Deferred tax assets				
Revaluation of fixed assets	593	691	0	1.284
Receivable accounts value adjustment	1.819	2.975	0	4.794
Post-employment benefits	1.438	(271)	0	1.167
Other adjustment	782	288	0	1.070
	4.633	3.683	0	8.316
Deferred tax liabilities				
Adjustment of fixed assets' value	(17.916)	1.691	2.442	(13.783)
Fixed assets depreciation expenses	(4.639)	(1.106)	13	(5.733)
Derecognition of formation expenses	(1.298)	(825)	3	(2.120)
Adjustment of investment value	(34)	51	1.000	1.017
Finance lease contracts of tangible assets	(3.692)	116	0	(3.577)
	(27.580)	(74)	3.458	(24.196)
Net deferred tax liabilities in the Statement of Financial Position	<u>(22.947)</u>	<u>3.609</u>	<u>3.458</u>	<u>(15.880)</u>

	COMPANY			
	At 31/12/2011	(Charges) / Credits of Results	Charges / (Credits) of equities	At 31/12/2012
Deferred tax assets				
Revaluation of fixed assets	0	0	1.000	1.000
Receivable accounts value adjustment	1.155	3.011	0	4.167
Post-employment benefits	1.050	(233)	0	818
Other adjustment	67	(21)	0	46
	2.273	2.757	1.000	6.031
Deferred tax liabilities				
Adjustment of fixed assets' value	(9.127)	1.309	1.101	(6.717)
Revaluation of fixed assets	638	140	0	778
Fixed assets depreciation expenses	(770)	(199)	0	(969)
Derecognition of formation expenses	(1.166)	(445)	0	(1.611)
Finance lease contracts of tangible assets	(1.859)	152	0	(1.707)
	(12.285)	958	1.101	(10.226)
Net deferred tax liabilities in the Statement of Financial Position	<u>(10.012)</u>	<u>3.715</u>	<u>2.101</u>	<u>(4.195)</u>

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According to the current tax legislation the tax rate for the current fiscal year of 2013, will be 26%. If that rate was applied on the deferred tax differences as at 31st December 2012, it would have led to the recognition of additional deferred tax liabilities amounting to approximately € 4.764 for the Group and approximately € 1.259 for the Company.

The tax audit regarding the fiscal year 2012, for the Company and its subsidiaries, is conducted according to the provisions of paragraph 5 of Article 82 of Law 2238/1994 as well as the relevant Ministerial Decision POL 1159/2011 by the statutory auditors or audit firm auditing the annual Financial Statements. Each audited fiscal year is considered settled 18 months after the issue date of the Tax Compliance Report. This audit is under way and the relevant Tax Compliance Report is expected to be issued after the approval and publication of the annual Financial Statements of the fiscal year 2012. According to the Group's Management estimates, all the appropriate actions have been taken and no additional tax liabilities, of material impact to the Company's and Group's Financial Statements, are expected to arise from the tax audit of the fiscal year 2012.

17. Earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing profits (losses) attributable to shareholders by the weighted average number of outstanding shares, including shares issued in the current year, and are analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Net profit attributable to common shareholders of the parent company	(55.227)	(118.690)	(61.669)	(79.295)
Weighted average number of outstanding shares	21.820.410	21.820.410	21.820.410	21.820.410
Less: Weighted average number of treasury shares	716.649	718.270	1.554.964	1.101.883
Total weighted average number of outstanding shares	21.103.761	21.102.140	20.265.446	20.718.527
Basic earnings (losses) per share (in €)	(2,6169)	(5,6245)	(3,0430)	(3,8272)

It is noted that there was no dilution in the consolidated Financial Statements of the reporting or the comparable period.

18. Tangible assets

The tangible assets of the Group are analyzed as follows:

	Land	Buildings and installations	Machinery and equipment	Transportation means	Furniture and fixtures	Construction in progress	Total
Acquisition or valuation cost							
At 31/12/2011	107.643	187.432	145.878	2.154	27.750	26.534	497.391
Additions in the period 1/1-31/12/2012	1	1.601	1.615	3	28	537	3.784
Disposals in the period 1/1-31/12/2012	(5)	(20)	(260)	(46)	(43)	0	(373)
Reclassification to investment property	(1.654)	(983)	0	0	0	0	(2.637)
Impairment	0	(183)	0	0	0	0	(183)
Own shares sold	0	(915)	(1.232)	0	(197)	0	(2.344)
Revaluation of fixed assets in fair value	(23.719)	(2.210)	0	0	0	(434)	(26.363)
Total at 31/12/2012	82.266	184.723	146.001	2.111	27.537	26.637	469.276

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Accumulated depreciation

At 31/12/2011	0	8.626	74.503	1.274	17.494	0	101.897
Additions in the period 1/1-31/12/2012	0	4.849	10.113	147	1.725	0	16.834
Disposals in the period 1/1-31/12/2012	0	(56)	(79)	(29)	(13)	0	(176)
Reclassification to investment property	0	(6)	0	0	0	0	(6)
Own shares sold	0	(30)	(382)	0	(104)	0	(516)
Revaluation of fixed assets in fair value	0	(3.291)	0	0	0	0	(3.291)
Total at 31/12/2012	0	10.092	84.155	1.393	19.101	0	114.742

Net book value

At 31/12/2011	107.643	178.807	71.375	879	10.256	26.534	395.494
At 31/12/2012	82.266	174.631	61.845	718	8.436	26.637	354.534

The Management of the Group, in line with the adopted accounting standards, has appointed to certified independent real estate valutors the valuation (revaluation) of the Group's real estate at fair value as of 31/12/2012. The book value of the Group's and Company's tangible assets decreased by € 23.072 (2011: 14.752) and € 11.691 (2011: 7.222) respectively.

The tangible assets' negative goodwill, decreased other comprehensive income and the Equity of the Group and the Company by € (18.457) (2011: € (6.845)) and € (9.353) (2011: € (5.355)) respectively, after subtracting the relative deferred tax asset for the Group and the Company of € 4.614 (2011: € 1.701) and € 2.338 (2011: € 1.339) respectively.

In addition, from valuation of specific real estate assets of the Group and the Company, negative goodwill of € (10.860) (2011: € (6.205)) and € (6.187) (2011: € (528)) respectively, emerged, which was recognized in the statement of comprehensive income under "Other operating expenses". This resulted to a decrease in the after tax results of the Group and the Company by € (8.688) (2011: € (4.964)) and € (4.949) (2011: € (423)) respectively, after subtracting the relative deferred tax asset for the Group and the Company of € 2.172 (2011: € 1.241) and € 1.237 (2011: € 106) respectively.

Depreciation, for the fiscal year 2012, of the Group's and Company's property was calculated on the basis of the property's value before the revaluation of 31/12/2012 and therefore the depreciation of property, plant and equipment which was charged on the consolidated and Company's statement of comprehensive income for the fiscal year 2012, has not been affected from the revaluation of 31/12/2012.

The biggest part of the owned property of the Group is property of special purpose (clinics, diagnostic centers and recovery centers). For these fixed assets, the Depreciated Replacement Cost Method has been applied, while for the remaining fixed assets, the method applied was based on European Valuation Standards and was chosen depending on their use and the available comparative data. (depreciated replacement value, market, income).

The depreciation expenses, for the fiscal year 2012, (including the depreciation and amortization expenses of intangible assets) charged to the cost of sales totaled to € 14.300 (2011: € 15.142), to the administrative expenses € 3.074 (2011: € 2.841) and to the selling expenses € 143 (2011: € 122).

Depreciation expenses amounting to € 6.726 (2011: € 5.682) resulting from finance lease contracts of machinery are included in the Statement of Comprehensive Income. The net book value of the leased equipment of the Group totaled € 52.890 (2011: € 59.616).

The subsidiary company S.A. TOURISTIKON EPICHIRISEON DITIKIS MAKEDONIAS, in line with efficient management and in order to achieve economic benefit, which would

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increase its liquidity, during the fiscal year 2012 and in particular on 7/3/2012, proceeded with the signing of an operating lease for its property. The agreement took effect on 1st April 2012 and its duration was set to four (4) years. Consequently the respective property with a total net book value of € 2.631 was reclassified from owner-occupied property to investment property.

The tangible assets of the Company are analyzed as follows:

	Land	Buildings and installations	Machinery and equipment	Transportation means	Furniture and fixtures	Construction in progress	Total
<u>Acquisition or valuation cost</u>							
At 31/12/2011	45.268	56.187	90.479	1.209	15.402	2.904	211.449
Additions in the period 1/1-31/12/2012	0	917	692	(0)	90	0	1.699
Disposals in the period 1/1-31/12/2012	0	0	0	0	0	(3)	(3)
Revaluation of fixed assets in fair value	(11.921)	(976)	0	0	0	0	(12.897)
Total at 31/12/2012	33.347	56.129	91.171	1.209	15.492	2.901	200.248
<u>Accumulated depreciation</u>							
At 31/12/2011	0	4.468	54.346	831	11.573	0	71.218
Additions in the period 1/1-31/12/2012	0	1.786	5.948	63	982	0	8.778
Disposals in the period 1/1-31/12/2012	0	0	0	0	0	0	0
Revaluation of fixed assets in fair value	0	(1.205)	0	0	0	0	(1.205)
Total at 31/12/2012	0	5.048	60.294	894	12.555	0	78.791
<u>Net book value</u>							
At 31/12/2011	45.268	51.719	36.132	378	3.830	2.904	140.231
At 31/12/2012	33.347	51.080	30.877	315	2.938	2.901	121.457

The depreciation expenses, for the fiscal year 2012, (including the depreciation and amortization expenses of intangible assets) charged to the cost of sales totaled € 7.527 (2010: € 7.621) and to the administrative expenses € 1.679 (2010: € 1.700).

Depreciation expenses amounting to € 4.222 (2010: € 3.087) resulting from finance lease contracts of machinery are included in the Income statement. The net book value of the leased equipment of the Group totaled € 23.598 (2010: € 27.820).

Mortgage prenotations of € 316.139 (2011: € 309.216) for the Group and € 242.700 (2011: € 215.763) for the Company have been recorded as guarantee for bank liabilities amounting to € 234.620 (2011: € 231.201) and € 188.890 (2011: € 188.890) respectively.

Moreover a credit institution, in order to secure bank loans, has a consensual perfected lien of € 1.000 (2011: € 1.000) on the subsidiary's EUROMEDICA IONIOS S.A., current account. This amount appears in the item "Blocked bank deposits" (Note 27).

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19. Intangible assets

The intangible assets of the Group are analyzed as follows:

	Software	Concessions and Rights	Rental Rights	Total
<u>Acquisition or valuation cost</u>				
At 31/12/2011	6.208	3.401	70	9.679
Additions in the period 1/1-31/12/2012	205	0	0	205
Disposals in the period 1/1-31/12/2012	0	0	0	0
Total at 31/12/2012	6.413	3.401	70	9.884
<u>Accumulated depreciation</u>				
At 31/12/2011	3.236	3.062	28	6.326
Additions in the period 1/1-31/12/2012	554	124	5	683
Disposals in the period 1/1-31/12/2012	0	0	0	0
Total at 31/12/2012	3.790	3.186	33	7.009
<u>Net book value</u>				
At 31/12/2011	2.972	339	42	3.353
At 31/12/2012	2.622	215	37	2.875

The intangible assets of the Company are analyzed as follows:

	Software	Concessions and Rights	Rental Rights	Total
<u>Acquisition or valuation cost</u>				
At 31/12/2011	4.571	1.846	0	6.417
Additions in the period 1/1-31/12/2012	186	0	0	186
Disposals in the period 1/1-31/12/2012	0	0	0	0
Total at 31/12/2012	4.756	1.846	0	6.603
<u>Accumulated depreciation</u>				
At 31/12/2011	2.382	1.611	0	3.993
Additions in the period 1/1-31/12/2012	399	30	0	428
Disposals in the period 1/1-31/12/2012	0	0	0	0
Total at 31/12/2012	2.781	1.641	0	4.422
<u>Net book value</u>				
At 31/12/2011	2.189	235	0	2.424
At 31/12/2012	1.976	205	0	2.181

The concessions regard the expenses made by the Group and the Company in order to obtain the operating license of the diagnostic centers.

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20. Goodwill

Goodwill for the fiscal year 2012 is analyzed as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Balance at 1/1	50.871	101.061	22.761	35.961
New acquisition	0	0	0	0
Merger	0	0	0	0
Disposal	0	(2.005)	0	0
Impairment	(24.387)	(48.184)	(22.761)	(13.200)
Balance at 31/12	<u>26.485</u>	<u>50.871</u>	<u>0</u>	<u>22.761</u>

During the period ended at 31/12/2012 the Group proceeded with the disposal of its equity interest, i.e. 50,5 % in the subsidiary company DIAGNOSTIC CENTER IKEDA Sh.p.k. The fair values of its assets at the date of sale are analyzed as follows:

	Fair values as at date of sale
ASSETS	
Property, plant and equipment	1.828
Intangible assets	0
Deferred income tax assets	0
Inventories	20
Trade and other receivables	140
Long-term receivables	0
Cash and cash equivalents	73
TOTAL ASSETS	<u>2.061</u>
LIABILITIES	
Post-employment benefits	0
Government grants	0
Provisions for other liabilities and charges	0
Trade payables & other liabilities	1.478
Deferred income tax liabilities	13
Current income tax liabilities	0
Total liabilities	<u>1.491</u>
Total equity	<u>570</u>
Total revenue of sale	450
Less: Net value of sold assets (50,49 %)	(288)
Less: Goodwill during initial acquisition	(1.064)
Plus: Impairment of goodwill	1.064
Sales Profit (loss)	<u>162</u>

Impairment test of final goodwill that the Group has paid for acquiring equity interests in its existing subsidiary companies (cash generating units) is conducted on an annual basis or whenever there are indications that their book value may have been impaired.

Based on business plan prepared by the Management of the Group, an impairment test was conducted regarding the value of assets (at consolidated and stand alone level) using cash generating units and taking into account the goodwill allocated to them.

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The recoverable amount of every cash generating unit was determined on the basis of calculating its value-in-use. The value in use was estimated based on discounted free cash flows covering a five year period. The pre tax rate by which the projected free cash flows were discounted to present varied between 8,0 % - 11,0 % (2011: 10,0 % - 12,0 %) and the projected cash flows beyond the five year period were calculated based on growth rate 1,0 % (2011: 1,0 %).

Key assumptions used for value-in-use calculations for the impairment test at 31/12/2012 and 31/12/2011:

Gross Profit Margin: Gross profit margins on a consolidated level, were calculated based on the gross margins of the subsidiaries included in each group of cash generating units in the preceding five-year period. Specific weight was given to the gross profit margins of the last two years, as they were considered more reflective of the current conditions.

Capital expenditures: All necessary investments in assets and working capital were taken into account, based on the needs observed in the preceding five year period; in order each group of cash generating units to maintain its capacity and market share.

Bond interests: the yield of the ten year Greek government bond, at the beginning of the projected 5-year period, was taken into account.

The impairment resulting from the impairment test conducted by the Group on 31/12/2012 is analyzed per entity as follows:

COMPANY	Balance at 31/12/2011	Additions	Impairment	Balance at 31/12/2012
ORASIS HELLENIC OPHTHALMOLOGICAL CENTER S.A..	521	0	0	521
IPPOKRATIS CENTER OF NUCLEAR MEDICINE S.A.	1.317	0	0	1.317
YGEIA VOLOU MEDICAL DIAGNOSTIC CENTER VOLOS S.A.	337	0	0	337
MELAMBUS MEDICINE S.A.	147	0	(147)	0
THEOTOKOS MAIEYTIKI GYNEKOLOGIKI KLINIKI LARIS.A.S S.A.	0	0	0	0
PYLI AXIOU PRIVATE DIAGNOSTIC CENTER S.A.	268	0	0	268
EUROMEDICA AROGI MEDICAL CENTER APOKATASTASI S.A.	99	0	0	99
EURO PROCUREMENT S.A.	10	0	0	10
EUROMEDICA PALAIYOU FALIROU S.A.	119	0	0	119
PRIVATE DIAGNOSTIC LAB - MEDICAL S.A. (AXIAL TOMOGRAFY SERRES)	749	0	0	749
YGEIA MAGNETIC DIAGNOSIS S.A.	1.288	0	0	1.288
ARISTOTELEIO PRIVATE DIAGNOSTIC LABORATORY AXIAL TOMOGRAPHY IATRIKI S.A.	236	0	0	236
DATA DESIGN S.A.	325	0	(325)	0
MEDINET ALEXANDROUPOLIS PRIVATE DIAGNOSTIC LABORATORY S.A.	391	0	0	391
AROGI S.A.	4.393	0	0	4.393

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COMPANY	Balance at 31/12/2011	Additions	Impairment	Balance at 31/12/2012
APOKATASTASI S.A	196	0	0	196
EUROMEDICA EASTERN ATTICA PRIVATE MULTI-SPECIALTY DIAGNOSTIC CENTER IATRIKI S.A.	120	0	0	120
IONIA-EUROMEDICA PRIVATE MULTI-MEDICAL FACILITY S.A.	156	0	0	156
MEGARA PRIVATE MEDICAL DIAGNOSTIC LAB SA	579	0	(323)	256
IONIA PRIVATE MULTI-SPECIALTY DIAGNOSTIC CENTER MEDICAL S.A	2.498	0	0	2.498
PRIVATE DIAGNOSTIC LABORATORY EUROMEDICA GALINOS TRIKALON S.A.	638	0	0	638
MULTI-DIAGNOSTIC CENTER PIERIAS IATRIKI S.A.	93	0	(50)	43
PRIVATE NEUROPSYCHIATRIC CLINIC KASTALIA S.A.	4.328	0	0	4.328
IPPOKRATIS - MULTI-SPECIALTY DIAGNOSTIC CENTER S.A.	1.262	0	0	1.262
IPPOKRATIS MAGNETIC TOMOGRAPHY S.A..	57	0	0	57
AXIAL TOMOGRAPHY N. IONIAS S.A.	10	0	0	10
MEDICAL DIAGNOSIS OF LESVOS S.A.	339	0	0	339
MEDINET KAVALAS PRIVATE DIAGNOSTOC CENTER S.A..	121	0	0	121
IONIA-EUROMEDICA PRIVATE MULTI-SPECIALTY DIAGNOSTIC CENTER IATRIKI S.A.	8	0	0	8
PRIVATE DIAGNOSTIC LABORATORY EURODIAGNOSIS CORFU S.A.	754	0	0	754
DIAGNOSTIC CENTER IKEDA LTD	(0)	0	0	(0)
DIAGNOSTIC CENTER LARISA S.A.	377	0	0	377
PRIVATE DIAGNOSTIC LABORATORY ALEXANDRIO S.A.	86	0	0	86
PRIVATE DIAGNOSTIC LABORATORY OF WESTERN THESSALONIKI S.A.	42	0	0	42
AXIAL DIAGNOSIS S.A.	293	0	(293)	0
VOGIATZIS PRIVATE DIAGNOSTIC LABORATORY S.A.	410	0	(410)	0
D.S. SIOVAS – RADIODIAGNOSTIC CENTER GREVENA	326	0	0	326
S.A. POROXIS IATRIKON IPIRESION APOTHERAPIAS & APOKATASTASIS	1.791	0	0	1.791
ALPHA NEFRODYNAMIKI SA.	2.083	0	0	2.083
PROGENNITIKOS ELEGHOS EUROMEDICA S.A.	0	0	0	0
DIAGNOSTIKO ERGASTIRIO LIMNOU IATRIKI S.A.	638	0	0	638
EUROMEDICA KOSMITIKI IDIOTIKO POLI IATRIO IATRIKI S.A.	77	0	(77)	0
Goodwill attributed to acquisitions of subsidiary companies	23.389	0	(22.761)	628
	<u>50.871</u>	<u>0</u>	<u>(24.387)</u>	<u>26.485</u>

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The loss of € 24.387, resulting from the impairment test of goodwill was recognized in the Group's statement of comprehensive income and more specifically to the item "Investment income/expenses" as well as in the Group's equity.

21. Investments in subsidiary companies

Investments of the Company in subsidiary companies and the relative changes for the fiscal year 2012 are analyzed as follows:

COMPANY	Balance 31/12/2011	Additions	Impairment	Balance 31/12/2012
ORASIS HELLENIC OPHTHALMOLOGICAL CENTER S.A..	0	244	0	244
IPPOKRATIS CENTER OF NUCLEAR MEDICINE S.A.	2.806	0	0	2.806
YGEIA VOLOU MEDICAL DIAGNOSTIC CENTER VOLOS S.A.	489	0	0	489
MELAMBUS MEDICINE S.A.	260	0	0	0
EUROMEDICA MULTIDIAGNOSTIC CENTER LARISA. S.A.	649	0	0	649
PYLI AXIOU PRIVATE DIAGNOSTIC CENTER S.A.	152	0	0	152
GENESIS MAIYTIKI GYNECOLOGIKI KLINIKI THESSALONIKIS S.A.	7.108	0	0	7.108
EUROMEDICA AROGI MEDICAL CENTER APOKATASTASI S.A.	5.133	0	0	5.133
GENERAL CLINIC OF DODEKANISA S.A.	9.609	0	0	7.310
PRIVATE DIAGNOSTIC CENTER MAGNETIC TOMOGRAPHY VOLOS S.A.	220	0	0	220
PRIVATE DIAGNOSTIC LAB - MEDICAL S.A. (AXIAL TOMOGRAFY SERRES)	1.684	0	0	1.616
YGEIA MAGNETIC DIAGNOSIS S.A.	1.470	0	0	1.470
EUROMEDICA FINANCE No 1 S.A.	31	0	0	0
TOURISTIC ENTERPRISES W. MACEDONIA S.A.	2.934	0	0	2.934
MEDINET ALEXANDROUPOLIS PRIVATE DIAGNOSTIC LABORATORY S.A.	763	0	0	763
AROGI S.A.	19.369	0	0	19.369
APOKATASTASI S.A	224	0	0	224
IONIA-EUROMEDICA PRIVATE MULTI-MEDICAL FACILITY S.A.	5.332	150	0	5.482
MEGARA PRIVATE MEDICAL DIAGNOSTIC LAB SA	104	0	0	104
IONIA PRIVATE MULTI-SPECIALTY DIAGNOSTIC CENTER MEDICAL S.A	5.932	0	0	5.932
PRIVATE DIAGNOSTIC LABORATORY EUROMEDICA GALINOS TRIKALON S.A.	713	0	0	713
PRIVATE NEUROPSYCHIATRIC CLINIC KASTALIA S.A.	5.250	0	0	5.250
IPPOKRATIS - MULTI-SPECIALTY DIAGNOSTIC CENTER S.A.	1.587	0	0	1.587
AXIAL TOMOGRAPHY N. IONIAS S.A.	74	0	0	74
MEDICAL DIAGNOSIS OF LESVOS S.A.	180	0	0	180
MEDINET KAVALAS PRIVATE DIAGNOSTOC CENTER S.A..	173	0	0	173
EUROMEDICA AROGI ACHAIAS S.A.	21.932	0	0	8.565
ZOE-GENIKI THERAPEFTIKI PRIVATE CLINIC S.A.	13.251	50	0	11.015
EUROMEDICA ALBANIA HOLDINGS S.A.	1.584	0	0	379
PRIVATE DIAGNOSTIC LABORATORY EURODIAGNOSIS CORFU S.A.	1.382	0	0	1.382
EUROMEDICA SERRES S.A.	28	0	0	28
PRIVATE DIAGNOSTIC LABORATORY ALEXANDRIO S.A.	139	300	0	439

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COMPANY	Balance 31/12/2011	Additions	Impairment	Balance 31/12/2012
PRIVATE DIAGNOSTIC LABORATORY OF WESTERN THESSALONIKI S.A.	308	198	0	505
AXIAL DIAGNOSIS S.A.	350	0	0	0
EUROMEDICA APOKATASTASI S.A.	2.957	0	0	2.957
ASKLEPIO INFIRMARY LARISA S.A.	2.520	0	0	2.520
GENIKI NOSILEFTIKI GENERAL SERVICES S.A.	99	0	0	99
ALPHA NEFRODYNAMIKI SA.	2.000	0	0	2.000
EUROMEDICA CRETE RECOVERY AND REHABILITATION CENTER S.A.	1.030	0	0	1.030
DIAGNOSTIKO ERGASTIRIO LIMNOU IATRIKI S.A.	634	0	0	634
	<u>120.459</u>	<u>941</u>	<u>0</u>	<u>101.535</u>

Information concerning changes of acquisition values of the Group's existing subsidiaries is given in Note 3.

Under the revised business plan, the Company conducted, on 31/12/2012, an impairment test of its investments in subsidiaries. The Company determined the recoverable amount of its investments in its existing subsidiaries based on their value in use. Their value in use was calculated according to forecasted cash flows for the subsequent five years. The cash flows of each company, beyond the five year period where calculated approximately with the aid of the forecasted growth rates. The impairment loss, of € 19.866 that was recognized, regards the book value which exceeds the recoverable amount of the subsidiaries and is accounted for in the statement of comprehensive income and in particular under "Income / (Expenses) from investments" (see Note 15)

22. Investments in associate companies

Information concerning other important changes in the acquisition cost and equity interest in the subsidiary companies of the Group, is provided in Note 3.

Investments in associates are accounted for in the statement of financial position at acquisition cost and are later readjusted to reflect any post-acquisition change in the Group's share in their total equity less any impairment in their value. The statement of comprehensive income illustrates the share of the Group in the results of the associate companies.

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23. Available for sale financial assets

During the fiscal year 2012, the Group's available for sale financial assets changed compared to the previous fiscal year, as follows:

	COMPANIES	GROUP	
		At 31/12/2012	At 31/12/2011
	IASO S.A.	7.175	3.508
	ST. LOUKAS NURSERY S.A.	1.170	1.349
	FILOKTITIS S.A.	768	773
	OTHER COMPANIES	447	450
		<u>9.560</u>	<u>6.080</u>

	COMPANIES	COMPANY	
		At 31/12/2012	At 31/12/2011
	IASO S.A.	7.175	3.508
	ST. LOUKAS NURSERY S.A.	1.170	1.349
	FILOKTITIS S.A.	768	773
	OTHER COMPANIES	274	275
		<u>9.387</u>	<u>5.905</u>

On 31/12/2012 the Group and the Company held 5.315.532 shares (2011: 5.315.532) of IASO S.A.. From the valuation of these shares for the period from 1/1/2012 to 31/12/2012 a profit of € 3.667 was realized and accounted for in the Statement of Comprehensive Income. Total comprehensive income and total equity of the Group and the Company were increased accordingly.

From the impairment test of other investments a loss amounted to € 439 for the Group and € 196 the Company occurred, which is analyzed as follows:

COMPANIES	GROUP
GENIKI KLINIKI GAVRILAKI S.A.	1
ST. LOUKAS NURSERY S.A.	179
DIAGNOSTIC CENTER "AGIA SOFIA"	243
FILOKTITIS S.A.	6
EUROMEDICA HEART S.A.	1
ASKLIPIO OF CRETE S.A.	9
	<u>439</u>

24. Investment property

Investment property is monitored as long term investment and valued at fair value, which equals the fair value as determined by independent property valuers. The Group's investment property concerns buildings owned by the subsidiary companies, IDIOTIKO OFTHALMOLOGIKO IATRIO ORASIS S.A. located at Iridos Str. 4, in Palaio Faliro, IONIA IDIOTIKO POLIATRIO IATRIKI S.A. located at Hatzidaki Str. 2 in Elefsina and TOURISTIKON EPICHRISEON DYTIKIS MAKEDONIAS S.A. located at the region of Nimfeo in Florina.

The Company's investment property concerns: (a) a real estate asset located at Eratous 2 Str. and Avenue Amphitheas in P. Faliro, b) a real estate asset located at Iatrou Gogoyssi Str.

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37 in Stauroupoli, Thessaloniki (c) a real estate asset located at Public Avenue of American School-N Michanionas in Peraia, Thessaloniki, and (d) a real estate asset located in Kavgali of Serres. The aforementioned properties are leased to subsidiary companies of the parent company except of property (c) which is leased to NEVROPSHSYCHITRIKI KLINIKI A.PISSALIDI – A.KARIPI S.A. which was a subsidiary up until 1/7/2011.

The change of investment property is analyzed as follows:

<u>Acquisition or valuation cost</u>	GROUP	COMPANY
At 31/12/2010	1.319	5.920
Additions	0	0
Reclassification	1.165	0
Revaluation	(107)	(301)
At 31/12/2011	<u>2.377</u>	<u>5.620</u>
Additions	0	0
Reclassification	2.631	0
Revaluation	(398)	(701)
At 31/12/2012	<u>4.610</u>	<u>4.919</u>

The Group's and the Company's income from the lease of the subject property for the fiscal year 2012 totalled to € 251 (2011: € 60) and € 168(2011: € 199) respectively.

The fair value of Company's investment property has been determined based on a) the income method, b) the discounted cash flow method and c) the residual method.

25. Long-term receivables

Long-term receivables of the Group and the Company concern various given guarantees for leased property, mechanical equipment and transportation means.

26. Inventories

Inventories of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Goods	7	129	0	0
Raw materials and supplies	3.134	4.101	2.145	2.641
Advances for inventory purchases	0	12	0	0
Total	<u>3.140</u>	<u>4.241</u>	<u>2.145</u>	<u>2.641</u>

The management of the Group re-assesses on annual basis the realizable value of inventories and if it is considered necessary, it recognizes provision for their impairment.

27. Customers and other receivables

The total accounts receivable of the Group and the Company are analyzed as follows:

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	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Customers	200.540	139.641	133.816	98.512
Notes receivable	3.298	3.607	2.348	2.977
Notes overdue	128	52	16	0
Cheques receivable	83	524	14	442
Cheques overdue	210	210	210	210
Short-term receivables from associates	0	0	15.664	15.769
Short-term receivables from other affiliates	11.296	10.054	2.395	2.263
Blocked bank deposits	1.000	1.000	0	0
Doubtful accounts receivable	1.531	1.565	724	724
Sundry debtors	26.878	30.780	14.130	13.692
Advances and credit management accounts	745	377	499	217
Prepaid expenses	145	539	45	299
Non-current receivables from currently earned income	7.900	6.016	7.010	4.726
Other transit debit balances	50	111	48	16
	253.804	194.476	176.918	139.848
Less: Provisions	(54.780)	(38.734)	(38.037)	(31.889)
Balance	<u>199.024</u>	<u>155.742</u>	<u>138.882</u>	<u>107.959</u>

The book value of the above receivables is representative of their fair value. The total of the trade account receivables of the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Customers	200.540	139.641	133.816	98.512
Notes receivable	3.298	3.607	2.348	2.977
Notes overdue	128	52	16	0
Cheques receivable	83	524	14	442
Cheques overdue	210	210	210	210
Doubtful accounts receivable	1.531	1.565	724	724
	205.789	145.600	137.128	102.865
Less: Provisions	(28.274)	(19.745)	(26.755)	(20.608)
Balance	<u>177.515</u>	<u>125.855</u>	<u>110.373</u>	<u>82.257</u>

The Group's management, taking into consideration the current economic recession (economic slowdown, reduced purchasing power of customers) has increased provisions for impairment of bad and doubtful debts – without relinquishing any claim - amounting to € 9.958 (1/1-31/12/2011: € 19.104) for the Group and € 1.007 (1/1-31/12/2011: € 16.611) for the Company, by charging the Statement of Comprehensive Income of the fiscal year 2012. Moreover it wrote off other receivables, amounting € 189 (1/1-31/12/2011: € 4.668) and € 0 (1/1-31/12/2011: € 1.322) for the Group and the Company respectively.

Additionally, within the fiscal year 2012, and under the provisions of par.4 article 34 of Law N. 4038/2012, Law N. 4132/07.03.2013 and a joint ministerial decision dated 19/2/2013 were issued. The decision set the discount rate which will be applied to the accumulated liabilities, of the health insurance funds that joined E.O.Π.Y.Y., towards the private sector's health care providers. The discount rate was set at 8% for private clinics and rehabilitation centers and at 15% for diagnostic centers. For this reason the Group and the Company made provisions,

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regarding the above discounts, amounting to € 7.009 and € 5.208 respectively which were recognized in the statement of comprehensive income.

Trade receivables mainly regard receivables from individual customers and insurance companies that have been outstanding for more than one year.

The movement of the provision for impairment of trade receivables is as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	31/12/2009
Balance at beginning of year	18.989	7.075	11.281	6.003
Provision for doubtful receivables	7.733	11.914	0	5.279
Eliminated receivables in the year as no collectible	0	0	0	0
Reversal of unused provisions	(217)	0	0	0
Receipts discount	0	0	0	0
Balance at year end	<u>26.505</u>	<u>18.989</u>	<u>11.281</u>	<u>11.281</u>

The movement of the provision for impairment of receivables is as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	31/12/2009
Balance at beginning of year	19.745	13.961	20.608	9.276
Provision for doubtful receivables	1.553	7.190	939	11.332
Provision for doubtful receivables from merged companies	7.009	0	5.208	0
Reversal of unused provisions	(32)	(372)	0	0
Provision for doubtful receivables during the finalisation of goodwill	0	(1.034)	0	0
Receipts discount	0	0	0	0
Balance at year end	<u>28.274</u>	<u>19.745</u>	<u>26.755</u>	<u>20.608</u>

The Group and the Company have signed factoring agreements with companies which are analyzed in the following table:

BANK	GROUP		COMPANY	
	Factored receivables	Amount of Loan	Factored receivables	Amount of Loan
EMPORIKI FACTORING	12.911	4.689	12.911	4.689
ABC FACTORS	9.145	2.300	9.145	2.300
PIRAEUS BANK FACTORING	1.279	1.192	0	0
MARFIN FACTORING	293	280	0	0
NATIONAL BANK OF GREECE FACTORING	6.892	727	5.625	251
EFG FACTORING	1.547	1.300	0	0
	<u>32.066</u>	<u>10.488</u>	<u>27.680</u>	<u>7.239</u>

28. Financial assets at fair value through P&L

The financial assets at fair value through the income statement are analyzed as follows:

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	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Shares	12	0	0	0
Domestic Mutual Funds	12	12	8	8
Ομολογίες	7	7	0	0
Balance	<u>31</u>	<u>19</u>	<u>8</u>	<u>8</u>

29. Cash and cash equivalents

Cash and cash equivalents represent cash in hand and bank deposits available on first demand of the Group and the Company.

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Cash in hand	1.199	1.183	180	222
Current, time and overdraft bank accounts	5.517	5.259	2.652	1.226
Balance	<u>6.716</u>	<u>6.442</u>	<u>2.832</u>	<u>1.448</u>

30. Share capital

On 29/6/2012, the General Meeting of the Shareholders of the Company in order to lift the conditions for application of provisions of article 47 of L. 2190/1920 decided the reduction of share capital by the amount of € 50.187 through the incorporation of accumulated losses and the reduction of the nominal value of the Company's shares from € 3,10 to € 0,80. The Ministry for Development Competitiveness and Shipping approved the aforementioned share capital reduction with its No K2-4302/13.07.2012 decision.

Taking into account the aforementioned, the share capital of the Company amounts to € 17.456 and is divided into 21.820.410 shares of nominal value (amount in euro) € 0,80 each.

According to the registry of the Company's Shareholders, as at 31/12/2012, the shareholders with holdings in the Company larger than 2% are the following:

SHAREHOLDER	NUMBER OF SHARES	PARTICIPATION PERCENTAGE AT 31/12/2012
AXON HOLDINGS S.A.	10.390.881	47,6%
SONAK S.A.	2.358.883	10,8%
EUROPROCUREMENT S.A.	2.222.164	10,2%
CQS CONVERTIBLE AND QUANTITATIVE STRATEGIES MASTER FUND LTD	2.050.000	9,4%
I.TZINIS SP.SPANOY AVEE	600.000	2,7%
EUROMEDICA S.A.	453.080	2,1%
OTHERS (PERCENTAGE LESS THAN 2%)	3.745.402	17,2%
TOTAL	<u>21.820.410</u>	<u>100,00%</u>

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31. Reserves

The reserves of both the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Statutory reserves	3.709	3.652	2.693	2.693
Other reserves	73	73	0	0
Extraordinary reserves	1.357	1.357	1.395	1.395
Tax free and specially taxed reserves	1.059	1.059	158	158
Reserves from tax free income	420	420	420	420
Reserves from specially taxed income	241	241	279	279
Reserves from goodwill resulted from sales of shares	(15.030)	(12.121)	(14.978)	(12.121)
Reserve from issuing bond loan convertible in shares	1.062	1.062	1.062	1.062
Reserves from value adjustments of participating interests and securities	782	782	782	782
Revaluation of fixed assets in fair value reserve	26.517	34.824	5.535	10.750
Investments revaluation reserve	4.667	(0)	4.667	(0)
Share capital increase expenses	(302)	(295)	0	0
Merger reserve	7.963	7.963	7.963	7.963
Balance	<u>32.518</u>	<u>39.017</u>	<u>9.977</u>	<u>13.381</u>

According to the Greek corporate law, companies are required to transfer a minimum of 5 % of their annual after tax profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the paid-in share capital. The above reserve can be distributed only at the liquidation of the Company; it can nevertheless be offset against accumulated losses.

The "revaluation of fixed assets at fair value" reserve concerns reserves from valuation of owner occupied fixed assets (land buildings- technical works) at fair value.

The "reserve from issuing bond loan convertible in shares" concerns reserve from the restructuring of the bond loan convertible in shares, totalling € 11.100.(fair value on 31/12/2012 € 11.155)

The "merger reserve" has been formed from mergers of the parent company.

The remaining reserves have been made according to special provisions of tax legislation, which either offer the ability of special income tax transfer at the time of income distribution to the shareholders or offer tax relief as an investment incentive. The tax liability, accumulated at the time of distribution of those reserves, which amounted, on 31/12/2012, to € 630 and € 450 for the Group and the Company respectively, will be recognized if their distribution takes place, at that particular time.

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32. Treasury shares

At the end of the fiscal year 2012, the Group and the Company, taking into account the effect of the reverse split held 714.843 (2011: 714.843) and 453.080 (2011: 453.080) treasury shares, which were acquired for a total amount of € 8.379 (2011: € 8.379) and € 4.790 (2011: € 4.790) respectively. These amounts are recognized in the equity of the Group and the Parent Company respectively.

33. Loans

The Group's and Company's loans have been issued mainly by Greek Banks and are denominated in Euro. Amounts payable within twelve months from the Statement of financial position date are classified as short-term liabilities, while amounts payable subsequent to twelve months are classified as long-term liabilities. The Group's and Company's loans are analyzed as follows:

BANK	GROUP			
	At 31/12/2012		At 31/12/2011	
	Short-term liabilities	Long-term liabilities	Short-term liabilities	Long-term liabilities
ALPHA BANK	127	7.955	2.091	8.248
EMPORIKI BANK	437	0	1.447	0
NATIONAL BANK OF GREECE	20.513	56	15.982	58
GENIKI BANK	39	0	51	0
EFG EUROBANK ERGASIAS S.A.	23.827	187	21.108	12.234
PIRAEUS BANK	5.409	1.169	3.882	4.975
T BANK	251	106	240	0
MILLENNIUM BANK	292	6.153	8.319	0
BANK OF CYPRUS	2.344	0	2.318	0
ATTICA BANK	225	0	200	0
HSBC	9.253	0	8.858	0
EMPORIKI FACTORING	4.689	0	4.668	0
HELLENIC POSTBANK	882	0	97	0
ABC FACTORS	2.300	0	1.846	0
PIRAEUS BANK FACTORING	1.192	0	586	0
MARFIN FACTORING	280	0	245	0
NATIONAL BANK OF GREECE FACTORING	727	0	2.900	0
BANK DODEKANESE	117	0	156	0
BANK OF THESSALY	158	0	150	0
T BANK	783	0	0	0
EfG FACTORING	1.300	0	0	0
Syndicated loan	50.658	0	26.582	0
Convertible bond loan	11.736	0	10.563	0
Current portion of long-term debt	180.640	0	185.925	0
Finance lease liabilities	16.036	22.912	10.125	29.426
Total bank liabilities	<u>334.218</u>	<u>38.538</u>	<u>308.338</u>	<u>54.941</u>

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	COMPANY			
	At 31/12/2012		At 31/12/2011	
	Short-term liabilities	Long-term liabilities	Short-term liabilities	Long-term liabilities
ALPHA BANK	0	0	1.542	0
NATIONAL BANK OF GREECE	11.634	0	10.424	0
EFG EUROBANK ERGASIAS S.A.	19.388	0	18.548	0
MILLENNIUM BANK	292	5.873	8.019	0
BANK OF CYPRUS	1.934	0	1.905	0
HSBC	7.396	0	6.990	0
EMPORIKI FACTORING	4.689	0	4.668	0
T BANK	882	0	97	0
ABC FACTORS	2.300	0	1.846	0
NATIONAL BANK OF GREECE FACTORING	251	0	2.454	0
Syndicated loan	50.658	0	26.582	0
Convertible bond loan	11.736	0	10.563	0
Current portion of long-term debt	153.958	0	170.019	0
Finance lease liabilities	8.024	7.026	5.278	10.079
Total bank liabilities	<u>273.142</u>	<u>12.900</u>	<u>268.935</u>	<u>10.079</u>

The value of the convertible bond is analyzed as follows:

	At 31/12/2012	At 31/12/2011
Liability item at 1/1	10.563	10.004
Financial expenses for the period	992	980
Financial expenses paid	(400)	(400)
Accrued expense over bond return	581	0
Issuance expenses	0	(21)
Liability item at 31/12	<u>11.736</u>	<u>10.563</u>

Some of the above loans are regulated by certain financial covenants which should be fulfilled on stand alone and Group level and at the same time the lenders hold a termination right in the event of covenants' breach, which would make the borrowings repayable immediately.

On 31/12/2012 as well as on 31/12/2011, the Group and the Company did not meet the financial covenants of its bank borrowings. Applying IAS 1 "Presentation of Financial Statements", the Group and the Company reclassified loans amounting to € 149.897 (2011: € 173.149) and € 128.174 (2011: € 162.451) respectively, from "Long-term loans" to "Current portion of long-term debt".

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The overdue loan liabilities of the Group and the Company as at 31/12/2012 amounted to € 60.555 and € 53.755 respectively, of which, € 55.237 and € 50.280 for the Group and the Company respectively, concern the amount of contractual obligation to capital repayment. Moreover the Group and the Company as at 31/12/2012 had overdue finance lease liabilities amounting to € 8.628 and € 5.153 respectively.

34. Provision for staff retirement indemnities

The liability for both Group and Company towards their employees working in Greece for the future provision of benefits in relation to their past service is accounted for and represented on the basis of the expected payable accrued benefit of every employee at the balance sheet date, discounted at its present value, in relation to its foreseen time of payment. The accrued benefits of every period are charged to the income statement with a respective increase of the pension liability. The payment of benefits towards retiring employees proportionally decreases the pension liability.

The number of employees in the Group and the Company as well as the respective payroll expense are as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
<u>Number of employees:</u>				
Permanent	2.633	2.582	1.320	1.292
Wage earners	0	0	0	0
Total	<u>2.633</u>	<u>2.582</u>	<u>1.320</u>	<u>1.292</u>
<u>Employee cost analysis:</u>				
Salary and wage expenses	67.095	68.408	36.566	37.761
Provision for staff retirement indemnities	331	1.077	119	686
Total Cost	<u>67.426</u>	<u>69.485</u>	<u>36.685</u>	<u>38.447</u>

The change in provision for staff retirement indemnities for the Group and the Company is as follows:

	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Net liability at the beginning of the year	7.177	6.886	5.252	5.257
Total granted benefits	(1.238)	(718)	(1.031)	(691)
Staff retirement indemnities of new subsidiaries	0	(68)	0	0
Expenses released in the Statement of Comprehensive Income	(94)	1.077	(132)	686
Net liability at the end of the year	<u>5.845</u>	<u>7.177</u>	<u>4.089</u>	<u>5.252</u>

The Group and Company obligation for compensation payment to its retiring personnel was calculated on the basis of an actuarial study which was conducted by an independent company of actuaries. The basic economic data and assumptions of this study as of 31st December 2012 have as follows:

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	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Present value of liability	5.249	7.986	3.458	5.639
Unrecognised actuarial profits (losses)	596	(809)	631	(387)
Net liability in the Statement of financial position	<u>5.845</u>	<u>7.177</u>	<u>4.089</u>	<u>5.252</u>
Service cost	440	696	239	449
Financial cost	244	323	172	237
Actuarial profits (losses)	(243)	36	(180)	0
Terminal benefits	(136)	11	(112)	0
Cost of merged companies	(353)	0	(252)	0
Sold subsidiaries	0	11	0	0
Cost of extra benefits	(1.285)	0	(1.031)	0
Total charge in the Statement of Comprehensive Income	<u>(1.332)</u>	<u>1.077</u>	<u>(1.163)</u>	<u>686</u>
Liabilities from personnel benefits changed during the year as follows:				
Net liability at the beginning of the year	7.177	6.886	5.252	5.257
Net liability of new subsidiaries	0	(57)	0	0
Service cost	440	696	239	449
Financial cost	244	323	172	237
Actuarial profits (losses)	(243)	36	(180)	0
Terminal benefits	(165)	11	(112)	0
Cost of merged companies	(324)	0	(252)	0
Cost of extra benefits	(1.238)	(718)	(1.031)	(691)
Net liability at the end of the year	<u>5.845</u>	<u>7.177</u>	<u>4.089</u>	<u>5.252</u>

35. Government grants

Government grants are related to investments in fixed assets (mostly buildings and machinery) and are recognized as income over the period of the fixed assets' depreciation. The income of grants that was directed to the statement of comprehensive income during the year amounted to € 280 (2011: € 326) and € 16 (2011 € 15) for the Group and the Company respectively

Depending on the provisions of the law applicable for the grant, there are certain restrictions and limitations regarding the transfer of the subsidized assets and the changes that the subsidized Company can make regarding it's the legal form. During the audits performed by competent authorities, during various time periods, no breach of these restrictions was identified.

36. Other provisions

Other provisions regard provisions made for the coverage of future costs and expenses that may arise from settlement of social security liabilities, court decisions regarding legal disputes and tax audit of unaudited fiscal years by the tax authorities. More specifically:

	GROUP		COMPANY	
	At 31/12/2012	31/12/2011	At 31/12/2012	31/12/2011
Other Provisions	262	262	182	182
Provisions for legal disputes	350	350	350	350
Provisions for additional taxes from unaudited fiscal years	3.655	2.769	1.852	1.567
Balance	<u>4.267</u>	<u>3.381</u>	<u>2.384</u>	<u>2.099</u>

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37. Other long-term liabilities

Other long-term liabilities of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Long-term liabilities owed to other affiliates	1.576	1.584	1.047	1.055
Long-term notes payable	222	17.633	202	16.306
Long-term social security organizations' liabilities	0	1.937	0	1.937
Other long-term liabilities	537	91	8	16
Balance	<u>2.335</u>	<u>21.246</u>	<u>1.257</u>	<u>19.315</u>

38. Suppliers and other current liabilities

The total liabilities of both Group and Company towards suppliers and others creditors are analyzed as follows:

	GROUP		COMPANY	
	At 31/12/2012	At 31/12/2011	At 31/12/2012	At 31/12/2011
Suppliers	66.387	59.425	62.675	48.837
Notes payable	43.074	25.561	22.604	4.531
Cheques payable	8.791	9.202	4.487	5.282
Customer's advances	44	360	0	0
Social Securities	27.416	13.414	21.281	9.965
Liabilities owed to associate companies	0	0	0	0
Liabilities owed to affiliate companies	2.453	1.723	1.412	1.148
Dividends payable	149	156	149	156
Sundry creditors	20.813	10.853	13.827	8.142
Unearned and deferred income	0	254	0	49
Accrued expenses	5.572	4.461	4.096	3.703
Other accruals	50	58	50	50
Balance	<u>174.750</u>	<u>125.466</u>	<u>130.582</u>	<u>81.862</u>

In the above stated balances of 31/12/2012, overdue liabilities of € 60.317 and € 37.797 for the Group and the Company respectively are included. These liabilities are broken down by category as follows:

	GROUP	COMPANY
Suppliers	5.560	3.936
Notes payable	28.335	12.624
Cheques payable	5.395	3.294
Social Securities	16.861	15.340
Sundry creditors	0	0
Payroll	4.166	2.603
Balance	<u>60.317</u>	<u>37.797</u>

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It is noted that the overdue balance of the liabilities to suppliers accounts for orders for payment applied for by suppliers adding up to € 2.846 and € 2.540 for the Group and the Company respectively. Regarding liabilities for which orders of payment have been issued, the Management of the Group has proceeded, for part of them, with repayment agreements and will continue its efforts for agreements which will cover the rest of the unsettled balance. As far as the existing orders for payment are concerned, until the date of approval of the Financial Statements, no court decision has been issued. However the Management of the Group, taking into account the feedback of its legal department, estimates that outcome of the aforementioned cases will have no material effect on the financial position and operation of the Company and the Group.

Moreover, the Company during the fiscal year 2012 proceeded with the settlement for its overdue liabilities towards insurance funds in forty eight (48) equal monthly payments. For this settlement the company incurred additional expenses, from fees and penalties, amounting to € 3.213, which were recognized in the statement of comprehensive income under the item other operating expenses.

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39. Related party transactions and balances

The Company considers as related parties the members of the Board of Directors (including their related parties), as well as the shareholders holding a percentage over 5% of its share capital. The Group and the Company transactions and balances, during the period 1/1-31/12/2012 and at 31/12/2012, respectively, were the following:

GROUP								
RELATED PARTIES	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases	Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
EUROGENETIKI PROTIPO KENTRO EREVNON & EFARMOGON MORIAKIS VIOLOGIAS S.A.	0	(2)	99	(2)	56	(10)	201	(2)
MEDITRON S.A.	0	(1)	87	(13)	22	(1)	529	(13)
DORMED HELLAS S.A.	0		0	(1)	43	(1)	76	(1)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO KOZANIS IATRIKI S.A..	0		0		59	(3)	0	
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	0	(2)	0		135	(10)	4	(18)
MEDITREND S.A.	0		0		98	(1)	82	(1)
KENTRIKES IPIRESIES LARISAS S.A.	31	(2)	0		0	(2)	0	
KENTRO IATRIKI APOKATASTASIS KAVALAS LYDIA S.A.	0		0		7	(6)	0	
MEEFTIKI GINEKOLOGIKI KLINIKI LARISAS S.A.	0		674	(2)	319	(6)	546	
AXON HOLDINGS S.A.	0		437	(14)	324	(14)	0	(14)
AXON SECURITY S.A.	0	(9)	0		0		100	(9)
AXON EMPORIKI S..A	0		182	(9)	0	(11)	198	(11)
SONAK S.A.	0		0		25	(15)	217	(6)
GENIKI KLINIKI GAVRILAKI S.A.	0	(2)	0		239	(2)	185	(2)
NOSILEFTIKI AGIOS LOUKAS S.A.	0		0	(2)	1	(2)	0	
EUROMEDICA KARDIAS S.A.	0	(14)	0		0	(2)	1.047	(6)
EUROTHERAPIA S..A	0		0		802	(12)	0	
IPPOKRATIO DIAGNOSTIC	0	(7)	4	(7)	1.029	(6)	529	(7)
KERDOS EKDOTIKI S.A.	0	(7)	4	(7)	1	(7)	439	(7)
YGEIA AMPELOKIPON S.A.	0		0		22	(2)	0	
PROGENNITIKOA ELEGHOS S.A.	0		0		290	(2)	80	(2)
TOTAL	31		1.483		3.498		4.233	

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COMPANY								
RELATED PARTIES	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases	Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
ELLINIKO OFTHALMOLOGIKO KENTRO ORASIS S.A.	12	(14)	0		268	(5)	0	
IPPOKRATIS IDIOTIKO DIAGNOSTIKO ERGASTIRIO PIRINIKIS S.A.	0		6	(2)	3	(3)	11	(2)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0		32	(3)	0	
MELAMPOUS IATRIKI S.A.	0		0		38	(4)	0	
MEEFTIKI GINEKOLOGIKI KLINIKI LARISAS S.A.	0		0		145	(4)	0	
EUROMEDICA IDIOTIKO IATRIKO DIAGNOSTIKO ERGASTIRIO LARISAS IATRIKI S.A.	0		4	(2)	743	(3)	0	
					59	(2)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO PILIS AXIOU IATRIKI S.A.	11	(2)	26	(2)	206	(2)	198	(2)
					56	(3)		
					20	(2)		
GENESIS MAIEYTIKI GYNECOLOGIKI KLINIKI THESSALONIKIS S.A.	64	(2)	14	(2)	105	(3)	0	
EUROMEDICA AROGI KENTRO IATRIKIS APOTHERAPIAS KAI APOKATASTASIS S.A.	25	(2)	2.688	(2)	0		4.644	(2)
GENIKI KLINIKI DODEKANISOU S.A.	28	(6)	533	(2)	0		1.054	(2)
EURO PROCUREMENT S.A.	0		9.381	(1)	1.033	(3)	18.293	(1)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MAGNITIKIS TOMOGRAFIAS IATRIKI S.A.	0		3	(6)	0		1	(2)
EUROMEDICA PALEOU FALIROU IDIOTIKO POLIATRIO IATRIKI S.A.	354	(14)	445	(2)	456	(4)	0	
					57	(2)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0		123	(3)	0	
YGEIA MAGNITIKI DIAGNOSI S.A.	0		0		27	(3)	0	
EUROMEDICA FINANCE S.A.	0		980	(9)	75	(6)	11.155	(9)
TOURISTIKES EPICHIRISIS DITIKIS MAKEDONIAS S.A.	0		0		326	(4)	1	(6)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ARISTOTELIO AXONIKOS TOMOGRAFOS IATRIKI S.A.	15	(2)	41	(2)	71	(2)	1	(6)
DATA DESIGN S.A.	0		667	(10)	365	(10)	0	
IONIA EUROMEDICA KORINTHOU IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0		0		44	(2)
					148	(4)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDROUPOLIS IATRIKI S.A.	0		0		26	(3)	0	
THESSALIKO KENTRO IATRIKIS APOKATASTASIS S.A.	0		2.578	(2)	1.1198	(2)	1.381	(6)
KENTRO APOTHERAPIAS APOKATASTASIS IMERISIAS NOSILIAS S.A.	0		32	(6)	0		15	(6)
EUROMEDICA ANATOLIKIS ATTIKIS IDIOTIKO POLIATRIO IATRIKI S.A.	428	(2)	96	(2)	1.133	(2)	0	

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COMPANY									
RELATED PARTIES	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases		Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
IONIAN GENERAL CLINIC S.A.	0		0			167	(4)	0	
IATRIKI MEGARON IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			0		3	(2)
IONIA IDIOTIKO POLIATRIO IATRIKI S.A.	14	(2)	51	(2)		943	(4)	0	
						179	(3)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO EUROMEDICA GALINOS IATRIKI S.A.	0		0			0		1	(2)
IPPOKRATIS IDIOTIKO POLIATRIO IATRIKI S.A.	67	(2)	0			347	(2)	0	
IPPOKRATIS MAGNITIKI TOMOGRAFIA S.A.	0		0			4	(2)	0	
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			4	(3)	0	
IDIOTIKO POLIATRIO IATRIKI S.A.	0		5	(2)		18	(3)	6	(2)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MEDINET KAVALAS IATRIKI S.A.	0		0			40	(3)	10	(6)
EUROMEDICA APOKATASTASI ACHAIAS KENTRO IATRIKIS APOTHERAPIAS & APOKATASTASIS S.A.	3	(14)	0			219	(4)	0	
ZOI GENIKI & OGOLOGIKI IDIOTIKI KLINIKI S.A.	0		0			6	(4)	0	
EUROMEDICA ALBANIA HOLDINGS S.A.	3	(14)	0			32	(6)	0	
IONIA EUROMEDICA IDIOTIKO POLIATRIO IATRIKI S.A.	0		0			0		34	(2)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			0		28	(2)
IDIOTIKO POLIDIAGNOSTIKO ERGASTIRIO EUROMEDICA SERRON IATRIKI S.A.	0		0			1	(2)	0	
DIAGNOSTIKO KENTRO LARISAS S.A.	0		0			2	(2)	0	
NEVROPSYCHIATRIKI KLINIKI A.PISSALIDIS-A.KARIPI S.A.	60	(14)	0			0		0	
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDRIO IATRIKI S.A.	16	(2)	69	(2)		662	(4)	228	(2)
						224	(14)		
IDIOTIKO DIAGNOSTIKO ERGASTIRIO DITIKIS THESSALONIKIS IATRIKI S.A.	110	(14)	37	(2)		198	(2)	0	
AXONIKI DIAGNOSI S.A.	0		0			258	(4)	0	
EUROMEDICA KENTRO APOTHERAPIAS & APOKATASTASIS S.A.	2	(14)	0			5.716	(17)	0	
VOGIATZIS IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	0		0			18	(3)	0	
D.S. SIOVAS AKTINODIAGNOSTIKO ERGASTIRIO S.A.	0		0			6	(5)	0	
S.A. POROXIS IATRIKON IPIRESION APOTHERAPIAS & APOKATASTASIS	0		0			869	(3)	0	
S.K.D.S. S.A.	6	(14)	0			39	(3)	0	
GENIKI NOSILEFTIKI NOSILEFTIKON IPIRESION S..A	0		0			9	(6)	0	
EUROMEDICA GULF HOLDINGS S.A.	0		0			33	(4)	145	(2)
EUROMEDICA GALATSIU IDIOTIKO POLIATRIO IATRIKI S.A	0		0			4	(6)	0	

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COMPANY								
RELATED PARTIES	Sales to related parties	Description of sales	Purchases from related parties	Description of purchases	Receivables from related parties	Description of receivables	Liabilities to related parties	Description of liabilities
ALFA NEFRODINAMIKI S.A.	20	(2)	0		31	(6)	0	
EUROMEDICA ΚΟΣΜΗΤΙΚΗ ΙΔΙΩΤΙΚΟ ΠΟΛΥΙΑΤΡΕΙΟ ΙΑΤΡΙΚΗ ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ	0		0		91	(2)	0	
EUROGENETIKI PROTIPO KENTRO EREVNON & EFARMOGON MORIAKIS VIOLOGIAS S.A.	0		0		10	(2)	47	(2)
MEDITRON S.A.	0		0		0		87	(13)
DORMED HELLAS S.A.	0		0		0		53	(1)
IDIOTIKO DIAGNOSTIKO ERGASTIRIO KOZANIS IATRIKI S.A..	0		0		57	(3)	0	
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	0		0		2	(2)	0	
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	0		0		0		2	(2)
MEDITREND S.A.	0		0		0		63	(1)
KENTRIKES IPIRESIES LARISAS S.A.	0		0		5	(2)	0	
KENTRO IATRIKI APOKATASTASIS KAVALAS LYDIA S.A.	0		0		7	(6)	0	
AXON HOLDINGS S.A.	0		422	(14)	380	(14)	0	
AXON SECURITY S.A.	2	(9)	0		0		100	(9)
AXON EMPORIKI S..A	0		174	(14)	766	(11)	0	
SONAK S.A.	0		0		23	(6)	215	(6)
GENIKI KLINIKI GAVRILAKI S.A.	4	(2)	53	(2)	8	(2)	143	(2)
EUROMEDICA KARDIAS S.A.	2	(14)	0		2	(2)	1.055	(6)
EUROTHERAPIA S..A	17	(12)	0		802	(12)	0	
KERDOS EKDOTIKI S.A.	0		0		1	(7)	57	(7)
PROGENNITIKOS ELEGHOS S.A.	0		0		78	(6)	10	(6)
TOTAL	1.489		18.276		18.386		40.622	

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DESCRIPTION OF THE ABOVE BALANCES

- (1) Trade transactions in medical consumables, sanitary material and medical services
- (2) Trade transactions related to rendering medical services.
- (3) Dividend payout receivables/ payables.
- (4) Amounts on account of future share capital increase.
- (5) Cash facilities.
- (6) Other transactions.
- (7) Expenses and liabilities from receipt services from publications in daily press
- (8) Expenses and liabilities from receipt of stock market transaction services
- (9) Interest expenses and liabilities due to the issuance of a bond loan by the subsidiary companies EUROMEDICA FINANCE No. 1 S.A. and AXON SECURITY S.A.
- (10) Expenses and liabilities from the receipt of IT support services.
- (11) Expenses and advance payments on account of the construction and renovation of premises of hospital units and diagnostic centers.
- (12) Expenses and liabilities from operating lease agreements and obligations of medical equipment.
- (13) Expenses and liabilities from the receipt of medical equipment maintenance services
- (14) Transactions from real estate lease.
- (15) Expenses and liabilities from purchase of software.
- (16) Expenses and liabilities from the receipt of accounting and consulting services.
- (17) Receivables property sale

It is noted that during the fiscal year 2012 claim amounting to € 7.052, from the associate company AXON EMPORIKI BIOMICHANIKI OIKODOMIKI S.A., was fully impaired. The impairment was recognized in the statement of comprehensive under the item of selling expenses.

Remunerations of Management Members and Executives of the Group and Company, during the period 1/1-31/12/2012, amounted to € 2.034 and € 2.034 respectively. At 31/12/2012 there were claims of the Group and the Company from BoD Members and Management Executives totaling to € 54 and € 54 respectively, as well as liabilities of the Group and the Company to BoD Members and Management Executives totaling to € 6 and € 6 respectively.

40. Commitments and contingent liabilities

40.1 Contingent liabilities from lawsuits and under arbitration proceeding

At 31/12/2012 The Group and the Company are involved in a number of legal cases. Total initial claims against the Group amount to € 36.388 (2011: € 29.582), and against the Company amount to € 25.136 (2011: € 18.725). Moreover against the Company and the Group as at 31/12/2012 orders for payment, applied for by suppliers, existed amounting to € 2.846 and € 2.540 respectively.

The outcome of these cases could not be forecasted based on the data and information available to the management of the Group at the end of the fiscal year 2012, with exception of € 350 for which an equivalent provision has been made. No additional provision has been made, regarding the above mentioned legal claims. The Group's legal advisors estimate that all lawsuits are expected to be settled without any material adverse effect on the Group's financial position and its operations.

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40.2 Granted guarantees

At 31/12/2012 the Group had issued guarantees in order to secure liabilities from bank loans and finance lease contracts of subsidiaries and associate companies that amounted to € 45.277 (2011: 44.301).

42.3 Commitments from operating leases

At 31/12/2012 the Group had operating leases for the use of buildings, machinery and transportation means which are expected to end on various dates up to the year 2023.

Leasing expenses arising from operating leases for the use of buildings, machinery and transportation means which were charged to the statement of comprehensive income, of the fiscal year 2012, reached € 4.410 (1/1 - 31/12/2011: € 4.824). The future minimum rental payments of operating leases of buildings and vehicles under non-cancellable valid as at 31/12/2012 lease contracts for the Group are as follows:

	1/1-31/12/2012	1/1-31/12/2011
Up to 1 year	3.789	4.275
From 2 to 5 years.	9.941	11.011
More than 5 years	5.674	8.900
	<u>19.403</u>	<u>24.186</u>

40.4 Other contingent liabilities

The companies of the Group have not been audited by tax authorities for the following years:

COMPANY	Tax unadited fiscal years
EUROMEDICA S.A.	2010-2011
<i>I. Subsidiary companies</i>	
ORASIS HELLENIC OPHTHALMOLOGICAL CENTER S.A..	2010
IPPOKRATIS CENTER OF NUCLEAR MEDICINE S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	2010
MELAMBUS MEDICINE S.A.	2010
EUROMEDICA IDIOTIKO IATRIKO DIAGNOSTIKO ERGASTIRIO LARISAS IATRIKI S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO PILIS AXIOU IATRIKI S.A.	2010
GENESIS MAIEYTIKI GYNECOLOGIKI KLINIKI THESSALONIKIS S.A.	2007-2010
EUROMEDICA AROGI KENTRO IATRIKIS APOTHERAPIAS KAI APOKATASTASIS S.A.	2010-2011
GENIKI KLINIKI DODEKANISOU S.A.	2010
EURO PROCUREMENT S.A.	2009-2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MAGNITIKIS TOMOGRAFIAS IATRIKI S.A.	2010
EUROMEDICA PALEOU FALIROU IDIOTIKO POLIATRIO IATRIKI S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO - IATRIKI S.A.	-

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COMPANY	Tax unadited fiscal years
YGEIA MAGNITIKI DIAGNOSI S.A.	2010
EUROMEDICA FINANCE No 1 S.A.	2007-2011
TOURISTIKES EPICHIRISIS DITIKIS MAKEDONIAS S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ARISTOTELIO AXONIKOS TOMOGRAFOS IATRIKI S.A.	2010
DATA DESIGN S.A.	2010
IONIA EUROMEDICA KORINTHOU IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDROUPOLIS IATRIKI S.A.	2010
THESSALIKO KENTRO IATRIKIS APOKATASTASIS S.A.	2009-2011
KENTRO APOTHERAPIAS KAI APOKATASTASIS IMERISIAS NOSILIAS S.A.	2006-2011
EUROMEDICA ANATOLIKIS ATTIKIS IDIOTIKO POLUIATRIO IATRIKI S.A.	2010
EUROMEDICA IONIOS GENIKI KLINIKI EKMETALEYSHS KAI LEITOURGIAS FOREON YGIONOMIKIS MERIMNAS S.A.	2004-2010
IATRIKI MEGARON -IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	2010
IONIA IDIOTIKO POLUIATRIO S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO EUROMEDICA- GALINOS IATRIKI S.A.	2010
POLIDIAGNOSTIKO KENTRO PIERIAS S.A.	2010-2011
IDIOTIKI NEUROPSYXIATRIKI KLINIKI KASTALIA S.A.	2010
IPPOKRATIS IDIOTIKO POLUIATRIO IATRIKI S.A.	2009-2010
IPPOKRATIS MAGNITIKI TOMOGRAFIA S.A.	2009-2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	2006-2010
IDIOTIKO POLIATRIO IATRIKI S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO MEDINET KAVALAS IATRIKI S.A.	2010
EUROMEDICA APOKATASTASI ACHAIAS KENTRO IATRIKIS APOTHERAPIAS & APOKATASTASIS S.A.	2010
ZOI GENIKI & OGOLOGIKI IDIOTIKI KLINIKI S.A.	2008-2010
EUROMEDICA ALBANIA HOLDINGS S.A.	2010
IONIA EUROMEDICA IDIOTIKO POLIATRIO IATRIKI S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	2010
IDIOTIKO POLIDIAGNOSTIKO ERGASTIRIO EUROMEDICA SERRON IATRIKI S.A.	2010
DIAGNOSTIKO KENTRO LARISAS S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO ALEXANDRIO IATRIKI S.A.	2010

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COMPANY	Tax unadited fiscal years
IDIOTIKO DIAGNOSTIKO ERGASTIRIO DITIKIS THESSALONIKIS IATRIKI S.A.	2010
AXONIKI DIAGNOSI S.A.	2010-2011
EUROMEDICA KENTRO APOTHERAPIAS & APOKATASTASIS S.A.	2010
VOGIATZIS IDIOTIKO DIAGNOSTIKO ERGASTIRIO IATRIKI S.A.	2010
IDIOTIKO DIAGNOSTIKO ERGASTIRIO EUROMEDICA TRIKALON IATRIKI S.A.	2010
IDIOTIKI PSYCHIATRIKI KLINIKI PNOI ZOIS S.A.	2008-2010
D.S. SIOVAS AKTINODIAGNOSTIKO ERGASTIRIO S.A.	2010
S.A. POROXIS IATRIKON IPIRESION APOTHERAPIAS & APOKATASTASIS	2010
S.K.D.S. SYMVOULOI EPICHIRISEON S.A.	2010
GENIKI NOSILEFTIKI NOSILEFTIKON IPIRESION S..A	2008-2010
EUROMEDICA GULF HOLDINGS S.A.	2009-2010
EUROMEDICA GALATSIUO IDIOTIKO POLIIATRIO IATRIKI S.A	2009-2010
ALPHA NEFRODINAMIKI SA.	2010
EUROMEDICA KRITIS KENTRO APOTHERAPIAS & APOKATASTASIS S.A.	2009-2010
DIAGNOSTIKO ERGASTIRIO LIMNOU IATRIKI S.A.	2010
EUROMEDICA KOSMITIKI IDIOTIKO POLIIATRIO IATRIKI S.A.	2010
II . Associates	
EUROGENETIKI PROTIPO KENTRO EREVNON & EFARMOGON MORIAKIS VIOLOGIAS S.A.	2006-2011
MEDITRON S.A.	2007-2011
DORMED HELLAS S.A.	2007-2011
IDIOTIKO DIAGNOSTIKO ERGASTIRIO KOZANIS IATRIKI S.A..	2007-2011
IDIOTIKO POLYDIAGNOSTIKO ERGASTIRIO KARDITSAS S.A.	2008-2011
MEDITREND S.A.	2006-2011
EUROMEDICA AROGI DITIKIS MEKADONIAS KENTRO APOTHERAPIAS & APOKATASTASIS KOZANIS S.A.	2008-2011
KENTRIKES IPIRESIES LARISAS S.A.	2008-2011
KENTRO IATRIKI APOKATASTASIS KAVALAS LYDIA S.A.	2008-2011
MEEFTIKI GINEKOLOGIKI KLINIKI LARISAS S.A.	2010-2011

Regarding the fiscal year of 2011 a limited number of the Group's subsidiaries (the companies which in the above table have 2011 unaudited) did not accept to be tax audited by their statutory auditors as dictated by the provisions of paragraph 5 of Article 82 of Law

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2238/1994 and as a consequence they are subject to the aforementioned article's sanctions. According to the Management of the Company the additional taxes that might arise from a tax audit by the tax auditors of the Ministry of Finance will not be such, so as to be able to have a material effect on the Financial Statements of the Group and the Company. It is noted that a provision for tax unaudited fiscal years amounting to € 1.852 has been recorded in the financial statements of the fiscal year 2012.

The tax audit regarding the fiscal year 2012, for the Company and its subsidiaries, is conducted according to the provisions of paragraph 5 of Article 82 of Law 2238/1994 as well as the relevant Ministerial Decision POL 1159/2011 by the statutory auditors or audit firm auditing the annual Financial Statements. Each audited fiscal year is considered settled 18 months after the issue date of the Tax Compliance Report. This audit is under way and the relevant Tax Compliance Report is expected to be issued after the approval and publication of the annual Financial Statements of the fiscal year 2012. According to the Group's Management estimates, all the appropriate actions have been taken and no additional tax liabilities, of material impact to the Company's and Group's Financial Statements, are expected to arise from the tax audit of the fiscal year 2012.

41. After Statement of Financial Position events

Apart from the aforementioned facts, there are no further events after the Financial Statement Position date, regarding the Group, worth to be noted, based on IFRS disclosure requirements.

Athens, 27 March 2013

Konstantinos Zarakovitis

Tsimbikakis Vasilios

I.D. No X 220651

I.D. No AE 163834

Chairman of the Board & A' Managing
Director

Vice President of the Board

Vasileios Anastasakis
I.D. No AA 058349

Fotis Vasilopoulos
I.D. No 220665/99
ECONOMIC CHAMBER OF GREECE
A' CLASS LICENSE No 47330

The Chief Financial Officer

The Head of the Accounting Department

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AVAILABILITY OF FINANCIAL STATEMENTS

The annual and interim financial statements of the Group and the Company, the Auditor's Report and the Report of the Board of Directors to the Annual General Meeting have been posted on the Company's website (www.euromedica.gr).

The annual financial statements, audit reports and reports of the Board of directors of companies incorporated in the consolidated financial statements of the Company are posted on the Company's website (www.euromedica.gr).

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DATA AND INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2012
PUBLISHED ACCORDING TO C.L. 2190, ARTICLE 135 FOR COMPANIES PUBLISHING
ANNUAL FINANCIAL STATEMENTS, CONSOLIDATED AND NON – CONSOLIDATED,
IN ACCORDANCE WITH IFRS