

**ATHENS MEDICAL CENTER S.A.**  
**ANNUAL FINANCIAL REPORT (1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2014)**  
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)



**ATHENS MEDICAL CENTER S.A.**  
**ANNUAL FINANCIAL REPORT**  
**( 1 January – 31 December 2014)**  
**According to L. 3556/2007 article 4**

**ATHENS MEDICAL CENTER S.A.**  
**General Commercial Registry: 356301000**  
**Reg. no. 13782/06/B/86/06**  
**Distomou 5-7 Maroussi**

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**(According to L. 3556/2007 article 4 and the relevant decisions**  
**of the Capital Market's Board of Directors Commission)**

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**STATEMENTS OF MEMBERS OF THE BOARD**  
**(IN ACCORDANCE WITH ARTICLE 4 PAR. 2 OF CL. 3556/2007)**

The members of the Board of Directors of «ATHENS MEDICAL CENTER S.A.» a) George V. Apostolopoulos, President of the BoD. b) Vassilios G. Apostolopoulos, CEO and c) Christos G. Apostolopoulos, Vice President, declare that as far as we know:

a. The annual Financial Statement for the year 2014 of Parent Company and Group, which were drawn up in accordance with prevailing Accounting Standards, reflect in a true manner the assets and liabilities, equity and results of «ATHENS MEDICAL CENTER S.A.», as well as of the companies included in the consolidation, taken as a whole, and

b. The annual report of the Board of Directors, presents fairly the development, the performance and the position of «ATHENS MEDICAL CENTER S.A.» as well as of the companies included in the consolidation, taken as a whole, including the description of the main risks and uncertainties encountered.

**Maroussi, 30/03/2015**

**THE PRESIDENT OF THE  
B.O.D.**

**THE CEO**

**THE VICE PRESIDENT**

**G.V. APOSTOLOPOULOS**

**V.G. APOSTOLOPOULOS**

**CH.G. APOSTOLOPOULOS**

**ID AK 038305**

**ID Ε 350622**

**ID P 519481**

**BOARD OF DIRECTORS MANAGEMENT REPORT  
OF "ATHENS MEDICAL CENTER SA"  
FOR THE YEAR 1.1.2012– 31.12.2014  
TO THE  
ANNUAL SHAREHOLDERS' GENERAL ASSEMBLY**

Dear Shareholders,

Pursuant to the provisions of Codified Law 2190/1920 article 43a, article 108 par. 3 and article 135 par. 2, the provisions of law 3556/2007 article 4 paragraphs 2(c), 6, 7 and 8, the decision of the Hellenic Capital Market Commission 7/448/11.10.2007 and the Company's Articles of Association, we hereby submit the Board of Directors' Annual Report for the corporate year from 01/01/2014 to 31/12/2014, which was prepared and is in line with the relevant provisions of Law 3556/2007 (Government Gazette 91A/30.4.2007) and the relevant executive decisions issued by the Hellenic Capital Market Commission.

This report describes the financial information for the Group and the Company for the financial year 2014, the significant events during the period and their impact on the annual Financial Statements, the main risks and uncertainties the Company is likely to face during the financial year 2014 and the important transactions concluded between the Company and its affiliated entities.

Additionally, we are honoured to submit to you for approval the financial statements of the Company and the Group, according to the International Financial Reporting Standards for the year 01.01.2014 - 31.12.2014 and we kindly ask you to release the BoD and the auditors of any responsibility to provide compensation for the above year. The Financial Statements consist of the Balance Sheet, the Income Statement, the Cash Flow Statement and the Statement of Changes in Equity, as well as the notes to the financial statements.

The crisis of the Greek economy creates an unstable environment, affecting all sectors of the economy, including the health care sector in which Athens Medical Group is active.

The financial year 2014 has been challenging for the private health care sector. The undergoing financial crisis and the reduced disposable income have an additional effect on demand. On the contrary, the private insurance market, an important client for private clinics, has marked a slight increase in both the sectors of life and health insurance, which led to an increase in the revenues for Athens Medical Group.

Unfortunately, the adapted health care policy through the country's major insurance fund, EOPYY, is affecting the demand for private health care services and creates a further unstable working environment for the Group.

It is worth noting that EOPYY's budget for 2014 was 13% reduced compared with the budget for 2013, shifting the burden on private providers through the rebate and clawback practices. This has imposed a significant burden on EOPYY's counterparties as in 2013.

Regarding the issue of cash flow, the Group has faced several difficulties in its daily operations stemming mainly from: 1) the payment of receivables from Public Funds from 2006 until 31/12/2012 (date when EOPYY began its operations), which was partly completed and with significant delays, even though the State reassured us for the opposite, 2) the delay in the repayment of receivables from EOPYY for the year 2014. In combination with the rebate and clawback, EOPYY has not yet reimbursed the receivables (10%) for 2012, as well as 8 months for 2013 and 2014.

The management of AMC Group, has already from the previous years revised its strategy and adopted a series of actions, in order reassure its viability and at the same time preserve its competitive advantage in the health care market.

For this reason, we moved promptly and decisively in:

- Intensifying the cooperation with the insurance sector by initializing new partnerships, developing new products etc, always taking into consideration the current market situation.
- Creating new specialised packages for the hospitalisation of patients, offering discounts for internal and external patients.
- Attracting new cooperating doctors, necessary in order to outweigh the decline in demand in our existing clientele.
- Strengthening the Group's international profile with the attraction of patients from abroad, the most important being the agreement with the Libyan government for the hospitalisation of the wounded during the war in Libya, as well as the cooperation with Mouzenidis Group for the hospitalisation of Russian patients.
- Reducing both fixed and variable expenses, but at the same time maintaining high quality of healthcare services.

In 2014, Athens Medical Group and its Clinics operated according to the ISO 9001:2008 International Standard for the Quality Management System and Marousi Clinic and Itebalkan European Medical Center were awarded with ISO 22000:2005 for the catering services and the TEMOS International Standard. Moreover, the aforementioned clinics were awarded with TEMOS Excellence (Excellence in Medical Tourism), vital for the hospitalization of international patients.

## **1. FINANCIAL RESULTS**

At Company level, turnover before rebate & clawback reached € 165,89mil. 4.27% lower compared to 2013. Taking into account the negative effects of the estimated rebate and clawback, total revenue for the parent company reached € 144,33mil. marking an increase of 4.81% compared to 2013, which is mainly due to the new method for calculating the effect of clawback.

After EOPYY unilaterally imposed rebate & clawback on the Group's revenue, Earnings before interest, taxes, depreciation and amortization (EBITDA) reached € 1.51 million compared to € (13.60) in 2013 and after tax losses reached € (25.53) million from € (49.40) million in 2013.

At a consolidated level, turnover before rebate & clawback decreased by 4.23% compared to the previous year and reached € 170.44ml. After the effects of rebate and clawback EBITDA reached € 1.91mil. compared to €(12.17)ml in 2013. Finally, losses after taxes and minorities' rights reached € (19.09)ml from € (39.40)ml in 2013.

## **2. STATISTICS**

During the period 01.01.2014 to 31.12.2014, at a Company level 64.158 patients were admitted, against 58.746 patients in 2013, an increase of 9,21%. This increase is mainly attributed to the initiation of the collaboration with private insurance companies, and the extension of existing cooperations.

### ➤ **Assets – Equity and Liabilities**

Total assets – equity and liabilities on 31.12.2014 reached € 389.50ml at Company level and € 380.74ml at a consolidated level.

➤ **Tangible and Intangible assets**

Tangible and intangible assets for the year 2014 at Group and Company level were as follows:

<b>Figures on 31.12</b>	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Acquisition value	381.636	379.379	359.104	356.799
Depreciation	-139.789	-131.895	-129.785	-122.680
<b>Net Book Value</b>	<b>241.847</b>	<b>247.484</b>	<b>229.319</b>	<b>234.119</b>

➤ **Investments for the year 2014**

The Company realized significant investments in buildings, machinery and hospital equipment amounting to € 4.10mil. On a consolidated basis, investment reached € 4.09mil.

➤ **Cash and cash-equivalent**

Cash and cash-equivalent consists of cash plus deposits with banks as at 31.12.2014. Analysis is as follows:

<b>Figures on 31.12</b>	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Cash in hand	412	259	406	248
Deposits (sight and time)	4.615	16.230	3.819	15.740
<b>Total Cash</b>	<b>5.027</b>	<b>16.489</b>	<b>4.225</b>	<b>15.988</b>

➤ **Borrowing**

The Company's borrowing amounted to € 155.20mil. referring mainly to a common Bond Loan of € 155.14mil. issued on July 2012.

For year 2014, 3 of the Bond loan clauses were not satisfied by the Company, as a result of the wrongful imposition of the rebate and the clawback leading to the reclassification of the common bond loan from long term to short term borrowings.

Management is in negotiation process with borrowing banks regarding the restructuring of the bond loan, while the maturity date of bonds of initial maturity date 31/12/2014 and 20/1/2015 and amounted to € 26,94 mil. was extended up to 20/4/2015.

The current bank loans, except the common Bond Loan, have been received by the Company and its subsidiaries for serving their needs in working capital.

➤ **Profitability and Capital Adequacy Ratios**

Profitability and Capital Adequacy of the Company and the Group are evaluated with the use of ratios. More specifically, profitability of the Company and the Group is captured by the ratio of Return on Equity, as follows:

	The Group		The Company	
	2014	2013	2014	2013
<b>Figures on 31.12</b>				
Profit after taxes & minority rights/average equity	-22,26%	-34,96%	-22,23%	-39,61%

Capital structure and capital adequacy of the Company and the Group are captured by the Debt Ratio and the Current ratio, as follows:

	The Group		The Company	
	2014	2013	2014	2013
<b>Figures on 31.12</b>				
Equity/debt	24,05%	29,38%	25,65%	31,36%
Current assets/current liabilities	47,56%	53,47%	47,48%	53,19%

### 3. RISK MANAGEMENT

The Group's main financial instruments, except the derivatives, are cash and cash equivalents, bank deposits (sight and time), trade accounts receivable, prepayments and other receivables and accounts payable and bank loans (borrowings). Management periodically evaluates and revises the policies and procedures that relate to the management of financial risk.

#### a) Market risk

##### (i) Foreign exchange risk (FX risk)

The Group holds participations (business operations) in Romania, whose net assets are exposed to FX translation risk. This kind of FX translation risk derives from the exchange rate RON / € and it is not hedged as there is no substantial exposure. Group's management constantly monitors FX translation risks that might arise and evaluates the need to take relative actions.

##### (ii) Price risk

The Group is not exposed to securities price risk as it has no investment in entities classified, in the consolidated balance sheet, as financial assets at fair value through income statement.

##### (iii) Cash flow and fair value interest rate risk

The group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Depending on the levels of net debt, any

change in the base interest rates (EURIBOR), has a proportionate impact on the Group's results. For diminishing the effect of the above mentioned interest rate risk beginning from year 2008 Group entered financial contracts for interest rate risk hedging purposes. These financial instruments, are measured at fair value and are recognized as assets or liabilities in the Financial Statement.

The Group's policy is to minimize its exposure to interest rate cash flows risk with regard to financing issued at variable rates, to maintain its borrowings at low levels but at the same time make sure of the funding by cooperative banks that satisfy, by all means, the planned growth of the Group.

**b) Credit risk**

Credit risk from credit exposures to customers, including outstanding receivables and conducted transactions. The maximum exposure to credit risk is represented by the carrying amount of each asset, including derivative financial instruments, Risk control department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Trade debtors credit limits are set based on internal ratings in accordance with limits set by management.

The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is not considered significant in terms of Company's assets and liabilities **except for extraordinary events**. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors.

Regarding prepayments and other receivables, credit risk is considered of no significance.

With respect to derivative financial instruments, the Group monitors its positions, the credit ratings of counter parties and the level of contracts it enters into with any counter party.

Additionally, regarding the risks on deposits and equivalent products, the Group has transactions only with recognized financial institutions, with high credit ratings.

**c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. Furthermore, the Group estimates and controls its cash flows and it has entered into factoring, transaction, aiming to support its working capital.

**d) Capital management policies and procedures**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital is monitored on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less "Cash & cash equivalents". Total capital employed is calculated as "Total Equity" as shown in the consolidated Balance Sheet plus net debt.

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	The Group		The Company	
	2014	2013	2014	2013
<b>Figures on 31.12</b>				
Total Borrowing	157.640	167.621	155.232	165.120
<i>Less: Cash &amp; cash equivalents</i>	5.027	16.489	4.225	15.988
<b>Net debt</b>	<b>152.613</b>	<b>151.132</b>	<b>151.007</b>	<b>149.132</b>
Total Equity	73.805	92.951	79.501	100.030
<b>Total</b>	<b>226.418</b>	<b>244.083</b>	<b>230.508</b>	<b>249.162</b>
<b>Gearing ratio</b>	<b>67,40%</b>	<b>61,92%</b>	<b>65,51%</b>	<b>59,85%</b>

The gearing ratio for year 2014 has increased compared to the previous year 2013 in terms of Group and Company.

**e) Fair value estimation**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on market conditions existing at each balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values.

Fair values of derivatives are based on marked-to-market valuation. For all derivatives, fair values are confirmed by the credit institutions with which the Group has relevant contracts.

**4. TRANSACTIONS WITH RELATED PARTIES**

The Company and its subsidiaries are related to the following legal and natural persons:

- ▶ due to the majority of shares acquisition in its capital with Mr. Georgios Apostolopoulos and the legal persons or other business activities he is related with
- ▶ with its subsidiaries including their main shareholders and the members of their Boards of Directors
- ▶ with the members of the Company's Board of Directors.

The transactions with its subsidiaries mainly include the provision of commercial services, as well as the purchase and sell of goods. The transactions are realized within the normal operating framework of the Company.

The relative balances receivable from associates are not covered by securities, mortgages and their payment in full is conducted by cash payment within the time limits agreed between the companies in question. The Management of the Company does not regard that a provision/allowance for a possible non-collection of its subsidiaries related receivables is needed, hence no provision/allowance for doubtful debtors against these receivables is formed, except the case of subsidiary Ortelia, subsidiary Hospital Affiliates International and associate company LAVIE ASSURANCE.

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

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	<b>The Company</b>			
	<b>Receivables</b>	<b>Liabilities</b>	<b>Income</b>	<b>Purchases</b>
IATRIKI TECHNIKI SA	8	31.911	16	8.933
EREVNA SA	0	31	0	0
PHYSIOTHERAPY CENTER SA	0	238	111	333
EUROSITE SA	3.416	0	58	0
GAIA SA	1.591	12	1	95
HOSPITAL AFFILIATES INTERNATIONAL SA	390	0	0	0
<b>Total</b>	<b>5.405</b>	<b>32.192</b>	<b>186</b>	<b>9.361</b>

Part of Company's receivables from subsidiaries Eurosite S.A. and Gaia S.A. and specifically receivables amounted to euro 1.548 and euro 1.399 respectively, refer to deposits of Parent Company for the purpose of future share capital increase of these subsidiaries. The rest of the receivables of the above mentioned companies, refer to financial facilitation. In year 2012, the company in relation to receivables from **LAVIE ASSURANCE** of 1.745 euro (in 31/12/2014), formed provision for impairment loss of 909 euro, charging its results. Finally, in previous year 2013 regarding the receivables of euro 390 (at 31/12/2014) from Hospital Affiliates International S.A., the Company formed impairment, charging this year's results, amounted to euro 389.

The purchases of the Company mainly refer to purchases of medical materials from IATRIKI TECHNIKI S.A. transacted in the normal course of business. Liabilities exist due to this commercial relationship.

Purchases from PHYSIOTHERAPY CENTER S.A. refer to health services that were provided by the subsidiary to patients of the Group's Clinics. Purchases from GAIA S.A. refer to mechanical equipment lease.

Also Parent Company has guaranteed in favour of subsidiary Medsana for its borrowings (financial leases) amounted to 149 euro.

The Company's transactions with other related companies are depicted below:

	<b>The Group</b>			
	<b>Receivables on 31/12/2014</b>	<b>Liabilities on 31/12/2014</b>	<b>Income 1/1-31/12/2014</b>	<b>Purchases 1/1-31/12/2014</b>
OIKODOMIKI EKMETALEYTIKI SA	3	0	0	0
LAVIE ASSURANCE	1.745	39	0	0
SYCHRONI ECHODIAGNOSI SA	0	27	0	0
KORINTHIAKOS RYTHMOS SA	6	591	0	464
TRADOR SA	26	0	0	0
AGGEIOLOGIKI DIEREVNISI S.A.	0	6	0	0
MEDICAFE CATERING SERVICES S.A.	20	0	74	0
DOMINION INSURANCE BROKERAGE S.A.	0	70	0	17
<b>Total</b>	<b>1.800</b>	<b>733</b>	<b>74</b>	<b>481</b>

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	<b>The Company</b>			
	<b>Receivables on 31/12/2014</b>	<b>Liabilities on 31/12/2014</b>	<b>Income 1/1-31/12/2014</b>	<b>Purchases 1/1-31/12/2014</b>
OIKODOMIKI EKMETALEYTIKI SA	3	0	0	0
LAVIE ASSURANCE	1.745	39	0	0
SYCHRONI ECHODIAGNOSI SA	0	27	0	0
KORINTHIAKOS RYTHMOS SA	6	136	0	381
TRADOR SA	26	0	0	0
AGGEIOLOGIKI DIEREVNISI S.A.	0	6	0	0
MEDICAFE CATERING SERVICES S.A.	20	0	74	0
DOMINION INSURANCE BROKERAGE S.A.	0	64	0	17
<b>Total</b>	<b>1.800</b>	<b>272</b>	<b>74</b>	<b>398</b>

The company had revenue from dividends from "Medicafe Catering Services" amounting to Euro 38.

Lastly, compensations and liabilities to executives and members of the BoD for the financial year 2013 are as follows:

	<b>The Group</b>	<b>The Company</b>
<b>Compensations for executives and members of the BoD for the period 1/1-31/12/2014</b>	6.622	5.994
<b>Liabilities to executives and members of the BoD on 31/12/2014</b>	1.806	1.723

## 5. BRANCHES

During 2014 the Parent Company has not operated new branches.

### Parent Company's Branches

On 31/12/2014 the Parent Company operated the following branches:

No	Branch	Address	Activity
1	Interbalkan Medical Center	Asklipiou 10, 57 001 Pilaia	General Clinic
2	Faliro Clinic	Areos 36, 175 62 Faliro	General Clinic
3	Psichico Clinic	Andersen 1, 115 25 Psichico	General Clinic
4	Peristeri Clinic	Ethnarhou Makariou 60, 121 32 Peristeri	General Clinic
5	Dafni Clinic	Klious 8 -10, 172 37 Athens	General Clinic

### Subsidiaries' Branches

On 31/12/2014 the Group's Subsidiaries operated the following branches:

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<b>No</b>	<b>Subsidiary</b>	<b>Branch</b>	<b>Adress</b>	<b>Activity</b>
1	Iatriki Techniki SA	Il Rubino	Asklipiou 10, 57001, Pylaia	Resaturant
2	Eurosite Health Services SA	Eurosite Health Services SA	Delfon 3, 15125 Marousi	Parking Services

## **6. LABOUR ISSUES**

The Group is interested in the high scientific level, professional experience and the personal ethos of its executives. The Group's personnel includes distinguished medical professionals, nurses, administrative, paramedical staff, as well as technical and auxiliary staff.

Additionally, special attention is given in the continuous training of its employees with integrated educational programmes aiming at their development within the Group. These educational programmes are both internal and external carried out by third parties.

During 2014, 3.346 employees participated in educational activities amounting to 14.911 hours of teaching.

Athens Medical Group applies all provisions of labour law and fulfils all of its obligations towards Security funds and other labour regulatory organisations.

## **7. ENVIRONMENTAL ISSUES**

Athens Medical Group recognises the need for its continuous improvement in environmental issues based on the principles of sustainable development, compliance with the existing legal framework and international standards aiming for a balanced development within the natural environment. Based on these principles the Group operates in a way that ensures the protection of the environment, as well as the hygiene of its personel.

## **8. EVENTS AFTER THE END OF 2013**

Subsequent events do not exist.

## **9. COMPANY PROSPECTS**

Awaiting the decisions of the newly appointed Government regarding the general directions of the greek economy, combined with the proposed social policy and the role of EOPYY, we expect significant effects in the private healthcare sector, which will in turn affect the Group's strategy.

A milestone for the future will be the restructuring and economic support of EOPYY, in order to operate efficiently in cooperation with the private healthcare sector, creating a unique budget per provider, initiating real time audit of all hospital admissions and fulfilling the economic terms of our contractual agreements.

The issue of cash flow liquidity is of utmost importance and must be resolved in the following period mainly through the repayment of receivables until 31/12/2011 from the funds included in EOPYY, as well as the repayment of EOPYY's current liabilities.

The Company is continually adopting important business initiatives in order to preserve its role as a market leader, promoting at the same time the long term interests of its shareholders, always being

committed in the provision of high quality health care services and the operation of its divisions on the principles of corporate governance.

For this reason the Company has structured a strategic plan, which includes the following:

- ✓ Increase of the patient inflow, through the cooperation with new insurance companies and the attraction of new clients.
- ✓ Development of medical tourism, since we believe that there exist opportunities in attracting patients from abroad.
- ✓ Development of our network of cooperating doctors.
- ✓ Increase of revenues through the development of new clinical departments, the provision of innovative services and the change in the case mix towards more productive services.
- ✓ Full implementation of the business plan for the operation of GAIA Maternity Clinic within Athens Medical Center (Marousi clinic).
- ✓ Development of the Paediatric Clinic, which is already initiated.
- ✓ Adaptation of its pricing policy, in combination with the introduction of the Greek DRGs.
- ✓ Internal restructuring of administrative and other non medical departments, in order to create an efficient organisational structure and take advantage of economies of scale.

The Company's management estimates that the above described action plan will have a positive effect in maintaining of cash flow liquidity, resulting in the continuous operation of the Company and the Group.

Additionally, the Company is oriented in finishing the negotiations with the lending banks for the restructuring of the common bond loan.

## **CORPORATE GOVERNANCE DECLARATION**

(this Declaration has been compiled according to article 43a, paragraph 3, section d of C.L. 2190/1920, as is valid today after the modification of Law 3873/2010 and is part of the management report of the Board of Directors)

### **Introduction**

Corporate Governance describes a system of guidelines upon which the Company operates and establishes a structure that enhances its transparency towards the investment public, acknowledges and respects the rights of the stakeholders, promotes the interests of its shareholders and allows them to take an active role in its management. It also establishes a framework within which corporate goals are set, major risks are detected, the means for achieving corporate goals are specified, the risk management system is organized and management effectiveness is being monitored.

### **1) Corporate Governance Code**

#### **➤ Disclosure of willing compliance of the Company with the Code of Corporate Governance**

The principles of Corporate Governance and the procedures that follow are based on the C.L. 2190/1920, the existing legal framework concerning companies that are listed in the stock market, other principles and decisions of the Athens Stock Exchange, rules of the Hellenic Capital Market Commission and other bodies, but also include voluntary commitments on behalf of the Company that aim at preserving its credibility.

Our company complies fully with the above mentioned legal requirements, which comprise the minimum content of any Code of Corporate Governance. At this point and in order to comply with the obligations of the Law 3873/2010, our Company declares that we adopt the Code of Corporate Governance issued by the Hellenic Federation of Enterprises (SEV), which is accessible to the public through the website of SEV [http://www.sev.org.gr/Uploads/pdf/KED\\_TELIKO\\_JAN2011.pdf](http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf)

Corporate Governance describes a system of guidelines upon which the Company operates and establishes a structure that enhances its transparency towards the investment public, acknowledges and respects the rights of the stakeholders, promotes the interests of its shareholders and allows them to take an active role in its management. It also establishes a framework within which corporate goals are set, major risks are detected, the means for achieving corporate goals are specified, the risk management system is organized and management effectiveness is being monitored.

#### **➤ Deviations from the Code of Governance and justification of the cases of non - compliance**

Our Company declares that it conforms to all the obligations of the Greek legal framework (C.L. 2190/1920, L. 3016/2002 and L. 3693/2008). These minimum obligations are embodied in the Code of Corporate Governance of SEV, in which the company voluntarily complies. Currently, some deviations exist, especially concerning the specific provisions (additional to the general provisions). These deviations are as follows:

#### ***i. Role and Authority of the BoD***

- ✓ The BoD has not created a separate committee, which manages the procedure for applying candidates for the election of the BoD and prepares proposals for election in the BoD concerning the compensation of the members of the BoD given that the policy concerning these compensations is stable and formed.

***ii. Role and characteristics of the President of the BoD.***

- ✓ The BoD does not appoint an independent Vice President coming from its independent members, but an executive Vice President, as his contribution to the exercise of the executive duties of the President is considered of relative importance.

***iii. Duties and Conduct of the members of the BoD***

- ✓ The BoD has not adopted as part of its internal rules, policies to encounter conflict of interests between its members and the Company, since these policies have not been formulated yet.
- ✓ There is no obligation of analytical disclosure of any professional bounds of the BoD before their appointment as members of the BoD

***iv. Nominations of candidates for the BoD***

- ✓ The maximum service of the members of the BoD is not four years, but longer (six years), so that there is no need for the election of a new BoD in shorter periods, which would mean additional formalities (as for the representation in the presence of third parties etc.)
- ✓ There is no committee for nominating candidate for the BoD, as due to the size and structure of the Company, the existence of this committee is not necessary, at this point.

***v. Operation of the BoD***

- ✓ There is no specific set of rules for the organization of the BoD, as the existing articles of the Association are considered to be adequate.
- ✓ The BoD at the beginning of every calendar year does not adopt any calendar of meetings or a 12month action plan, since all its members are able to reach the site of the Company and hence the convocation of the BoD is possible when the needs of the Company or the Law render it necessary.
- ✓ There is no provision for the support of the BoD by a competent, specialized and experience administrative secretary, since the existing technological infrastructure allows the accurate recording to the BoD meetings.
- ✓ There is no obligation for the President and the non executive members of the BoD to convene on a regular basis, since all the issues are open for discussion in the presence of all the members of the BoD
- ✓ There is no provision for the existence of introductory programs for the new members of the BoD or their constant education since the members that are nominated have adequate experience and managerial skills.
- ✓ There is no provision for granting additional resources to the committees of the BoD for the fulfillment of their duties and for the hiring of external advisors, as such resources are approved by the Company according to existing needs.

**vi. Evaluation of the BoD**

- ✓ There is no institutional procedure in order to assess the effectiveness of the BoD and the committees, or the President of the BoD during the procedure in which the independent vice president directs. This procedure is not considered necessary based on the organizational structure of the Company.

**vii. Internal Control System**

- ✓ There is no specific rule for the operation of the audit committee, as the basic obligations and authorities are adequately described in the existing legal framework.
- ✓ No specific funds are granted for the use of external consultants, as the composition for the audit committee and its specialised knowledge and experience, ensure its efficient operation

**viii. Level and structure of compensations**

- ✓ There is no committee, comprising exclusively of non executive members of the BoD, independent in their majority, which aims at the compensation of the executive and non executive members of the BoD and thus there are no rules for the frequency of its convocations and other issues concerning its operation. The creation of such a committee has not been deemed necessary.
- ✓ In the contracts of the executive members of the BoD it is not stated that the BoD can demand the return of the bonus partly or in whole, due to the revised financial statements of previous years or due to wrong financial data of any kind, that were used for the calculation of this bonus, since bonuses are decided only after the final approval of the financial statements.
- ✓ The compensation of every executive and non executive member of the BoD is not approved by the compensation committee as such a committee does not exist.

**2) Reference to the corporate governance practices beyond the requirements of the Law**

Currently there are no deviations from the existing legal requirements.

**3) Description of the main characteristics of the Company's Internal Control and Risk Management systems with respect to financial reporting.**

➤ **Audit Committee**

According to L. 3693/2008 and the existing Internal Regulation System, the Company may have an Audit Committee. The Committee's main goal is the support of the Board of Directors in performing its duties, concerning the financial reporting methods, internal audit and the supervision of auditing procedures.

Without undermining or reducing the obligations of the management team, as set by the General Assembly, the responsibilities of the Audit Committee include the following:

- ✓ Supervision of the financial reporting system,
- ✓ Monitoring the proper and effective implementation of the internal audit system and the risk management system, as well as the supervision of the Company's Internal Audit Department,
- ✓ Supervising the statutory audit of the Company's and Group's financial statements ,
- ✓ Monitoring issues relating to the retention of the auditors' independence and objectivity.

In general, the Audit Committee attests the legality, effectiveness and independence of the internal and external audits and preserves the communication between the auditors and the members of the Board of Directors. The Committee operates on behalf of the Company's shareholders and investors towards whom the Committee is responsible.

According to a decision of the General Assembly on 29/06/2013, the composition of the Audit Committee is the following:

- Konstantinos Pampoukis, member of BoD, independent non executive member, as Chairman
- Nicolaos Koritsas, member of BoD, independent non executive member, as member
- Vasileios Tountopoulos, member of BoD, independent non executive member, as member
  
- **Internal Audit Department**

Internal audit is an independent and objective, confirmatory and consulting activity, designed to add value and improve the processes of the Company. It helps the Company achieve its targets by offering a systematic and structured approach to the evaluation and performs improvement of the efficiency of the control systems, risk management and corporate governance.

The operation of an Internal Audit Department is mandatory for the companies listed in the stock market. Internal audit is performed by a specific company department.

The internal auditors are independent, they do not fall under any organisational hierarchy and are supervised by 1 to 3 non executive members of the BoD.

The internal auditors are appointed by the BoD and are full time employees. Members of the BoD, the Company's management team, or their relatives, are excluded from the position of the internal auditor. The Company informs the Hellenic Capital Market Committee for any changes of the internal auditors or the organization of the Internal Audit department, within ten (10) working days from the time this changes occur.

While performing their duties, the internal auditors have unlimited access to all the necessary books, files, bank accounts and portfolios of the company, as well all of the Company's departments. The members of the BoD are obligated to cooperate and provide all the necessary information and generally facilitate the internal audit. The Company is obligated to provide the internal auditor with all means necessary in order to support them while performing their duties.

➤ **Responsibilities of the Internal Auditors**

The Internal Audit Department is responsible for the operation of a contemporary and effective auditing mechanism and for its continuous evaluation.

Within this framework, the Internal Auditors have the following responsibilities, which they need to undertake in an objective, independent and confidential way:

- 1) Supervises the implementation of the Internal Operational Regulation, the articles of Association of the Company and the legislation related to the operation of the Company and generally the obligations that stem from the existing legal framework
- 2) Reports to the BoD any case of conflict with its members' private interests, or with upper management's private interests, that comes to its attention.
- 3) Submits to the BoD a written report, at least once per quarter, concerning the ongoing audits and is present in the General Assembly Meetings.
- 4) Provides, upon the approval of the BoD, any information required by the supervising authorities, and assists them in order to facilitate their supervisory role.

➤ **Risk management system for the preparation of the Financial Statements**

The Parent Company who has the responsibility for preparing the Financial Statements, both consolidated and stand-alone, uses specific accounting software, in order to secure the accuracy of the figures depicted therein.

The consolidated companies have adopted the same accounting standards and the consolidated statements include their financial statements as approved by their governing bodies.

Finally, in regular intervals throughout the financial year variations of the financial figures and deviations from budget and last year figures of the parent company and its subsidiaries are monitored, in order to be adequately explained.

**4) Information required by Article 10, par. 1, under c), d), f), h) and i) of the Directive 2004/25/EC of the European Parliament and Council on April 21st 2004, concerning public bids.**

The information required by Article 10(1) of the European Parliament and Council Directive 2004/25/EC, is contained, pursuant to Article 4(7) of Law 3556/2007, in the Supplementary and Explanatory Report of the BoD.

**5) General Assembly**

➤ **Competencies of the General Assembly**

The General Assembly is the Company's supreme body and is entitled to decide on all corporate affairs. Its decisions bind the shareholders that are absent or disagree.

The general Assembly is the sole body competent to decide upon:

- ✓ Extension of the effective term or merger or split of the Company.
- ✓ Amendments of the articles of Association.
- ✓ Increases or reductions in the share capital, with the exception of those duly mentioned in the Articles of Association.
- ✓ Issue of bond loans and corporate bonds pursuant the articles 3a, 3b, 3c of L.C. 2190/1920, as valid.
- ✓ Election of members of the Board of Directors, apart from cases duly mentioned in the Articles of Association.
- ✓ Election of external auditors.
- ✓ Election of liquidators.
- ✓ Approval of the annual Financial Statements.

➤ **Convening the General Assembly**

The General Assembly of shareholders, when convened by the Board of Directors, shall meet regularly at the company's registered seat or in the region of another municipality within the prefecture of the seat once a year, always in the first semester after closure of each financial year. The Board of Directors may convene extraordinary General Assemblies as often is it considered necessary.

General Assemblies, except repeat and other similar assemblies, must be noticed at least twenty (20) calendar days prior to the assembly date. It is noted that the date of the publication of the notice and the day on which the General Assembly is held, are not counted.

➤ **Notice to the General Assembly – Agenda**

The notice to shareholders for the General Assembly shall state the date, time and venue of the assembly and the items on the agenda clearly, shall be posted in a visible location at the Company's offices and is published pursuant current legal obligations.

Ten (10) days before each General Assembly every shareholder may obtain the annual financial statements and accompanying reports of the BoD and the external auditors.

➤ **Representation**

The shareholders who wish to participate in the General Assembly are required to submit to the Company written certification from the registry of Dematerialised Securities System, according to article 51 of L.2396/1996 or alternatively any other equivalent certification according to par. 4 of article 28a of C.L. 2190/1920. The shareholder's identity must exist on the beginning of the 5th day before the General Assembly meeting (record date) and the relevant written certification must reach the Company at least three (3) days prior to the G.A. meeting. In the repeating General Assembly meeting all shareholders covering the same requirements can participate. The shareholder's identity must exist on the beginning of the 4th day prior to the new Assembly Meeting (Record Date of Repeat General Assemblies) and the relevant certification written or in electronic form must reach the Company, at the latest on the 3rd day before the repeat General Assembly date.

Shareholders who are entitled to participate in the General Assembly may be represented by a legally authorized proxy.

In respect with the Company, right to participate in the General Assembly meeting have only the people who carry the shareholder identity on the relevant record date. The shareholders that do not comply with the provisions may participate in the General Assembly only upon a relevant license of the members that attend the General Assembly.

➤ **List of Shareholders entitled to vote**

The list of shareholders entitled to vote at the General Assembly, shall be posted in a visible location at the Company's offices twenty four (24) hours prior to the General Assembly. This list must contain all the relevant information required by the Law, such as existing proxies, addresses of the shareholders or their proxies.

From the date of the publication of the invitation to the general Assembly, until the date of the Assembly, the Company is required to publish on its website, at least the following information:

- i. The invitation to the General Assembly,
- ii. The total number of shares and vote rights on the date of the invitation, including different subtotals of shares, if the company's share capital is divided in various types of shares,
- iii. The documents to be submitted at the General Assembly,
- iv. Draft for every decision on the topics to be discussed, or if no decision has been submitted for approval, the comments of the BoD for every matter to be discussed and if available any decision drafts concerning issues to be proposed by the shareholders.

If for technical reasons, access to the above mentioned data is limited, the Company must mention on its website the methods of acquiring the relevant documents and send them to every shareholder upon request.

➤ **Regular Quorum**

The General Assembly shall be considered to have a quorum when at least twenty percent (20%) of the paid-up share capital is represented therein.

If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held within twenty (20) days from the initial date. The invitation must be sent at least ten (10) days, before the meeting. The General Assembly shall be considered to have a quorum and convene legally on the items of the initial agenda, irrespective of the percentage of paid-up share capital that is represented.

Decisions in the General Assembly shall be made with an absolute majority of the votes represented at the assembly.

➤ **Extraordinary quorum and General Assembly majority**

In exceptional circumstances, the General Assembly shall be considered to have a quorum and convene legally on the items on the agenda when two thirds (2/3) of the paid-up share capital are attending or represented therein, regarding decisions that belong to the exceptional competency of the General Assembly and which are mentioned below:

- ✓ Extension of the effective term or merger, split, conversion, revival or dissolution of the Company
- ✓ Change in the nationality of the company
- ✓ Change in the business scope
- ✓ Amendments of the articles of Association
- ✓ Increases or reductions in the share capital, with the exception of those duly mentioned in the Articles of Association
- ✓ Issue of bond loans and corporate bonds pursuant the articles 3a, 3b, 3c of L.C. 2190/1920, as valid
- ✓ Change in the distribution of profits
- ✓ Increase of the shareholders' obligations
- ✓ Every other situation that according to the Law for the General Assembly's decision, the above mentioned quorum is required

If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held within twenty (20) days from the initial date. The invitation must be sent at least ten (10) days, before the meeting. The General Assembly shall be considered to have a quorum and convene legally on the items of the initial agenda, when at least 1/2 of the share capital is represented.

If the quorum of the previous paragraph is not achieved, a repeat assembly shall be held within twenty (20) days from the initial date. The invitation must be sent at least ten (10) days, before the meeting. The General Assembly shall be considered to have a quorum and convene legally on the items of the initial agenda, when at least 1/5 of the share capital is represented. A new invitation is not required if in the initial invitation the place and the time of the repeat meetings, according to the existing legal requirements, is mentioned and if there are at least ten (10) days between each cancelled meeting.

The decisions of the general Assembly are taken by a majority of 2/3 of the represented votes.

➤ **Chairman - Secretary of the General Assembly**

The General Assembly is chaired by the interim Chairman, or if unavailable, his deputy. Secretarial duties are reformed by the person temporarily set by the Chairman. Once the list of shareholders entitled to vote is approved, the Assembly proceeds to elect the President and a Secretary to perform the vote collection

➤ **Topics discussed - Minutes of the General Assembly**

The discussions and decisions of the General Assembly are limited to matters appearing on the agenda. For the issues discussed and decided in the Assembly Minutes shall be signed by the President and

Secretary. The copies and extracts certified by the Chairman of the Board or his deputy. It is the responsibility of the BoD to publish on the Company's website the results of the votes, mentioning for every decision the number of valid votes, as well as the number of negative votes and the number of abstinence, within five (5) days the latest from the day of the General Assembly meeting,

➤ **Discharge of the Members of the Board and Auditors**

Following the approval of the Annual Financial Statements, the General Assembly applying a special vote being carried by roll call decides upon discharge of the Board of Directors and Auditors from any liability for damages.

On the vote for the discharge of the BoD, all its members are allowed to participate with their own shares, or representing another shareholder, if they act as a legal proxy. The same holds for the Company's employees.

The discharge of the Board is powerless in cases of Article 22a of Law 2190/1920

➤ **Shareholders Rights**

Shareholders exercise their rights with regard to the Management of the Company only through their participation in the General Meeting.

In any Share Capital increase not affected by the contribution or issuance of convertible bonds, a Preference Right is provided upon the entire new Issue in favour of existing shareholders at the time of the issuance and proportionate to their share holding.

After the expiry of the time period set for the exercise of the preference right, which may not be smaller than one month, shares not bought, according to the above, are disposed by the Board of Directors according to its unconstrained will.

The Invitation for the Exercise of the Preference Right, which must also mention the period in which the right should be exercised, is published in the relevant Issue of the Government Gazette. Notwithstanding paragraphs 6 and 7 of article 13 (Law 2190/1920), the Preference Right may either be limited or waived by resolution of the General Meeting.

As an exception, if all Company's shares are bearer, the invitation for the Preference right exercise may be effected by registered mail to shareholders.

Any Shareholder wherever located, as regards his relation to the Company, is subject to the Greek Laws and is considered to have as residence the Company's Headquarters.

➤ **Minority Interests**

The rights of minority shareholders, as defined by the CL 2190/1920 and subsequent amendments and as provided for in Articles of Association are as follows:

1. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall include additional items on the agenda of the general assembly convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the General Assembly. The application for the inclusion of additional items on the agenda is accompanied by a justification or by a draft decision for approval by the general assembly and the reviewed agenda is published in the same manner as the last agenda, thirteen (13) days prior to the date of the General Assembly and at the same time it is made available to the shareholders on the webpage of the company, along with the justification or the draft decision that has been submitted by the shareholders, pursuant art. 27 par. 3 of C.L 2190/1920.

2. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders, at least six (6) days prior to the date of the General Assembly, draft decisions for items that have been included in the initial or the reviewed agenda, if the relevant request comes to the Board of Directors at least seven (7) days prior to the date of the General Assembly.
3. Following a request from any shareholder submitted to the company five (5) full days prior to the General assembly, the Board of Directors shall provide the General Assembly with information on corporate matters as requested, to the extent that such information is useful for the real assessment of the items on the agenda. The Board of Directors may refuse to provide information for specific reasons mentioned in the minutes. The Board of Directors may uniformly reply to requests of shareholders with the same content. No obligation for the provision of information exists, when the relevant information is already available on the webpage of the Company, particularly in the form of questions and answers.
4. On request of shareholders representing 1/5 of the paid-up share capital submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide the General Meeting with information on the course of corporate affairs and on the Company's property. The Board of Directors can deny providing the requested information due to substantial reasons that are reported in the minutes. Equivalent time limits for any exercise of the shareholders' minority rights also apply in case of a Repeat General Meeting.

## **6) Board of Directors**

### **➤ Composition and mandate of the Board of Directors**

The Company is managed by the Board consisting of seven (7) members, of which three (3) are executive and four (4) are independent non - executive. Executive members are those that deal with everyday issues of management of the Company, while and non – executive are in charge of the promotion of all corporate issues. The status of members as non-executive or executive is appointed by the Board of Directors

The Board members are elected by the General Meeting of shareholders of the Company for six year term and may be re-elected.

The Board of Directors has the following composition:

- Dr. George B Apostolopoulos– President of BOD, executive member
- Christos G. Apostolopoulos – Vice President of BOD, executive member
- Dr. Vassilis G. Apostolopoulos – CEO, Dr. Vassilis G. Apostolopoulos – CEO, executive member
- Dr. Jorn Olaf Hirschmann, member of BoD, non executive member
- Nicolaos Koritsas, member of BoD, independent non executive member
- Konstantinos Pampoukis, member of BoD, independent non executive member
- Vasileios Tountopoulos, member of BoD, independent non executive member

Short CV's and information on the members of Board of Directors are disclosed in the company's website: [www.iatriko.gr](http://www.iatriko.gr)

### **➤ Power – Responsibilities of the Board of Directors**

According to Article 2 of Law 3016/2002 on Corporate Governance the primary concern of the Board of Directors is the pursuance of the growth of the long-term value of the Company and the defence of the general Company interest.

The members of the Board of Directors and any third person entrusted by the Board of Directors with responsibilities belonging to it are not allowed to pursue interests conflicting with those of the Company.

The members of the Board of Directors and any third person entrusted by the Board of Directors with responsibilities belonging to it are obliged to reveal to the other members of the Board of Directors their interests, as well as any conflict of these interests with those of the Company and Companies related to it in the sense of Article 42e par. 5 of Law 2190/1920, that may arise during the exercise of their duties

Members of the Board of Directors are required to perform their duties with integrity, objectivity and professionalism and to devote sufficient time to perform those tasks.

Based on the Article of Association, the Board of Directors manages the Company's assets and represents it. It decides upon all issues regarding the Company within the framework of its scope, except those under the law or the applicable statute which are the sole responsibility of the General Assembly.

The Board of Director can only in writing, delegate the exercise of all powers and functions (except those that require collective action), as long as and the representing of the Company in one or more persons, members or not, while determining the scope of this award. However, the powers of the Board are subject to articles of Law 2190/1920, as applicable.

Acts of the Board, even if they are outside its objects, bind the company towards third parties. Only in case it is proved that the third party knew of the excess of its objects or ought to know. The compliance with the formalities of disclosure in the company statutes or amendments does not comprise as proof alone.

Restrictions on powers of Board of Directors from the Association of Articles or decisions of the General Assembly, not object to third parties, even if they have been subjected to disclosure.

Issues relating to any fees paid to executives of the Company, internal auditors and the overall wage policy of the Company, are adopted by the Board of Directors.

➤ **Establishment of Board of Directors**

After its election the Board of Directors is convened and elects the President and the Vice President. It can elect one or two Chief Executive Officers from its member only, determining in the same time its responsibilities. The president manages the meeting. In case of Presidents' absence the Vice President fully replaces the President. The Vice President is replaced by the Chief Executive Officer only by the Board of Directors' decision.

➤ **Replacement of Board of Directors Member**

If for any reason, there is a vacancy in the Board of Directors, the remaining Members are obliged, provided that they are at least three (3), to elect a temporary replacement for the rest of the service of the replaced member. The election is submitted to approval by the next General Assembly. The elected members' actions are valid even if its election is not yet approved by the General Assembly

➤ **Convergence of the Board of Directors**

Board of Directors can meet after the Presidents' invitation, at the Company's registered offices at least once per month. It can also be convened at any time by the President or if two (2) of its members request it.

➤ **Representing Members - Quantum – Majority**

Any absent Member can be represented by another. Each member can only represent one absent member.

The Board of Directors is in quantum and is valid when half plus one of its members are present or represented. In no case can the number of the present members can be less than three (3)

The decision of the Board of Directors are taken on absolute majority of the present or represented members, besides those that are clearly stated by the current Articles of Association and legislation.

➤ **Board of Directors Minutes**

For all decisions and meetings of the Board of Directors, minutes are kept. Copies of the minutes are validated by the President or the Vice President

➤ **Board of Directors Members' Compensation**

Board of Directors members can be compensated by an amount that is stated by the General Assembly. Any other fee or compensation of the members is given on the expense of the Company and only if it is approved by the General Assembly.

Company loans to founders, members of the Board of Directors, General Managers, Managers or persons related to them by blood or marriage or persons described in par. 5 of article 23a of L.C. 2190/1920, as well as the provision of credit and the granting of guarantees on their behalf against third parties are totally prohibited. For any contract between these persons and the Company a permission of the General Assembly is necessary. This also counts for employment contracts or alterations of employment contracts.

➤ **Prohibition of Competition**

It is prohibited to all Board of Directors members as long as to all managers to act professionally, without the permission of the General Assembly for their own or on behalf of others actions that are part of the Companies scopes. They are also not allowed to participate as partners to companies that are pursuing the same purposes as the Company's. In any violation case the Company has the right to ask for compensation based on the 23<sup>rd</sup> article of the 2<sup>nd</sup> and 3<sup>rd</sup> paragraph of the L.C. 2190/1920.

## **7) Committees**

➤ **Scientific Committee**

According to the Operating Manual of each clinic, there is a Scientific Committee which serves as the basic organ of supervision and control of issues relating to the level and quality of offered medical and hospital services.

The President and the members of the Scientific Committee are appointed by the Company's Management.

The Scientific Committee is the main supervisory body for issues related to the level and quality of healthcare services provided. The Scientific Committee deals with cases concerning the integrity, the scientific adequacy, the behaviour and, in general, concerning the adherence to due process during the actual exercise of the medical practice. Its responsibilities may be summed up as follows:

- ✓ It evaluates the adequacy of the salaried scientific medical staff, based on the performance and the keeping of due process by each and every one, as well as the discharge of their obligations, following a recommendation by the Scientific Director
- ✓ It controls the formal fulfilment of the obligations of the salaried doctors towards the clinic and the hospitalized patients, with regard to keeping medical records, minutes of operations, external offices' logs, etc
- ✓ It controls on a continuous basis the operation and the scientific performance of Medical departments and the Scientific staff, with regard to quality and manner of offering medical services
- ✓ It deals with the task of continuous training of the permanent staff of each Clinic in issues related to quality and manner of offering medical services.

Upon the Scientific Committee's decision one or more of its members can be delegated to deal with specific issues. The members are obliged to inform the committee for the course of their actions during a reasonable timeframe

The Scientific Committee meets whenever issues come up and more specifically on the first and third Tuesday of each month. The tenure of the Scientific Committee is two years.

The issues of each meeting are stated by the Chairman. Issues can be stated also by other members of the committee. The members must notify the committee in written, for the proposed issues, at least one week before the meeting. Board of Directors though it's President or the CEO can raise issues in the committee based on its decision. The agenda is communicated to all members in written at least three (3) days before the meeting. Non listed issues may be discussed at the committee only by the majority's approval. Quorum is defined as the half plus one of the members.

Decisions are taken based on majority of present members. In cases of tie, the Chairman's vote preponderates.

In the committee's meeting the secretary keeps the meeting's minutes which are signed by all present members.

➤ **Morals and Due Process Committee**

The Morals and Due Process Committee is consulted on issues of morals and due process by the Board of Directors of the Company, and supervises the observance of the rules of medical morals and due process. Acting Chairman of this Committee is the Scientific Director of each Clinic.

➤ **Hospital Infections Committee**

It meets upon Board of Directors decision. It is comprised, as by the law, by all coordinating Doctors of the unit. It controls all departments of the unit and proposes to the Board of Directors measures to avoid any possible Nosocomial Infections. Moreover it monitors the implementation of all above mentioned measures in order to reassure patients' protection. President of the Committee is the Clinical Director of each unit

➤ **Executive Committee**

The Committee meets once every month to monitor all Group activities, to plan all future Group actions, to assign duties, to determine Groups strategy, to evaluate Groups financial results and finally to cope with all issues that refer to the operation of each one of the Group's units.

The Executive Committee is composed of:

- Board of Directors President

**ATHENS MEDICAL CENTER S.A.**  
**ANNUAL FINANCIAL REPORT (1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2014)**  
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

- Chief Executive Officer
- Vice President
- Group's Chief Operations Officer
- Group's Chief Financial Officer
- Management's Consultants
- Unit Managers and other Executives based on the issues discussed

➤ **Administrative Committees**

Each Administrative Committee meets every two months and deals with all operational and organizational issues of each unit, evaluates units' financial results and plans all units' activities.

The Administrative Committee is composed of:

- Group's Executive Committee,
- Unit Managers
- Clinical Director
- Nursing Director
- Financial Manager
- And head of departments based on the issues discussed

**SUPPLEMENTARY AND EXPLANATORY REPORT OF THE BOARD OF DIRECTORS**  
**(Information regarding issues pertaining to paragraph 7 and 8 of article 4 of Law**  
**3556/2007)**

**SOURCES AND USES OF FUNDS**

During year 2014, the total investments of the Athens Medical Group S.A. amounted to approximately € 4.09mil.

In 2014, the Group's borrowing was reduced by approximately € 9.92mil.

On 31/12/2014, the Group's aggregate net borrowing amounted to approx. € 152.48mil., i.e. the sum of short term and long term loans of € 157.51mil less cash & cash equivalent of € 5.03mil.

The Group's net cash outflow for the year 2014 amounted to approximately € 11.46mil.

Net Borrowing: Total of short term and long term debt less cash and cash equivalent

The relative ratio of net borrowing ratio to group's own equity is as follows:

Figures on 31.12	The Group		The Company	
	2014	2013	2014	2013
Net Debt/ Equity	206,78%	162,59%	189,94%	149,09%

(a) Share Capital Structure

On December 31<sup>st</sup> 2014, the Company's Share Capital amounted to € 26.888mil., divided in 86,735,980 common bearer shares with a nominal value of € 0.31 each.

Based on the Share Registry as at December 31<sup>st</sup> 2014, the Company's shareholders were as follows:

Shareholders on 31.12.2014	Number of shares	% on total capital
G. Apostolopoulos Holdings S.A	33.955.539	39,15%
Asklepios International GmbH	30.624.114	35,31%
Eurofinanciere D' Investissement Monaco	2.585.057	2,98%
Credit Suisse AG	6.712.461	7,74%
Free float <2%	12.858.809	14,83%
<b>Total</b>	<b>86.735.980</b>	<b>100,00%</b>

The total of the Company's shares (100%) are Common Bearer shares. There exist no special categories of shares. Rights and obligations derived thereof are those foreseen by law 2190/1920.

(b) Constraints on Share Transfers

According to the Company's Statutes, there are not any.

(c) Significant direct and indirect participations in the sense of articles 9 to 11 of Law 3556/2007:  
On December 31<sup>st</sup>, 2014, G.Apostolopoulos Holdings held a percentage of 39.15% and Asklepios International GmbH held a percentage of 35.31%.

(d) Shareholders of shares affording special controlling rights  
There are no company shares affording special controlling rights

(e) Voting rights' constraints – time period for the exercise of related rights  
There are no constraints on voting rights other than those foreseen by Law 2190/1920.

(f) Rules on appointment / replacement of members of the Board of Directors and on amending the Company's Statutes provided they differ from those foreseen by Law 2190/1920.  
There are not any.

(g) Power of the Board of Directors for issuance of new shares / purchase of own shares according to the Article 16 of Law 2190/1920.

Notwithstanding paragraph 17 of this Article, it is hereby assigned that during the first five-year period from the company's constitution and following the Shareholder's General Meeting resolution dated 20.07.1993 by which the above mentioned power of the BoD was renewed for a period of five years, the BoD can issue new shares to increase all or part of the Company's Share Capital, with a 2/3 majority decision of its members. The increase can not exceed the total of the capital already paid down. The above mentioned power of the Board of Directors may be renewed by the General Meeting for a period not exceeding five years for each renewal.

No renewal of this power has been decided by the General Meeting.

(h) Compensation agreements in the event of resignation / redundancy with no well-founded reason or tenure termination for members of the Board of Directors or personnel.  
There are not any.

(i) Agreements among shareholders, known to the Company, resulting into restrictions on share transfers or on voting rights.  
There are not any.

(j) Any important agreement the Company has contracted and is being put in force, modified or expires, in the event of a change in Management following a Public Offering and the results thereof; unless, due to the agreement's nature, its publication would cause serious damage to the company.  
There are not any.

(k) Any agreement the Company has contracted with either members of the BoD or its personnel that foresees compensation in the event of resignation or redundancy with no well-founded reason or tenure termination due to a Public Offering.  
There are not any.

Finally, the basic rights and obligations deriving from share ownership according to the Company's Statutes and Law 2190/1920 are as follows:

**i. Shareholders' Rights**

Shareholders exercise their rights with regard to the Management of the Company only through their participation in the General Meeting.

In any Share Capital increase not affected by in the contribution or issuance of convertible bonds, a Preference Right is provided upon the entire new Issue in favour of existing shareholders at the time of the issuance and proportionate to their share holding.

After the expiry of the time period set for the exercise of the preference right, which may not be smaller than one month, shares not bought, according to the above, are disposed by the Board of Directors according to its unconstrained will.

The Invitation for the Exercise of the Preference Right, which must also mention the period in which the right should be exercised, is published in the relevant Issue of the Government Gazette. Notwithstanding paragraphs 6 and 7 of article 13 (Law 2190/1920), the Preference Right may either be limited or waived by resolution of the General Meeting.

As an exception, if all Company's shares are bearer, the invitation for the Preference right exercise may be effected by registered mail to shareholders.

Any Shareholder wherever located, as regards his relation to the Company, is subject to the Greek Laws and is considered to have as residence the Company's Headquarters.

**ii. Minority Interests**

The rights of minority shareholders, as defined by the CL 2190/1920 and subsequent amendments and as provided for in Articles of Association are as follows:

1. Following a request from shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall include additional items on the agenda of the general assembly convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the General Assembly. The application for the inclusion of additional items on the agenda is accompanied by a justification or by a draft decision for approval by the general assembly and the reviewed agenda is published in the same manner as the last agenda, thirteen (13) days prior to the date of the general assembly and at the same time it is made available to the shareholders on the webpage of the company, along with the justification or the draft decision that has been submitted by the shareholders, pursuant art. 27 par. 3 of C.L 2190/1920.
2. Following a request from a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to the shareholders, at least six (6) days prior to the date of the General Assembly, draft decisions for items that have been included in the initial or the reviewed agenda, if the relevant request comes to the Board of Directors at least seven (7) days prior to the date of the General Assembly.
3. Following a request from any shareholder submitted to the company five (5) full days prior to the General assembly, the Board of Directors shall provide the General Assembly with information on corporate matters as requested, to the extent that such information is useful for the real assessment of the items on the agenda. The Board of Directors may refuse to provide information for specific reasons mentioned in the minutes. The Board of Directors may uniformly reply to requests of shareholders with the same content. No obligation for the provision of information exists, when the relevant information is already available on the webpage of the Company, particularly in the form of questions and answers.

4. On request of shareholders representing 1/5 of the paid-up share capital submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide the General Meeting with information on the course of corporate affairs and on the Company's property. The Board of Directors can deny providing the requested information due to substantial reasons that are reported in the minutes. Equivalent time limits for any exercise of the shareholders' minority rights also apply in case of a Repeat General Meeting.

**Marousi, 30/03/2015**  
**THE BOARD OF DIRECTORS**

**GEORGE V. APOSTOLOPOULOS**  
**PRESIDENT OF THE BOD**

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of «ATHENS MEDICAL CENTER S.A.»

### Report on the separate and consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of «ATHENS MEDICAL CENTER S.A.», which comprise the separate and consolidated statement of financial position as at December 31, 2014, the separate and consolidated income statement and 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 as management determines is necessary to enable the preparation of separate and consolidated 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 about 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 control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 the Company «ATHENS MEDICAL CENTER S.A.» and its subsidiaries as at December 31, 2014 and of their financial performance and their 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 3b of the accompanying financial statements referring to the fact that at the end of the closing year, as well as in the previous year, the effect of the «automatic returns» (clawback) and the establishment of a graduated percentage on EOPYY's liabilities to private providers, as a return (rebate) led to the non-compliance with established credit terms (covenants) of existing bank loans, resulting to the reclassification of the common bond loan from long term to short term borrowings. That constituted the main reason why total current liabilities of the Group and the

Company at 31.12.2014 exceeded their total current assets, by € 143.030 th. and € 144.960 th. respectively. With respect to the above, management of the Group has initiated a series of actions, as described in detail, in Note 3b of the accompanying financial statements, so as to ensure the Group's and the Company's ability to continue its course of business, as a going concern. The successful conclusion of this negotiation and the actions mentioned is substantial for the Group's and the Company's going concern. Our opinion is not qualified in relation to this matter.

**Report on Other Legal and Regulatory Requirements**

- a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We confirm that the information given in the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1290.

Athens, 31 March 2015

The Certified Public Accountant

Eleni E. Zervini  
S.O.E.L. Registration Number 29261

Delta Partners Certified Public Accountants S.A  
8 Achilleos str. & L. Katsoni str., 176 74 Kallithea  
S.O.E.L. Registration Number 153





**ATHENS MEDICAL CENTER S.A.**

**ANNUAL FINANCIAL STATEMENT  
FOR THE YEAR ENDED  
DECEMBER 31, 2014**

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

It is certified that the attached annual consolidated and separate Financial Statement are those approved by the board of directors of "ATHENS MEDICAL CENTER S.A." on March 30<sup>th</sup> 2015 and they are uploaded to the internet address: [www.iatriko.gr](http://www.iatriko.gr). The records and information published to the press aim at providing to the reader some general financial records and information, but they do not provide the whole picture of the financial condition and the results of Group and the Parent Company, according to the International Financial Reporting Standards.

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

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**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014 AND 2013**

	Notes	The Group		The Company	
		1/1-31/12 2014	1/1-31/12 2013	1/1-31/12 2014	1/1-31/12 2013
<b>INCOME:</b>					
Revenue	5	148.873	142.379	144.325	137.708
Cost of sales	8	(134.718)	(141.446)	(132.908)	(139.556)
<b>Gross Profit</b>		<b>14.155</b>	<b>933</b>	<b>11.418</b>	<b>(1.848)</b>
Administrative expenses and Distribution Costs	9	(35.463)	(32.651)	(31.792)	(29.551)
Other income/ (expenses)	10	13.523	9.357	12.998	8.945
Net financial income/ (costs)	11	(9.392)	(9.271)	(11.525)	(19.588)
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(17.176)</b>	<b>(31.632)</b>	<b>(18.901)</b>	<b>(42.042)</b>
Income Tax Expense	12	(1.326)	(7.004)	(1.058)	(6.597)
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>(18.503)</b>	<b>(38.636)</b>	<b>(19.959)</b>	<b>(48.639)</b>
<b>Attributable to:</b>					
Equity holders of the Parent Company		(18.562)	(38.670)	(19.959)	(48.639)
Non controlling Interests		59	34		
		<b>(18.503)</b>	<b>(38.636)</b>	<b>(19.959)</b>	<b>(48.639)</b>
<b>Earnings / (losses) per Share (in Euro)</b>					
Basic	13	(0,2140)	(0,4458)	(0,2301)	(0,5608)
<b>Weighted average number of shares</b>					
Basic	13	86.735.980	86.735.980	86.735.980	86.735.980

The accompanied notes and appendixes are inseparable part of the Financial Statements

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014  
AND 2013**

	Notes	The Group		The Company	
		1/1-31/12 2014	1/1-31/12 2013	1/1-31/12 2014	1/1-31/12 2013
<b>Profit / (loss) :</b>		<b>(18.503)</b>	<b>(38.636)</b>	<b>(19.959)</b>	<b>(48.639)</b>
<b>Other comprehensive income that may be reclassified subsequently to profit or loss:</b>					
Exchange differences		1	2	0	0
Impairment loss of affiliated companies Medisoft SA and Iatriko Int., which was reclassified in income statement	11, 24	705		705	
Income tax relating to items of other comprehensive income					
<b>Other comprehensive income after tax (a):</b>		<b>706</b>	<b>2</b>	<b>705</b>	<b>0</b>
<b>Other comprehensive income that will <u>not</u> be reclassified subsequently to profit or loss:</b>					
Recognized actuarial gains /(losses) related to provision for retirement indemnities	27	(1.741)	(799)	(1.723)	(795)
Income tax relating to items of other comprehensive income	12	453	33	448	31
<b>Other comprehensive income after tax (b):</b>		<b>(1.288)</b>	<b>(766)</b>	<b>(1.275)</b>	<b>(764)</b>
<b>Total comprehensive income / ( loss) after tax:</b>		<b>(19.086)</b>	<b>(39.400)</b>	<b>(20.529)</b>	<b>(49.403)</b>
<b>Attributable to:</b>					
Owners of the Parent		(19.145)	(39.434)	(20.529)	(49.403)
Non controlling interests		59	34		

The accompanied notes and appendixes are inseparable part of the Financial Statements

**ATHENS MEDICAL CENTER S.A.**  
**ANNUAL FINANCIAL REPORT (1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2014)**  
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

**STATEMENT OF FINANCIAL POSITION OF 31 DECEMBER 2014 AND 31 DECEMBER 2013**

	Notes	The Group		The Company	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>ASSETS</b>					
<b>Non current assets:</b>					
Property, plant and equipment	14	241.513	247.242	228.993	233.887
Goodwill	15	-	-	-	-
Intangible assets	15	333	243	325	232
Investments in subsidiaries	16	-	-	20.072	22.687
Investments in associates consolidated by the equity method	17	98	338	-	-
Other long term debtors		439	429	436	425
Deferred tax assets	12	8.651	9.438	8.621	9.414
<b>Total non current assets</b>		<b>251.034</b>	<b>257.690</b>	<b>258.447</b>	<b>266.646</b>
<b>Current assets</b>					
Inventories	18	4.561	4.758	4.347	4.510
Trade accounts receivable	19	97.624	109.978	97.040	109.363
Prepayments and other receivables	20	22.146	19.423	25.095	21.522
Derivatives	21	344	959	344	959
Cash and cash equivalents	22	5.027	16.489	4.225	15.988
<b>Total current assets</b>		<b>129.701</b>	<b>151.606</b>	<b>131.051</b>	<b>152.342</b>
<b>TOTAL ASSETS</b>		<b>380.736</b>	<b>409.296</b>	<b>389.498</b>	<b>418.988</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent company</b>					
Share capital	23	26.888	26.888	26.888	26.888
Share premium	23	19.777	19.777	19.777	19.777
Retained earnings		8.763	3.331	14.975	10.902
Legal, tax free and special reserves	24	18.139	42.716	17.860	42.462
		<b>73.568</b>	<b>92.713</b>	<b>79.501</b>	<b>100.030</b>
Non controlling interests		237	238	-	-
<b>Total equity</b>		<b>73.805</b>	<b>92.951</b>	<b>79.501</b>	<b>100.030</b>
<b>Liabilities:</b>					
<b>Non current liabilities:</b>					
Long term loans/borrowings	25	132	198	28	39
Government grants	26	1	1	-	-
Deferred tax liabilities	12	25.644	26.063	25.631	26.039
Provision for retirement indemnities	27	8.422	6.561	8.327	6.489
Other long term liabilities		-	-	-	-
<b>Total non current liabilities</b>		<b>34.199</b>	<b>32.822</b>	<b>33.986</b>	<b>32.568</b>
<b>Current liabilities:</b>					
Trade accounts payable	28	79.888	79.707	91.259	90.742
Short term loans/borrowings	25	157.508	167.423	155.204	165.081
Long term liabilities payable in the next year	25	-	-	-	-
Taxes payable		6.571	6.442	6.106	5.871
Derivatives	21	932	3.277	932	3.277
Accrued and other current liabilities	29	27.832	26.674	22.511	21.418
<b>Total current liabilities</b>		<b>272.732</b>	<b>283.524</b>	<b>276.012</b>	<b>286.390</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>380.736</b>	<b>409.296</b>	<b>389.498</b>	<b>418.988</b>

The accompanied notes and appendixes are inseparable part of the Financial Statements

**ATHENS MEDICAL CENTER S.A.**  
**ANNUAL FINANCIAL REPORT (1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2014)**  
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

**STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2013**

The Group						
	Attributable to equity holders of the Parent Company				Non controlling Interests	Total Equity
	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total	
<b>Balance, 1 January 2013</b>	<b>26.888</b>	<b>19.777</b>	<b>80.607</b>	<b>3.105</b>	<b>130.378</b>	<b>331</b>
Adjustement due to retrospective application of revised IAS 19				1.769	1.769	1.769
<b>Balance, 1 January 2013</b>	<b>26.888</b>	<b>19.777</b>	<b>80.607</b>	<b>4.874</b>	<b>132.146</b>	<b>331</b>
Total comprehensive income / (loss)			2	(39.436)	(39.434)	34
Attribution of profits to reserves			(37.894)	37.894	0	0
Dividends of parent					0	0
Dividends paid to non controlling interests					0	(127)
<b>Balance, 31 December 2013</b>	<b>26.888</b>	<b>19.777</b>	<b>42.715</b>	<b>3.331</b>	<b>92.712</b>	<b>238</b>

The Company					
	Share capital	Share Premium	Legal Tax-free, and special Reserves	Retained earnings	Total Equity
	<b>Balance, 1 January 2013</b>	<b>26.888</b>	<b>19.777</b>	<b>80.356</b>	<b>20.624</b>
Adjustement due to retrospective application of revised IAS 19				1.788	1.788
<b>Balance, 1 January 2013</b>	<b>26.888</b>	<b>19.777</b>	<b>80.356</b>	<b>22.412</b>	<b>149.433</b>
Total comprehensive income / (loss)				(49.403)	(49.403)
Attribution of profits to reserves			(37.894)	37.894	0
Dividends					0
<b>Balance, 31 December 2013</b>	<b>26.888</b>	<b>19.777</b>	<b>42.462</b>	<b>10.902</b>	<b>100.030</b>

The accompanied notes and appendixes are inseparable part of the Financial Statements

**ATHENS MEDICAL CENTER S.A.**  
**ANNUAL FINANCIAL REPORT (1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2014)**  
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

**STATEMENT OF CHANGES IN EQUITY 31 DECEMBER 2014**

**The Group**

	Attributable to equity holders of the Parent Company					Non controlling Interests	Total Equity
	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total		
<b>Balance, 1 January 2014</b>	<b>26.888</b>	<b>19.777</b>	<b>42.715</b>	<b>3.331</b>	<b>92.712</b>	<b>238</b>	<b>92.951</b>
Total comprehensive income / (loss)			706	(19.851)	(19.145)	59	<b>(19.086)</b>
Attribution of profits to reserves			(25.282)	25.282	0		<b>0</b>
Dividends of parent					0		<b>0</b>
Dividends paid to non controlling interests					0	(60)	<b>(60)</b>
<b>Balance, 31 December 2014</b>	<b>26.888</b>	<b>19.777</b>	<b>18.139</b>	<b>8.763</b>	<b>73.567</b>	<b>237</b>	<b>73.805</b>

**The Company**

	Share capital	Share Premium	Legal, Tax-free, and special Reserves	Retained earnings	Total Equity
	<b>Balance, 1 January 2014</b>	<b>26.888</b>	<b>19.777</b>	<b>42.462</b>	<b>10.902</b>
Total comprehensive income / (loss)			705	(21.234)	<b>(20.529)</b>
Attribution of profits to reserves			(25.307)	25.307	<b>0</b>
Dividends					<b>0</b>
<b>Balance, 31 December 2014</b>	<b>26.888</b>	<b>19.777</b>	<b>17.860</b>	<b>14.975</b>	<b>79.501</b>

The accompanied notes and appendixes are inseparable part of the Financial Statements

**ATHENS MEDICAL CENTER S.A.**  
**ANNUAL FINANCIAL REPORT (1<sup>ST</sup> JANUARY TO 31<sup>ST</sup> DECEMBER 2014)**  
(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

**CASH FLOW STATEMENT FOR THE YEARS 2014 AND 2013**

	The Group		The Company	
	31-December 2014	31-December 2013	31-December 2014	31-December 2013
<b>Cash flows from operating activities:</b>				
Year's profits /(loss) before taxation	(17.176)	(31.632)	(18.901)	(42.042)
<i>Adjustments for operational activities</i>				
Depreciation	9.162	9.339	8.358	8.745
Depreciation of grants	0	0	0	0
Provision for retirement indemnities (plus/less actuarial gains/losses)	(83)	6.313	(87)	(6.318)
Allowance for doubtful accounts receivable	1.492	1.508	1.492	1.816
Other provisions and extraordinary results	0	0	0	0
(Gains)/losses due to fixed asset sale	530	112	532	112
Deletion of receivables	0	0	0	0
Impairment of assets	0	740	2.615	10.202
Dividends from subsidiaries	0	(38)	(205)	(33)
(Gains)/losses from Group's associates	159	12	0	0
Reversal of impairment in associate's participation	0	0	0	0
Interest and financial income	(3.084)	(4.583)	(3.020)	(4.265)
Interest and other financial expenses	12.317	13.879	12.135	13.685
Exchange differences due to consolidation of subsidiaries abroad	0	(2)	0	0
<b>Operational profit before changes in working capital variations</b>	<b>3.317</b>	<b>(16.978)</b>	<b>2.919</b>	<b>(18.099)</b>
<b>(Increase)/Decrease in:</b>				
Inventories	197	583	163	574
Short and long term accounts receivable	8.135	35.397	7.404	35.070
<b>(Increase)/Decrease in:</b>				
Short and long term liabilities	790	(39.052)	1.012	(37.946)
Interest charges and related expenses paid	(7.961)	(12.460)	(7.781)	(12.265)
Paid taxes	(892)	(3.650)	(480)	(3.345)
<b>Net Cash flows from operating activities</b>	<b>4.673</b>	<b>(36.161)</b>	<b>4.324</b>	<b>(36.012)</b>
<b>Cash flows from investing activities:</b>				
Purchase of tangible and intangible fixed assets	(2.999)	(5.608)	(3.017)	(5.529)
Sale of tangible assets	18	16	14	13
Interest and related income received	676	1.774	675	1.456
Received dividends from subsidiaries	0	0	50	33
Received dividends from other companies	48	38	0	0
Guarantees paid	0	0	0	0
Grants received	0	0	0	0
Purchase of long and short term investments	0	(2.000)	0	(2.000)
Collection due to Group's associate decrease of share capital	0	0	0	0
Sales of long and short term investments (see note 17)	85	1.739	0	1.739
<b>Net Cash flows from investing activities</b>	<b>(3.259)</b>	<b>(4.041)</b>	<b>(3.365)</b>	<b>(4.288)</b>
<b>Cash flows from financing activities:</b>				
Issuance of Shares	0	0	0	0
Dividends paid of parent company	0	0	0	0
Net variation of short term borrowings	(11.880)	(11.071)	(11.880)	(11.071)
Net variation of long term/ debt borrowings	0	57	0	57
Payment of finance lease liabilities	(934)	(1.722)	(841)	(1.642)
Dividends paid to non controlling interests	(60)	(97)	0	0
Dividend tax	0	0	0	0
<b>Net Cash flows from financing activities</b>	<b>(12.874)</b>	<b>(12.833)</b>	<b>(12.721)</b>	<b>(12.656)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(11.461)</b>	<b>(53.035)</b>	<b>(11.763)</b>	<b>(52.956)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>16.489</b>	<b>69.524</b>	<b>15.988</b>	<b>68.944</b>
<b>Non consolidation of a subsidiary</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5.027</b>	<b>16.489</b>	<b>4.225</b>	<b>15.988</b>

The accompanied notes and appendixes are inseparable part of the Financial Statements

**Company details:**

**Board of directors:**

Dr. George V. Apostolopoulos– President of BOD  
Dr. Vassilios G. Apostolopoulos – CEO  
Christos G. Apostolopoulos – Vice President of BOD  
Jorn Olaf Hirschmann– Member of BOD  
(non executive)  
Nikolaos Koritsas – Member of BOD (non executive)  
Pampoukis Konstantinos– Member of BOD (non executive)  
Tountopoulos Vassilios– Member of BOD (non executive)

**Company’s head offices:**

5-7 Distomou Str, 15125 Maroussi

**Company’s number in the registry of Societes Anonymes:**

13782/06/B/86/06

**General Commercial Registry :**

356301000

**Auditors:**

**DELTA PARTNERS CERTIFIED AUDITORS**  
**ACCOUNTANTS S.A.**  
Ahileos 8 and Lamprou Katsoni  
176 74 Kalithea, Athens  
Greece

## 2. CORPORATE INFORMATION:

The Company "ATHENS MEDICAL SOCIETE ANONYME" with the distinctive title "ATHENS MEDICAL CENTER S.A." (hereafter the "Company" or the "Parent Company") and its subsidiaries (hereafter the "Group") are involved in the area of health care services with the organization and operation of hospital units. The Company's and the Group's head offices are located in the Municipality of Amarousion Attica in 5-7 Distomou Street and employ 2.682 and 2.831 employees respectively.

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

The companies, which were included in the attached consolidated Financial Statement of the Group, together with the related ownership interests are described in table below:

Company's name	Company's location country	Activity	% Group's participation 2014	% Group's participation 2013	Consolidation method
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	100.00%	100.00%	Total
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51.00%	51.00%	Total
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50.50%	50.50%	Total
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33.00%	33.00%	Total
HOSPITAL AFFILIATES INTERNATIONAL	GREECE	Organization & Administration of Hospitals and Clinics.	68.89%	68.89%	Total
MEDSANA BMC	ROMANIA	Diagnostic Center	100.00%	100.00%	Total
BIOAXIS SRL (former MEDSANA SRL)	ROMANIA	Diagnostic Center	78.90%	78.90%	Total
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics, Parking services	100.00%	100.00%	Total
MATERNITY CLINIC GAIA	GREECE	Maternity and gynaecology clinic	100,00%	100,00%	Total
INTEROPTICS S.A.	GREECE	Trade & services of publication and electronic information & information systems	27.33%	27.33%	Equity method

### **3a. PREPARATION BASE OF FINANCIAL STATEMENT:**

**(a) Basis of Preparation of the Consolidated Financial Statement:** The accompanying consolidated Financial Statements that constitute the Group's consolidated Financial Statements (hereinafter referred to as "the Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), adopted by the European Union. There are no standards applied in advance of their effective date. The Financial Statements have been prepared under the historical cost convention, except for derivative financial instruments which are measured at fair value.

The annual Financial Statements are presented in thousands of euro. It is noted that any deviations are due to roundings.

**(b) Statutory Financial Statement:** The Company and its domestic (Greek) subsidiaries maintain their accounting books and prepare Financial Statement in accordance to the Greek Company CL 2190/1920 and the applicable tax legislation. The foreign subsidiaries of the Company maintain their accounting records and prepare Financial Statement in accordance to the applicable laws and regulations of the countries in which they operate. For the preparation of the consolidated Financial Statement of the Parent Company, the Financial Statement of the foreign subsidiaries are adjusted in accordance to the provisions of the Greek Company CL 2190/1920. The accompanying consolidated Financial Statements have been based on the above-mentioned statutory consolidated Financial Statement appropriately adjusted and reclassified by certain out-of-book adjustments in order to comply with IFRS.

**(c) Approval of Financial Statement:** The Board of Directors of Athens Medical S.A. approved the annual Financial Statements for the year ended in December 31<sup>st</sup>, 2014, in March 30, 2015. It is noted that the Financial Statements are subject to the approval of the Company's Shareholders' General Assembly Meeting.

**(d) Use of Estimates:** The preparation of Financial Statement in conformity with the IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting year. Actual results may ultimately differ from those estimates.

### **3b. Going concern capability of the Company's operational activity**

According to L. 4172/2013 (GG 167A/23-07-2013), article 100, which had retrospective power from 01.01.2013 onwards, the following are required: a) return to EOPYY in form of «automatic returns-clawback», of the excess amount, in case of exceeding the authorised creditings of EOPYY budget, by the contractual providers, and b) establishment of a graduated percentage on EOPYY liabilities to private providers, as return (rebate).

As a result and as explicitly stated in the Annual Financial Statements of year 2013 both the Company's and the Group's receivables, turnover and equity were negatively affected. The incorporation of the amounts for the rebate and clawback in the Company's and the Group's financial statements has also affected the financial clauses of the Bond Loan, which include presuppositions of a) minimum Net Debt, b) minimum proportion of Net Debt to EBITDA, c) EBITDA to the total amount of interest expenses minus interest income and d) total Bank Debt to the total Bank Debt plus Equity. Specifically, for the year 2013 and 2014, 3 of the above mentioned clauses were not satisfied by the Company, resulting to the reclassification of the common bond loan from long term to short term borrowings, according to **IAS 1**. This reclassification had an additional negative effect, since the short term receivables on 31/12/2014 (like on 31/12/2013) were € 143.030 less compared to short term liabilities for the Group and € 144.961 for the Company.

Management is in negotiation process with borrowing banks regarding the restructuring of the bond loan, while the maturity date of bonds of initial maturity date 31/12/2014 and 20/1/2015 and amounted to € 26,94 mil. was extended up to 20/4/2015.

The issue of cash flow liquidity is of utmost importance and must be resolved in the following period mainly through the repayment of receivables until 31/12/2011 from the funds included in EOPYY, as well as the repayment of EOPYY's contractual obligations.

For this reason the Company has structured a strategic plan, which includes the following:

- ✓ Increase of the patient inflow, through the cooperation with new insurance companies and the attraction of new clients.
- ✓ Development of medical tourism, since we believe that there exist opportunities in attracting patients from abroad.
- ✓ Development of our network of cooperating doctors.
- ✓ Increase of revenues through the development of new clinical departments, the provision of innovative services and the change in the case mix towards more productive services.
- ✓ Full implementation of the business plan for the operation of GAIA Maternity Clinic within Athens Medical Center (Marousi clinic).
- ✓ Development of the Paediatric Clinic, which is already initiated.
- ✓ Adaptation of its pricing policy, in combination with the introduction of the Greek DRGs.
- ✓ Internal restructuring of administrative and other non medical departments, in order to create an efficient organisational structure and take advantage of economies of scale.

It is estimated that the above mentioned strategic plan will positively affect cash flow liquidity, which is vital for the normal going concern of operations of Group and Company.

Taking under consideration all of the above, the Group's and the Company's financial statements were prepared based on the assumption of ongoing concern. Its management trusts that the above action plan will have a positive effect and will assure the extinction of cash liquidity problems. As a result, the accompanying financial statements do not include adjustments and reclassifications of assets and liabilities, which have arisen in case the Group and the Company would not be in a position to fulfill their obligation along the normal course of business. Successful implementation of the above actions, is substantial for the Group's and the Company's going concern.

### **3c. PRINCIPAL ACCOUNTING POLICIES**

The main principal accounting policies adopted in the preparation of the accompanying Financial Statement are the following:

**(a) Basis of Consolidation :** The Company's accompanying consolidated Financial Statement include the Financial Statement of the Parent Company, as well as of all the subsidiaries that are controlled by the Parent Company. Control is presumed to exist when direct or indirect ownership retains the majority of voting interest or has the power to control the Subsidiaries' Board of Directors. Subsidiaries are consolidated from the date on which effective control is transferred to the Company and cease to be consolidated from the date in which control ceases to exist.

The consolidated Financial Statement include the Financial Statement of a subsidiary (Physiotherapy Center S.A.), in which although the direct Parent Company holds less than 50% of the voting rights, controls it through the ability of appointing the majority of members of the Board of Directors.

The Group's subsidiaries Ereuna S.A., Axoniki ereuna S.A. and Hospital affiliates S.A. according to their General Assemblies' decisions, have entered a liquidation procedure, since 1/7/2006. Before that and during the year 2006, the above mentioned companies Ereuna S.A. and Axoniki ereuna S.A. have transferred

together with all their productive assets – mechanical equipment, their operations to Parent Company and as a consequence their Balance Sheets do not include non current assets, as companies Hospital affiliates S.A. and Ortelia Holdings. As a result the liquidation of the above mentioned companies is not considered to be a discontinued operation according to IFRS 5 “**Non-current Assets Held for Sale and Discontinued Operations**”, that requires distinctive reporting regarding the companies’ results and assets.

All intercompany transactions and balances have been eliminated in the accompanying consolidated Financial Statement. Where necessary, accounting policies of the subsidiaries and associates have been revised to ensure consistency with the policies adopted by the Group. All the subsidiaries, included in the consolidation, prepare their financials statements for the same reporting period and the same date (31 December) as the Parent Company, with the exemption of the subsidiaries Ereuna S.A. and Axoniki Ereuna S.A., which prepare their Financial Statement for period 1/7-30/6. For consolidation purposes financials statements for these companies were prepared, concerning the same reporting period (1/1/2013-31/12/2013) as the Parent Company, which were included in the consolidation.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance

Group follows an accounting policy according to which, transactions with non controlling interest shareholders are accounted the same way transactions with basic shareholders are.

**(b) Investments in Subsidiaries (separate Financial Statement):** The investments of the Parent Company in its consolidated subsidiaries are measured at acquisition cost less any cumulative impairment losses.

**(c) Investments in Associates:**

**i) Consolidated Financial Statement:** The Company's investments in other entities in which Parent exercises significant influence and are not subsidiaries or joint-ventures are accounted for using the equity method. Under this method the investment in associates is recognized at cost in addition to the changes in the percentage of the Company in the associate’s equity after the initial date of acquisition less possible provisions for impairment in value. The consolidated statement of income reflects the Company's share of the results of operations of the associate. All the associates, included in the consolidation, prepare their financials statements for the same reporting period and the same date (31 December) as the Parent Company.

When the Group’s share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

**ii) Separate Financial Statement of Parent:** Investments in associates in the stand-alone Financial Statement are measured at acquisition cost less any cumulative impairment losses.

**(d) Investments in joint ventures (jointly controlled entities):** The Group has no interests in joint ventures which are jointly controlled entities. Jointly controlled entities are included in the consolidated Financial Statement with the equity consolidation method until the date on which the Group ceases to have joint control over the jointly controlled entities.

**(e) Conversion of foreign currencies:** The base currency of the Company and of its Greek subsidiaries is Euro. The transactions involving other currencies are converted into Euro using the exchange rates that were in effect at the time of the transactions. At the balance sheet date monetary assets and liabilities which are denominated in other currencies are adjusted in order to reflect the current exchange rates.

Gains and losses resulting from year end FX adjustments of monetary assets and liabilities are reflected in the accompanying income statement. Gains and losses resulting from transactions are reflected in the accompanying statement of income also.

The base currency of the Group's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Thereafter, at each reporting date all balance sheet accounts of these subsidiaries are converted into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are converted based on the weighted average rate of exchange that prevailed during the year.

The accumulated difference resulting from such translation is recognized directly in consolidated equity until the disposal, write off or de-recognition of a subsidiary, when it is transferred to the consolidated income statement.

**(f) Intangible Assets:** Intangible assets are mainly consisted of software and commercial rights. These are amortized over their estimated useful lives which are set to five years. Software includes their acquisition cost and any expenditure realized in order for it to operate, reduced by the amount of accumulated amortization and any possible impairment losses.

**(g) Research and Product Development Cost:** Research costs are expensed as incurred. Development expenditure is mainly incurred for the development of new products. Costs incurred for the development of an individual project are recognized as an intangible asset only when the requirements of **IAS 38 "Intangible Assets"** are met.

**(j) Revenue recognition:** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following particular recognition criteria must also be met as revenue is recognized.

#### ***Sale of Services***

The Sale of Services revenue is accounted according to the extent of service completion.

#### ***Sale of goods***

The sale of goods revenue, net of trade discounts sale, incentives and the related VAT, is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

#### ***Interests***

The interest revenue is recognized on the accrual basis of accounting.

#### ***Dividends***

Revenue from dividends is recognized when the Group's right on such dividends is approved by the respective bodies of the companies' that declare them.

**(ja) Property, Plant and Equipment:** Land and buildings are valued at historical cost (deemed cost based on the provisions of IFRS 1), less accumulated depreciation and any impairment in value. Machinery, transportation equipment, as well as the furniture and the rest of the equipment are measured at historical cost less the accumulated depreciation and any impairment in value.

The Company and the Group proceeded to a fair valuation of its land, buildings, as at January 1, 2004 and these fair values were used as deemed cost on the date of transition to the IFRS. The resulted revaluation surplus was credited to retained earnings.

Repairs and maintenance are charged to expenses as incurred. Major improvements are capitalized to the cost of the asset to which they relate when they extend the useful life, increase the earnings capacity or improve the efficiency of the respective assets.

An item of property and plant is derecognized upon sale or disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset, is included in the consolidated statement of income in the year the item is derecognized.

**(jb) Depreciation:** Depreciation is calculated based on the straight-line method at rates, which approximately reflect the average useful lives of relative assets. The rates used are the following:

<u>Classification</u>	<u>Annual rate</u>
Buildings	2%
Machinery and Equipment	6.67%- 10%
Equipment of Transportation	6%-10%
Furniture and rest of Equipment	10%- 20%

The residual values and the useful life of tangible assets are tested at every reporting date of Balance Sheet.

**(jc) Goodwill:** Business combinations are accounted for using the acquisition accounting method. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities) of the acquired business at fair value at acquisition date. Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at transaction date. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortized, but it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. At the acquisition date (or at the date of completion of the relative purchase price allocation) any goodwill acquired is allocated to each of the cash-generating units related to goodwill.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount and the relevant goodwill, an impairment loss is recognized.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of, in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill resulting from acquisitions or business combinations has been allocated to the main cash generating units in group level.

The cash generating units have been defined in accordance with the provisions of **IAS 36 "Impairment of Assets"**. The Group, in order to decide whether an impairment of goodwill exists, performed the related impairment tests in the cash generating units in which goodwill was allocated.

When the Group increases its participation interest to existing subsidiaries (acquisition of minority interests) the total difference between the purchase price and the portion of the minority interests acquired (goodwill or negative goodwill) is transferred directly to equity as it is considered as a transaction among the shareholders (entity concept method). Similarly, when minority interests are sold (without losing control of the subsidiary) then the related gains or losses are recognized directly to equity.

**(jd) Impairment of Assets:** With the exception of goodwill and intangibles with indefinite life, which are reviewed for impairment at least annually, the carrying value of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount a respective impairment loss is recognized in the consolidated statement of income. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from

the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from the revenue due to its disposal at the end of its estimated useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

***(je) De-recognition of Financial Assets and Liabilities***

***(i) Financial assets:*** A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase (including a cash-settled option or similar provision), except that in the case of a written put option on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

***(ii) Financial liabilities:*** A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

***(jf) Inventories:*** Inventories are reported at the lower value between the cost and the net realizable value. Cost of finished and semi-finished products includes all costs incurred in bringing inventories to their current location and state of manufacture and comprises raw materials, labour, an applicable amount of production overhead (based on normal operating capacity, but excluding borrowing costs) and packaging. The cost of raw materials and finished goods is determined based on the weighted average basis. Net realizable value for finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary, to make the sale. The net realizable value for raw materials is the estimated replacement cost in the ordinary course of business. Especially medication supply is measured in a different way, that is at the last acquisition value, due to existing state of tariff, according to **I.A.S. 2 «inventories»**, paragraph 25.

***(jh) Accounts Receivable and Credit Policy:*** Short-term receivables are presented at their nominal value, net of provisions for potential non collectible accounts, while long-term receivables (balances that deviate from normal credit terms) are reported at the amortized cost based on the actual interest rate method. At each Balance Sheet date all past due or doubtful debtors are assessed by management in order to determine the necessity for relevant provision, with criteria such as the customer's ability to pay and the aging of his balance. The balance of such allowance for doubtful accounts is appropriately adjusted at each balance sheet date in order to reflect all possible risks. Any amount written-off with respect to customer account balances is charged against the existing allowance for doubtful accounts. It is the Group's policy not to write-off an account until all possible legal action has been exhausted.

**(jg) Credit Risk Concentration:** The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is not considered significant in terms of company's assets and liabilities except extraordinary events (see note 19) . Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors.

**(k) Cash and Cash Equivalents:** The Company considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. Bank overdrafts are included within borrowings in current liabilities in the balance sheet. For the purpose of the cash flow statements, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

**(ka) Share capital:** Share capital represents the value of the Parent Company's shares issued and in circulation. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as the "share premium" in equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

**(kb) Long-term Liabilities:** All long-term liabilities are initially recognized at cost. After initial recognition loans and borrowings denominated in foreign currency are reported using the spot rate at each reporting date. The interest costs are recognized on the accrual basis of accounting.

**(kc) Borrowing Costs:** Borrowing Costs are recognized as an expense in the period in which they are accrued.

**(kd) Provision for Retirement Indemnities:** Staff Retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights throughout the expected working period. Retirement obligations mentioned above are calculated on the basis of financial and actuarial assumptions and are determined using the Projected Unit credit actuarial valuation Method. Net pension costs for the period are included in payroll in the accompanying income statement and consist of the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial gains or losses and any additional pension charges. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested.

Unrecognized actuarial gains or losses are recognized over the average remaining service period of active employees and are included as a component of net pension cost for a year if, as of the beginning of the year, it exceeds 10% of the future projected benefit obligation. The retirement benefit obligations are not funded.

**(ke) State Pension:** The Company's personnel is covered by several State sponsored pension funds for private sector employees, (I.K.A., T.S.A.Y.) covering post-retirement pensions, and healthcare benefits. Each employee is required to contribute a portion of its monthly salary to the fund, with the Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits.

At such, the Company has no legal or constructive obligation to pay future benefits under this plan.

**(aa) Borrowings:** All borrowings are initially recognized at acquisition cost, which reflects the fair value of amounts collected, net of any relevant transaction costs incurred. After initial recognition, they are measured at amortised cost, based on the effective interest rate. Gains or losses arising from differences of amortised cost are recognised in the income statement, as well as differences due to the de-recognition (repayment) of the borrowings. Borrowing costs are recognised as expenses in the period incurred.

**(ab) Income Taxes (Current and Deferred):** Current and deferred income taxes are computed based on the stand alone Financial Statement of each of the entities included in the consolidated Financial Statement, in accordance with the tax rules in force in Greece or other tax jurisdictions in which foreign

subsidiaries operate. Income tax expense is computed based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from tax audits by the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income tax is computed, using the liability method, on all temporary differences at the balance sheet date between the tax bases and the carrying amounts of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences:

- Except cases, where the deferred income tax liability arises from goodwill impairment or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred tax assets are recognized for all discounted temporary differences and transferred tax assets and losses, to the extent where it is possible that taxable profit will be available which will be used against the discounted temporary differences and the transferred unused taxable assets and losses.
- Except cases where the deferred tax asset regarding the discounted temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, an income deferred tax is recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

The deferred tax assets are reviewed at each balance sheet date and reduced to the extent, where it is not considered as possible that enough taxable profits will be presented against which, a part or the total deferred tax assets can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates (and the laws) that have been enacted or substantively enacted at the balance sheet date.

The income tax relating to items recognized directly in equity, is recognized in equity and not in the income statement.

**(ac) Financial Leases:** Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to income. Capitalized leased assets are depreciated over estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on the straight line basis over the lease term.

**(ad) Provisions and Contingencies:** Provisions are recognized when the Company has a present legal or presumed/imputed obligation as a result of past events, it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the present value of the

expenditure expected to be required to settle the obligation. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability. Contingent liabilities are not recognized in the consolidated Financial Statement but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the Financial Statement but are disclosed when an inflow of economic benefits is probable.

**(ae) Earnings per share:** Basic earnings per share are computed by dividing net income attributed to the equity owners of Parent by the weighted average number of ordinary shares outstanding during each year, excluding any treasury shares outstanding during the year. Diluted earnings per share are computed by dividing net income attributed to equity owners of Group (after deducting the impact on the convertible recognized preference shares) by the weighted average number of ordinary shares outstanding during the year (after deducting the impact on the convertible recognized preference shares).

**(af) Operating Segment reporting :** The Group reports financial and descriptive information about its operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by management, in deciding how to allocate resources and in assessing performance.

The operating segment performance assessment is based on revenue, operating results and EBITDA (results before taxes, financing, investing activity and depreciation). The Group for measuring the segment operating results, applies the same accounting policies as the ones adopted for preparing the Financial Statement.

The transactions between operating segments are realized within the normal operating framework of the Group to a way similar to the one used between related parties. Intersegment sales are eliminated in consolidated Financial Statement.

**(ba) Derivative Financial Instruments and hedging activities:** Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

In February 2008, the Group has entered financial instrument contracts and more specifically, simple interest rate swaps, or interest rate collars designated as cash flow hedges. These contracts were joined due to obligations deriving from the Common Bond Loan contract, issued by the Group in July and November of 2007. According to the Common Bond Loan contract's provisions, the Group would proceed in financial instrument agreements, which would limit interest rate risk exposure, at least for half of the Common Bond Loan amount. The financial instrument contracts the Group has entered correspond with precision to the dates of interest expense charge and capital repayment of the Common Bond Loan.

The effective portion of changes in the fair value of these derivatives is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (when the forecast transaction being hedged takes place).

The derivatives that are not designated as hedges and do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss.

***(bb) Investments and other (non derivative) financial assets:***

Financial assets in the scope of IAS 39 are classified as either

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments,
- available-for-sale financial assets, as appropriate.

When financial assets are recognized initially, they are measured at fair value, plus, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation periodically.

**(i) Financial assets at fair value through profit or loss :**

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognized in income.

**(ii) Loans and receivables :**

Such assets, derived by the company's activity (that is beyond the Group's ordinary credit limits), are carried at amortised cost using the effective interest method. Gains and losses are recognized in the income statement when the loans and receivables are de-recognized or impaired, as well as through the amortization process.

**(iii) Held-to-maturity investments :**

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, after initial recognition are subsequently measured at amortised cost, using the effective interest method. For investments carried at amortised cost, gains and losses are recognized in income when the investments are de-recognized or impaired, as well as through the amortization process.

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

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for sale or are not classified in any of the three preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognized as a separate component of equity until the investment is sold, de-recognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques.

Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

***(bc) Government Grants:*** Government grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to the income statement, in equal amounts

over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

**(bd) Dividend distribution:** The obligatory, according to law, dividend distribution to the Group's shareholders is recognized as an obligation to the Financial Statement in the year, in which the distribution is approved by the General Assembly of the Shareholders.

**(be)** Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset recognised amounts, and there is an intention to settle on the net basis the liability or realise the asset and settle the liability simultaneously.

**(bf)** Where necessary comparative figures were reclassified to match with changes in closing year's figures presentation, without any effect in equity, turn over and results after taxes and non controlling interests of previous year for Group and Company.

**(bg) New Standards and Interpretations, amendments of valid Standards:** The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations or have amended valid standards, whose application is mandatory for the periods beginning January 1, 2013 onwards (except if mentioned otherwise below). The Group's and Company's management's assessment regarding the effect of these new standards and interpretations is as follows:

***A) Standards and Interpretations effective for the periods beginning or after 1 January 2014***

***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.

***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 7 (Amendment) "Financial Instruments: Disclosures": (effective for annual periods beginning on or after January 1, 2015).***

The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

***IFRS 9 "Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS 7 and IAS 39"***

The IASB has published IFRS 9 "Hedge Accounting", the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognized in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

***IFRS 14 Regulatory Deferral Accounts***

The standard is effective for annual periods beginning on or after 1 January 2016. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to

develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the interpretation on the financial position or performance of the Group.

#### ***IFRS 15 Revenue from Contracts with Customers***

The standard is effective for annual periods beginning on or after 1 January 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet endorsed by the European Union. The Group is in the process of assessing the impact of the interpretation on the financial position or performance of the Group.

**B)** Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after January 1, 2014, unless otherwise stated). 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.

#### ***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.

#### ***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.

#### ***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.

***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 through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

***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.

***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.

***IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets": (effective for annual periods beginning on or after January 1, 2014).***

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognized or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

***IFRIC 21 "Levies": (effective for annual periods beginning on or after January 1, 2014).***

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU.

***IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement": (effective for annual periods beginning on or after January 1, 2014).***

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

***IAS 19 (Amendment) "Employee Benefits" (effective for annual periods beginning on or after July 1, 2014).***

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

***IFRS 11 (Amendment) "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2016)***

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. This amendment has not yet been endorsed by the EU.

***IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)***

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.

***IAS 16 and IAS 41 (Amendments) "Agriculture: Bearer plants" (effective for annual periods beginning on or after 1 January 2016)***

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments have not yet been endorsed by the EU.

***IAS 27 (Amendment) "Separate financial statements" (effective for annual periods beginning on or after 1 January 2016)***

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU.

***IFRS 10 and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective for annual periods beginning on or after 1 January 2016)***

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments have not yet been endorsed by the EU.

***IAS 1 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2016)***

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments have not yet been endorsed by the EU.

***IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment entities: Applying the consolidation exception" (effective for annual periods beginning on or after 1 January 2016)***

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

***C) Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after July 1, 2014)***

The amendments set out below describe the key changes to below IFRSs following the publication of the results of the IASB's 2010-2012 cycle of the annual improvements project.

***IFRS 2 "Share-based payment"***

The amendment clarifies the definition of a 'vesting condition' and separately defines "performance condition" and "service condition".

***IFRS 3 "Business combinations"***

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

***IFRS 8 "Operating segments"***

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

***IFRS 13 "Fair value measurement"***

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

***IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"***

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

***IAS 24 "Related party disclosures"***

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

***D) Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after July 1, 2014)***

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-2013 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

***IFRS 3 "Business combinations"***

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

***IFRS 13 "Fair value measurement"***

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

***IAS 40 "Investment property"***

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

***IFRS 1 "First-time adoption of International Financial Reporting Standards"***

The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

***F) Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016)***

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

***IFRS 5 "Non-current assets held for sale and discontinued operations"***

The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

***IFRS 7 "Financial instruments: Disclosures"***

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

***IAS 19 "Employee benefits"***

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

***IAS 34 "Interim financial reporting"***

The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

The Group examines the effects of the above mentioned amendments in its financial statements.

**3d. RISK MANAGEMENT**

The main activities of the Group are influenced by a variety of financial risks, for example, the risks resulted from changes in foreign currency exchange rates and interest rates. The overall financial risk management program seeks to minimize potential adverse effects in the Group's financial position as a whole.

The Group's main financial instruments, except for derivatives, are cash and cash equivalents, bank deposits (sight and time), trade accounts receivable, prepayments and other receivables and accounts payable, bank loans (borrowings). Management periodically evaluates and revises the policies and procedures that relate to management of financial risk, which are described below:

**a) Market risk**

**(i) Foreign exchange translation risk (FX translation risk)**

The Group holds participations (business operations) in Romania, whose net assets are exposed to FX translation risk. This kind of FX translation risk derives from the exchange rate RON / € and it is not hedged as there is no substantial exposure. Group's management constantly monitors FX translation risks, that might arise and evaluates the need to take relative actions.

Presume that there is a change (depreciation/appreciation) at 31st of December 2014 concerning the exchange rate of RON/€ at a level of 0,1% (respectively at a level of 0,1% for year 2013). The effect on Group's results for the year as well as on Group's equity, due to the translation of the results of company MEDSANA BMC from its functional currency to Euro, is disposed in the table below:

	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Appreciation / (Depreciation)</b>	<b>0,1%</b>	<b>0,1%</b>	<b>(0,1%)</b>	<b>(0,1%)</b>
Net profit gain /(loss)	0,01	0,03	(0,01)	(0,03)
Equity gain /(loss)	0,01	0,03	(0,01)	(0,03)

This percentage of 0,1% depreciation/appreciation was based on the average volatility in the exchange rates market for a twelve-month period for year 2014.

### Foreign exchange rate

Exchange rate for year 2013	Balance Sheet	Profit and Loss
1€=RON	4,48470	4,44270
Exchange rate for year 2014	Balance Sheet	Profit and Loss
1€=RON	4,48210	4,48405

### (ii) Price risk

The Group is not exposed to securities price risk as it has no investment in entities classified, in the consolidated balance sheet, as financial assets at fair value through income statement.

### (iii) Cash flow and fair value interest rate risk

The group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Depending on the levels of net debt, any change in the base interest rates (**EURIBOR**), has a proportionate impact on the Group's results. For diminishing the effect of the above mentioned interest rate risk beginning from year 2008 Group entered financial contracts for interest rate risk hedging purposes. These financial instruments, are measured at fair value and are recognized as assets or liabilities in the Financial Statement.

The Group's policy is to minimize its exposure to interest rate cash flows risk with regard to financing issued at variable rates, to maintain its borrowings at low levels but at the same time make sure of the funding by cooperative banks that satisfy, by all means, the planned growth of the Group.

A detailed report of Company's and Group's loans is found in Note 25.

The table below presents the effect on Group's and Company's results for year 2014 and 2013 as well as on Group's and Company's equity at 31<sup>st</sup> December 2014 and 2013 (**sensitivity analysis**) at a rate volatility (increase/decrease ) of **EURIBOR** by 0,5% .

	<b>The Group</b>				<b>The Company</b>			
	<b>2014</b>		<b>2013</b>		<b>2014</b>		<b>2013</b>	
	<b>+0,5%</b>	<b>-0,5%</b>	<b>+0,5%</b>	<b>-0,5%</b>	<b>+0,5%</b>	<b>-0,5%</b>	<b>+0,5%</b>	<b>-0,5%</b>
Net profit gain /(loss)	(825)	825	(869)	869	(813)	813	(856)	856
Equity gain /(loss)	(825)	825	(869)	869	(813)	813	(856)	856

The above table does not include the positive effect of interest received from bank deposits.

Regarding the income/expense from derivatives (See Note 11 and 21), there is no effect from the above mentioned change (increase/decrease of **EURIBOR** by 0,5%).

### b) Credit risk

Credit risk arises, as credit exposures to customers, including outstanding receivables and conducted transactions. The maximum exposure to credit risk is represented by the carrying amount of each asset, including derivative financial instruments, Risk control department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Trade debtors credit limits are set based on internal ratings in accordance with limits set by management.

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	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	5.027	16.489	4.225	15.988
Trade accounts receivable	97.624	109.978	97.040	109.363
Prepayments and other receivables	22.146	19.423	25.095	21.522
<b>TOTAL</b>	<b>124.797</b>	<b>145.890</b>	<b>126.360</b>	<b>146.873</b>

The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is not considered significant in terms of Company's assets and liabilities except extraordinary events. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors. (See Note 19).

Regarding prepayments and other receivables, credit risk is considered of no significance.

With respect to derivative financial instruments, the Group monitors its positions, the credit ratings of counter parties (See Note 21) and the level of contracts it enters into with any counter party.

Additionally, regarding the risks on deposits and equivalent products, the Group has transactions only with recognized financial institutions, with high credit ratings.

**c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. Furthermore, the Group estimates and controls its cash flows and it has entered into factoring, transaction, aiming to support its working capital (see note 25 & note 19).

The following table depicts Group's and Company's financial liabilities classified in groups by the time period, estimated from the reporting date to the date payable.

***Group at 31.12.2014***

	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>
Borrowings	157.508	132	-
Trade accounts payable and other liabilities	107.720	-	-
<b>Total</b>	<b>265.228</b>	<b>132</b>	<b>-</b>

***Group at 31.12.2013***

	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>
Borrowings	167.423	198	-
Trade accounts payable and other liabilities	106.381	-	-
<b>Total</b>	<b>273.804</b>	<b>198</b>	<b>-</b>

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**Company at 31.12.2014**

	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	155.204	28	-
Trade accounts payable and other liabilities	113.770	-	-
<b>Total</b>	<b>268.974</b>	<b>28</b>	<b>-</b>

**Company at 31.12.2013**

	Less than 1 year	Between 1 and 5 years	Over 5 years
Borrowings	165.081	39	-
Trade accounts payable and other liabilities	112.160	-	-
<b>Total</b>	<b>277.241</b>	<b>39</b>	<b>-</b>

In the financial liabilities of Group and Company the derivatives are included, in which the Group monitors its positions, and the level of contracts it enters into, with any counter party. A detailed report is found in Note 21.

**d) Capital management policies and procedures**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital is monitored on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less "Cash & cash equivalents". Total capital employed is calculated as "Total Equity" as shown in the consolidated balance sheet plus net debt.

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Total Borrowing	157.640	167.621	155.232	165.120
Less: Cash and cash equivalents	5.027	16.489	4.225	15.988
<b>Net Debt</b>	<b>152.613</b>	<b>151.132</b>	<b>151.007</b>	<b>149.132</b>
<b>Total Equity</b>	<b>73.805</b>	<b>92.951</b>	<b>79.501</b>	<b>100.030</b>
Total Capital employed	<b>226.418</b>	<b>244.083</b>	<b>230.508</b>	<b>249.162</b>
<b>Gearing ratio</b>	<b>67,40%</b>	<b>61,92%</b>	<b>65,51%</b>	<b>59,85%</b>

The gearing ratio for year 2014 has increased compared to the previous year 2013 in terms of Group and Company.

**e) Fair value estimation**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on market conditions existing at each balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values.

Since January 1 2009, Group applies the amendment of IFRS 7, which requires the disclosure of financial assets measured at fair value according to a hierarchy of 3 levels.

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- Published purchase prices (not revised or adjusted ) for financial assets that are traded in active capital markets **(level 1)**
- Valuation techniques based directly on published purchase prices or computed indirectly from published purchase prices of similar instruments **(level 2)**
- Valuation techniques which are not based on available information from current transactions in active capital markets **(level 3)**

In the table below financial assets and liabilities, which are measured at fair value at 31<sup>st</sup> December 2014 and 31<sup>st</sup> December 2013, are shown:

<b>Group 2014</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets (Interest rate swaps)</b>		344		344
<b>Financial liabilities (Interest rate swaps)</b>		932		932
<b>Group 2013</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets (Interest rate swaps)</b>		959		959
<b>Financial liabilities (Interest rate swaps)</b>		3.277		3.277
<b>Company 2014</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets (Interest rate swaps)</b>		344		344
<b>Financial liabilities (Interest rate swaps)</b>		932		932
<b>Company 2013</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets (Interest rate swaps)</b>		959		959
<b>Financial liabilities (Interest rate swaps)</b>		3.277		3.277

The derivatives' fair value is based on market to market assessment. For all derivatives, fair values are confirmed from financial institutions with which the Group has entered relevant contracts (See Note 21).

During the year no reclass took place among levels 1, 2, 3 relevant to fair value measurement.

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The fair value of financial assets, which are not traded in active capitalmarkets, (for example derivatives over the counter) is measured by using valuation techniques, based mainly on available information about transactions that take place in active markets while using the least possible entity's estimations. These financial instruments are included in level 2.

**Comparison by category between carrying amount and fair value**

	Group				Company			
	Balance		Fair value		Balance		Fair value	
<b>Financial assets</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Other long term debtors	439	429	439	429	436	425	436	425
Trade accounts receivable	97.624	109.978	97.624	109.978	97.040	109.363	97.040	109.363
Prepayments and other receivables	22.146	19.423	22.146	19.423	25.095	21.522	25.095	21.522
Derivatives	344	959	344	959	344	959	344	959
Cash and cash equivalents	5.027	16.489	5.027	16.489	4.225	15.988	4.225	15.988
<b>Financial liabilities</b>								
Long term loans/borrowings	132	198	132	198	28	39	28	39
Other long term liabilities	-	-	-	-	-	-	-	-
Trade accounts payable	79.888	79.707	79.888	79.707	91.259	90.742	91.259	90.742
Short term loans/borrowings	157.508	167.423	157.508	167.423	155.204	165.081	155.204	165.081
Derivatives	932	3.277	932	3.277	932	3.277	932	3.277
Accrued and other current liabilities	27.832	26.674	27.832	26.674	22.511	21.418	22.511	21.418

**3e. Effects of Law 4172/2013, Article 100**

According to L. 4172/2013 (GG 167A/23-07-2013), article 100, which had retrospective application from 01.01.2013 onwards, the following are required: a) return to EOPYY in the form of «automatic returns-clawback», of the excess amount, in case of exceeding the authorised creditings of EOPYY budget, by the contractual providers, and b) establishment of a graduated percentage on EOPYY liabilities to private providers, as return (rebate).

The above mentioned provisions (a) and (b) have retrospective application since 01.01.2013 and up to 31.12.2015.

During 2014 the decisions Y9/οικ.39255/5.5.2014 and Y9/οικ.3926/5.5.2014 of the Ministry of Health, were issued in GG ΦΕΚ Β' 1202/12.5.2014 and annuled the previous decisions Y9/οικ. 77307/14.8.2013 and Y9/οικ.91813/27.9.2013. Furthermore, the decision Y9/οικ.39259/5.5.2014 was issued, stating the "upper limits of EOPYY expenditure for healthcare services provided by private contractors per category of service". Implementing the above mentioned Ministerial Decisions, EOPYY issued the 116630/28.5.2014 document and disclosed that rebate and clawback for 2013 amounted to €25.920 (instead of amount €35.584 which was included in the Financial Statements of 2013).

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Additionally, the Y9/οικ.70522/18.8.2014 and Y9/οικ. 70521/18.8.2014 Ministerial decisions were issued, based on which EOPYY disclosed by its 153002/18.11.2014 document the amounts of rebate and clawback for the first semester of 2014, mentioning that the calculations for clawback followed the method of 2013.

The Company based on this disclosure and without any other available information estimated the amounts of clawback for year 2014 in a whole, thus decreasing Company's and Group's turnover by the amount of €21.568.

The Company has duly and rightfully exercised legal remedies against some of those decisions in front of the Council of State. Two (2) of them have already been heard and the verdict is expected, while the others have not.

There have also been issued against our Company four (4) individual administrative acts by EOPYY, (regarding Clawback-Rebate for the year 2013 and the First Semester of 2014), against which our company has exercised legal remedies and applications for suspension in front of the Administrative Court of Appeal of Athens. All four (4) applications for suspension have been accepted. As for the legal remedies only one has already been heard and no verdict has yet been issued.

For reasons of relevancy an analytical table follows with the effects of retrospective adjustments of the above mentioned decisions for Company and Group, for the years ended on 31.12.2014 & 31.12.2013.

Elements of Income Statement (Company)	Publication 31.12.2013	Retrospective application of Rebate & Clawback (L. 4254/2014)	Revised figures for period 01.01-31.12.2013	Publication 31.12.2014	Reversal of Rebate & Clawback adjustment L. 4254/2014	Revised figures for period 01.01-31.12.2014
Total Revenue	137.708	9.664	147.372	144.326	0	144.326
Gross profit / (loss)	-1.848	9.664	7.816	11.418	0	11.418
Profit / (Loss) before taxes, financing and investing activity	-22.454	9.664	-12.791	-6.845	-9.664	-16.508
Profit/(Loss) before taxes	-42.042	9.664	-32.378	-18.901	-9.664	-28.565
<b>Minus: Income Taxes</b>	-6.597	-2.513	-9.109	-1.058	2.513	1.455
Profit/(Loss) after taxes	-48.639	7.151	-41.488	-19.959	-7.151	-27.110
EBITDA	-13.597	9.664	-3.933	1.514	-9.664	-8.150

Elements of Income Statement (Group)	Publication 31.12.2013	Retrospective application of Rebate & Clawback (L. 4254/2014)	Revised figures for period 01.01-31.12.2013	Publication 31.12.2014	Reversal of Rebate & Clawback adjustment L. 4254/2014	Revised figures for period 01.01-31.12.2014
Total Revenue	142.275	9.664	151.939	148.873	0	148.873
Gross profit / (loss)	933	9.664	10.597	14.155	0	14.155
Profit / (Loss) before taxes, financing and investing activity	-21.509	9.664	-11.845	-7.255	-9.664	-16.919
Profit/(Loss) before taxes	-31.632	9.664	-21.968	-17.176	-9.664	-26.840
<b>Minus: Income Taxes</b>	-7.004	-2.513	-9.517	-1.326	2.513	1.186
Profit/(Loss) after taxes	-38.636	7.151	-31.485	-18.503	-7.151	-25.654
EBITDA	-12.170	9.664	-2.507	1.907	-9.664	-7.757

#### 4. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group proceeds to judgments and estimates in order to apply the most representative accounting methods and policies or in connection with the future development of transactions and events. Such judgments and estimates are periodically reviewed by management in order to reflect current condition and correspond to anticipation of current risks and are based on prior management's experience in conjunction to the volume / level of such transactions and events.

The principle judgments and estimates referring to events the development of which could significantly affect the items of the Financial Statement during the forthcoming twelve months period are as follows:

**Significant accounting estimates and relative uncertainty:**

**a) Estimation for compliance with the provisions of L4172/2013, Article 100**

In terms of compliance with Law 4172/2013 (GG 167A/23-07-2014) and the following Ministerial Decisions, which regulate clawback and rebate with retrospective application from 01.01.2013 up to 31.12.2015, as explicitly stated in note 3e "Effects of Law 4172/2013, Article 100", the Company's management estimates the effects of these provisions on its Financial Statements. Given that the basic parameters for the calculation of clawback have not yet been disclosed and are not yet finalized, it is possible that variations may arise upon the final determination of Clawback for year 2014 in the future, as long as these provisions remain valid.

**b) Provisions for income taxes**

Income (current) tax liabilities according to IAS 12 for the current and prior periods are measured at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted at the balance sheet date. (Provision for income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by the tax authorities upon settlement of the open tax years). Accordingly, the financial settlement of the income taxes might differ from the income taxes that have been accounted for in the Financial Statement. Further details are provided in Note 12.

**c) Provision for retirement indemnities**

The cost for the staff leaving indemnities is determined based on actuarial valuations. The actuarial valuation requires management making assumptions about future salary increases, discount rates. Management, at each balance sheet date when the provision is re-examined, tries to give its best estimate regarding the above mentioned parameters.

**d) Impairment of debtors**

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 formulated provision for doubtful debts in relation with the credit policy and data from the Group's Law Department, which arises from processing past data and recent developments of each case. Especially in 2012, Management impaired receivables from public insurance funds (which have been incorporated in EOPYY) regarding previous years (up to the end of 2011).

**e) Other provisions**

The Company is involved (in its capacity as defendant and as plaintiff) in various lawsuits and legal amperages in the framework of its normal operation. The determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations.

**f) Useful life of depreciated assets**

Management examines the useful life of the depreciable assets each year. At the 31st of December 2014, management estimates that the useful lives represent the predictable usefulness of the assets.

**g) Deferred tax assets recoverability:**

Deferred tax assets recognition includes estimates as regards their recoverability. More specifically, the recognition of deferred tax assets on carried forward tax losses requires management estimates to the extent that it is probable that taxable profit will be available against which the losses can be utilized in each tax regime in which the Company and the subsidiaries of the Group operate.

In the annual Financial Statement of 31st December of 2014, the basic accounting principles applied are consistent with those applied for the annual Financial Statement of 31st December 2013.

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## 5. REVENUE

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Revenue (before <b>Rebate</b> and <b>Clawback</b> )	170.441	177.963	165.893	173.292
Estimated effect of <b>Rebate</b> and <b>Clawback</b> 1st and 2nd semester 2014 & 2013 (L.4172/2013 art. 100)	(21.568)	(35.584)	(21.568)	(35.584)
<b>Revenue (after Rebate and Clawback)</b>	<b>148.873</b>	<b>142.379</b>	<b>144.325</b>	<b>137.708</b>

According to L. 4172/2013 (GG 167A/23-07-2013) article 100 provisions the following are required: a) return to EOPYY, by the contractual providers, in form of «automatic returns-clawback», of the excess amount, in case of exceeding the authorised creditings of EOPYY budget and b) establishment of graduated percentage on EOPYY debt to private providers, as return (rebate).

The effects of the rebate and clawback on the Company's revenue is depicted in the table above.

The company has exercised 2 legal remedies for annulment against the relevant Health Ministry decisions to the Council of the State and has also exercised 2 appeals and 2 applications for suspension against the stand alone acts of EOPYY to the Administrative Court of Appeal. We note that following the verdicts of the Administrative Court of Appeal, the power of these decisions has been suspended. Albeit these appeals, and the fact that according to the opinion of the Company's legal team our legal actions will be supported by the Courts, for reasons of prudence and in view of providing a complete picture of the anticipated effect on the Company's financial results, we have included the rebate and clawback in its financial statements.

## 6. PAYROLL COST:

The Payroll cost that is included in the accompanying Financial Statement is analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Wages and Salaries	60.834	54.822	58.936	53.189
Social security costs	14.449	14.901	14.031	14.453
Compensations and Provision for retirement indemnities	554	707	551	695
Management fees and other staff expenses	301	2.949	291	2.835
<b>Total payroll</b>	<b>76.138</b>	<b>73.379</b>	<b>73.809</b>	<b>71.172</b>
Less: amounts charged to cost of sales (Note 8)	(57.983)	(59.247)	(57.305)	(58.535)
<b>Administrative and distribution cost (Note 9)</b>	<b>18.155</b>	<b>14.132</b>	<b>16.504</b>	<b>12.637</b>

## 7. DEPRECIATION AND AMORTISATION:

Depreciation and amortization accounted in the accompanying Financial Statement is analyzed as follows:

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	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Depreciation of property plant and equipment (Note 14)	9.042	9.176	8.248	8.654
Amortization of intangible assets (Note 15)	120	163	111	91
	<b>9.162</b>	<b>9.338</b>	<b>8.359</b>	<b>8.745</b>
Less: depreciation and amortization charged to cost of sales (Note 8)	(7.818)	(8.327)	(7.642)	(8.010)
<b>Administrative and distribution cost (Note 9)</b>	<b>1.344</b>	<b>1.011</b>	<b>716</b>	<b>735</b>

**8. COST OF SALES :**

The cost of sales that is presented in the accompanying Financial Statement is analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Payroll cost (Note 6)	57.983	59.247	57.305	58.535
Third party fees	15.154	15.860	15.047	15.730
Depreciation and amortization (Note 7)	7.818	8.327	7.642	8.010
Other third party expenses	11.364	12.968	9.951	11.519
Taxes and duties	664	551	663	550
Other expenses	4.707	4.524	4.613	4.402
Health care materials, medicine and other consumables and special materials	37.028	39.968	37.686	40.810
<b>Total</b>	<b>134.718</b>	<b>141.445</b>	<b>132.908</b>	<b>139.556</b>

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

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

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Payroll cost (Note 6)	18.155	14.132	16.504	12.637
Third party fees	2.066	4.270	1.967	3.862
Depreciation and amortization (Note 7)	1.344	1.011	716	735
Third party services	2.165	2.006	1.950	1.789
Taxes and duties	4.706	3.728	4.684	3.702
Other expenses	5.143	5.652	4.146	4.725
Allowances for doubtful debtors - Impairment (see Note 19)	1.492	1.508	1.492	1.816
Healthcare material, medicine, consumable materials and special materials	392	344	333	285
<b>Total</b>	<b>35.463</b>	<b>32.651</b>	<b>31.792</b>	<b>29.551</b>

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**10. OTHER INCOME / (EXPENSES):**

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

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Income from rentals/other services	854	1.151	999	1.287
Government Grants, special tax returns	4	395	4	8
Other income	2.299	1.223	2.303	1.251
Profit /(loss) on disposals of fixed assets	(530)	(852)	(532)	(112)
Income from reversal of formed provisions (see Note 27)	87	6.320	87	6.318
Income from reversal of formed provisions (see Note 19)	34	-	-	-
Income from reversal of provisions Rebate and Clawback 1st and 2nd semester 2013 (L.4172/2013 art. 100) (Note 19)	9.664	-	9.664	-
Income from prior years	1.111	1.119	473	193
<b>Total</b>	<b>13.523</b>	<b>9.356</b>	<b>12.998</b>	<b>8.945</b>

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

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

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**The Group**

	<u><b>31/12/2014</b></u>	<u><b>31/12/2013</b></u>
Retirement indemnity interest costs (see note 27)	(203)	(440)
Interest on current loans/borrowings & relevant expenses	(8.694)	(9.094)
Impairment loss of affiliated companies Medisoft SA and Iatriko Int., which was reclassified in income statement (See note 24)	(705)	-
Financial expenses from derivatives	(1.834)	(2.763)
Factoring commissions	(252)	(537)
Finance lease interest	(14)	(75)
Derivative valuation at fair value	(615)	(718)
Loss due to securities at fair value (shares), sale	-	(253)
<b>Total financial costs</b>	<u><b>(12.317)</b></u>	<u><b>(13.880)</b></u>
Gains / (losses) from associates	(88)	(12)
Dividends from investments in companies	48	38
Interest on deposits and relevant income	21	576
Income from derivatives	656	729
Derivative valuation at fair value	2.345	2.809
Gain due to securities at fair value (shares), sale	-	469
Gain due to Medicafe S.A. sale in subsidiary's Iatriki Techniki S.A.books	4	-
Sale of company Medicafe SA	(70)	-
Non consolidation of Ortelia Holdings	10	-
<b>Total financial costs</b>	<u><b>2.926</b></u>	<u><b>4.609</b></u>
<b>Financial income/(costs)</b>	<u><b>(9.392)</b></u>	<u><b>(9.271)</b></u>

**The Company**

	<u><b>31/12/2014</b></u>	<u><b>31/12/2013</b></u>
Retirement indemnity interest costs (see note 27)	(201)	(440)
Interest on current loans/borrowings & relevant expenses	(8.522)	(8.914)
Impairment of subsidiaries' acquisition cost (see Note 16)	(2.615)	(10.202)
Impairment loss of affiliated companies Medisoft SA and Iatriko Int., which was reclassified in income statement (See note 24)	(705)	-
Financial expenses from derivatives	(1.834)	(2.763)
Factoring commissions	(252)	(537)
Finance lease interest	(6)	(60)
Derivative valuation at fair value	(615)	(718)
Loss due to securities at fair value (shares), sale	-	(253)
<b>Total financial costs</b>	<u><b>(14.750)</b></u>	<u><b>(23.886)</b></u>
Interest on deposits and relevant expenses	19	258
Income from derivatives	656	729
Derivative valuation at fair value	2.345	2.809
Dividends from investments in companies	205	33
Gain due to securities at fair value (shares), sale	-	469
<b>Total financial income</b>	<u><b>3.226</b></u>	<u><b>4.298</b></u>
<b>Financial income/(costs)</b>	<u><b>(11.525)</b></u>	<u><b>(19.588)</b></u>

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The profit of the non consolidation of Ortelia Holdings (as it was erased from companies' register of Cyprus, according to the relevant certificate of Companies' Supervisor of Cyprus) in Group at 31/12/2014 of euro 10 is analyzed as following:

	<b>31/12/2014</b>
Derecognition of retained losses of company Ortelia Holdings at 31/12/2014, of Group's equity	2.778
Recognition of impairment loss for Ortelia Holdings' acquisition cost, from Company to Group as well (note 16)	(1.039)
Recognition of impairment loss for Ortelia Holdings' receivables from associates, from Company to Group as well	(1.729)
	10

**12. INCOME TAXES:**

According to the tax legislation, the tax rate applicable in companies for the year of 2014 is 26%. (26 % the 31<sup>st</sup> of December 2013).

The provision for income taxes presented in the accompanying Financial Statement is analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Current income taxes:				
Tax duty on tax free reserve (Note 24)	(255)	255	(255)	255
Current income tax charge (and other taxes not included in the operating cost)	760	754	480	350
Deferred income taxes	822	5.995	833	5.992
<b>Total provision for income taxes</b>	<b>1.326</b>	<b>7.004</b>	<b>1.058</b>	<b>6.597</b>

The reconciliation of the provision for income taxes to the amount determined by the application of the Greek statutory tax rate to pretax income is summarized as follows:

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	<b>The Group</b>		<b>The Company</b>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
<b>Profit / (loss) before income taxes</b>	<b>(17.176)</b>	<b>(31.632)</b>	<b>(18.901)</b>	<b>(42.042)</b>
Income taxes calculated at the nominal applicable tax rate 26% (26% for year 2013)	(4.466)	(8.224)	(4.914)	(10.931)
Tax duty on tax free reserve (Note 24)	(255)	255	(255)	255
Tax effects of non-taxable income	(66)	(129)	(53)	(131)
Expenses not deductible for tax purposes	1.581	3.160	1.731	5.317
Effect due to non recognition of deferred tax for accounting losses/expenses	4.510	8.699	4.550	8.892
Tax effects of losses from subsidiaries for which no deferred tax asset was recognized	9	2	-	-
Tax effects of profits from subsidiaries abroad taxed at different rates	13	32	-	-
Tax effects of deferred tax from change in statutory tax rate	-	3.209	-	3.194
<b>Income taxes reported in the statements of income</b>	<b>1.326</b>	<b>7.004</b>	<b>1.058</b>	<b>6.597</b>
<b>Effective tax rate</b>	<b>(7.72%)</b>	<b>(22.14%)</b>	<b>(5.60%)</b>	<b>(15.69%)</b>

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

In a future tax audit of the related unaudited years, additional taxes and penalties may be assessed to the Company and to its subsidiaries. The Group regards that the outcome of the tax audits and the amount of the possible added taxes and fines, is possible to estimate and, thus, a relevant provision has been made in the consolidated Financial Statement related to this subject, amounted to euro 1.010 of which euro 950 refer to the Parent Company. Parent Company has been audited by tax authorities up to 31<sup>st</sup> December 2008.

Regarding its subsidiaries, the tax authorities have not audited their books and their elements for the years mentioned in table below:

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<b>Company's name</b>	<b>Company's location country</b>	<b>Activity</b>	<b>Participation (%)</b>	<b>Tax unaudited years</b>
IATRIKI TECHNIKI S.A.	GREECE	Sale of Medical Tools & Sanitary/Health Equipment	100.00%	2009-2010
EREVNA S.A.	GREECE	Diagnostic & Therapeutic Center	51.00%	2007-2013, 2014
AXONIKI EREVNA S.A.	GREECE	Diagnostic Center	50.50%	2007-2013, 2014
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.	GREECE	Physiotherapy & Sport Injury Restoration/Treatment Services	33.00%	2010
HOSPITAL AFFILIATES INTERNATIONAL	GREECE	Organization & Administration of Hospitals and Clinics.	68.89%	2007-2010&2012-2013, 2014
MEDSANA BMC	ROMANIA	Diagnostic Center	100.00%	1997-2013, 2014
BIOAXIS SRL (ex MEDSANA SRL)	ROMANIA	Diagnostic Center	78.90%	1997-2013, 2014
EUROSITE HEALTH SERVICES S.A.	GREECE	Establishment & Operation of Hospitals and Clinics	100.00%	2010
MATERNITY CLINIC GAIA S.A.	GREECE	Maternity and gynaecology clinic	100.00%	2009-2010
INTEROPTICS S.A.	GREECE	Trade & services of publication and electronic information & information systems	27.33%	2010, 2014

For year 2011,2012 and 2013 an audit has been carried out in terms of providing annual tax compliance certificate, according to the provisions of paragraph 5 of article 82 of CL 2238/94 as well as relevant explanatory circular POL 1159/2011, for the Parent Company and its subsidiaries with residence in Greece. The years that have been audited are considered to be finally assessed after 18 months, starting from the above mentioned certificate's issuance date.

For year 2014 the procedure of issuing a Tax Compliance Report (par. 1, article 65, Law 4174/2013) is being processed for the following companies:

**Company's Name**

ATHENS MEDICAL CENTER S.A.  
IATRIKI TECHNIKI S.A.  
PHYSIOTHERAPY AND SPORTS INJURY TREATMENT CENTER S.A.  
EUROSITE HEALTH SERVICES S.A.  
MATERNITY CLINIC GAIA S.A.

The deferred income taxes related to the temporary differences between the book values and the tax bases of assets and liabilities are calculated using the applicable statutory income tax rate.

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	<b>The Group</b>	<b>The Company</b>
<b>Opening balance, January 1<sup>st</sup> 2014</b>	<b>(16.625)</b>	<b>(16.625)</b>
Charged directly to equity	453	448
Charged to the statement of income	(822)	(833)
<b>Closing balance, December, 31<sup>st</sup> 2014</b>	<b>(16.994)</b>	<b>(17.010)</b>

	<b>The Group</b>	<b>The Company</b>
Opening balance, January 1 <sup>st</sup> 2013	(10.222)	(10.217)
Adjustement due to retrospective application of revised IAS 19	(442)	(447)
<b>Opening balance, January 1<sup>st</sup> 2013</b>	<b>(10.664)</b>	<b>(10.664)</b>
Charged directly to equity	34	31
Charged to the statement of income	(5.995)	(5.992)
<b>Closing balance, December, 31<sup>st</sup> 2013</b>	<b>(16.625)</b>	<b>(16.625)</b>

	<b>The Group</b>		<b>The Company</b>	
	<b>31<sup>st</sup> December 2014</b>	<b>31<sup>st</sup> December 2013</b>	<b>31<sup>st</sup> December 2014</b>	<b>31<sup>st</sup> December 2013</b>
<b>Deferred income tax Liabilities</b>				
- Property plant and equipment	(24.183)	(23.825)	(24.179)	(23.820)
- Leases	(1.354)	(1.561)	(1.344)	(1.543)
- Other	(108)	(676)	(108)	(676)
	<b>(25.644)</b>	<b>(26.063)</b>	<b>(25.631)</b>	<b>(26.039)</b>
<b>Deferred income tax Assets</b>				
- Accounts receivable	6.243	7.498	6.243	7.498
- Tax losses	0	0	0	0
- Deferred expenses	263	279	259	275
- Provision for retirement indemnities	2.190	1.706	2.165	1.687
- Other	(46)	(46)	(46)	(46)
	<b>8.651</b>	<b>9.438</b>	<b>8.621</b>	<b>9.414</b>
<b>Net deferred income tax liabilities</b>	<b>(16.993)</b>	<b>(16.625)</b>	<b>(17.010)</b>	<b>(16.625)</b>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>31<sup>st</sup> December 2014</b>	<b>31<sup>st</sup> December 2013</b>	<b>31<sup>st</sup> December 2014</b>	<b>31<sup>st</sup> December 2013</b>
<b>Deferred income tax Liabilities</b>				
- Property plant and equipment	(358)	(5.772)	(359)	(5.779)
- Leases	208	(397)	199	(383)
- Other	568	(1.413)	568	(1.413)
	<b>418</b>	<b>(7.583)</b>	<b>408</b>	<b>(7.575)</b>
<b>Deferred income tax Assets</b>				
- Accounts receivable	(1.255)	2.224	(1.255)	2.224
- Tax losses	0	0	0	0
- Deferred expenses	(16)	19	(16)	17
- Provision for retirement indemnities	484	(621)	478	(627)
- Other	0	0	0	0
	<b>(787)</b>	<b>1.622</b>	<b>(793)</b>	<b>1.614</b>
<b>Debit of deferred income tax</b>	<b>(369)</b>	<b>(5.961)</b>	<b>(385)</b>	<b>(5.961)</b>

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The Deferred tax assets and receivables are offset when there is a legal right that makes it applicable to offset current net tax assets over liabilities and when the Deferred taxes refer to the same tax authority.

Group has not formed deferred tax asset, for accumulated tax losses of companies included in the consolidation.

**13. EARNINGS PER SHARE:**

The calculation of basic earnings per share in the 31<sup>st</sup> of December 2014 and 2013 is the following:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31<sup>st</sup></u></b>	<b><u>31<sup>st</sup></u></b>	<b><u>31<sup>st</sup></u></b>	<b><u>31<sup>st</sup></u></b>
	<b><u>December</u></b>	<b><u>December</u></b>	<b><u>December</u></b>	<b><u>December</u></b>
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Net profit / (loss) attributable to equity holders of the Parent	(18.562)	(38.670)	(19.959)	(48.639)
Weighted average number of shares outstanding	86.735.980	86.735.980	86.735.980	86.735.980
<b>Basic earnings / (losses) per share</b>				
Net profit / (loss) per share attributable	(0,2140)	(0,4458)	(0,2301)	(0,5608)

The diluted earnings per share are not presented, as they do not differ from basic earnings per share mentioned above.

Profit before taxes, financing and investing activity and profit before taxes, financing, investing activity and depreciation of Group and Company, for the years 1/1-31/12/2014 and 1/1-31/12/2013 are, for purposes of decision 34/24.1.2008 of Capital Market's Board of Directors Commission as following :

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31<sup>st</sup></u></b>	<b><u>31<sup>st</sup></u></b>	<b><u>31<sup>st</sup></u></b>	<b><u>31<sup>st</sup></u></b>
	<b><u>December</u></b>	<b><u>December</u></b>	<b><u>December</u></b>	<b><u>December</u></b>
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Profit before taxes, financing and investing activity	(7.255)	(21.509)	(6.845)	(22.342)
Profit before taxes, financing, investing activity and depreciation	1.907	(12.170)	1.514	(13.597)

**14. PROPERTY PLANT AND EQUIPMENT:**

Property, plant and equipment is analyzed as follows:

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***Movement for year 2014 – Group***

	Land	Buildings & installations	Machinery & equipment	Transportation equipment	Furniture & fixtures	Construction / Purchases in Progress	Total
<b><u>Cost or measurement</u></b>							
<b>Balance 01.01.</b>	<b>58.086</b>	<b>195.123</b>	<b>79.262</b>	<b>2.222</b>	<b>33.777</b>	<b>9.231</b>	<b>377.701</b>
Exchange Differences	0	1	1	0	0	0	2
Additions	0	162	2.387	21	699	607	3.876
Sales/Deletions	0	(1)	(1.667)	(36)	(129)	0	(1.832)
Adjustments	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Transfers from fixed assets under constructions	0	0	2	0	0	(2)	0
Transitions and reclassifications	0	0	0	0	0	0	0
<b>Balance 31.12.</b>	<b>58.086</b>	<b>195.285</b>	<b>79.985</b>	<b>2.207</b>	<b>34.347</b>	<b>9.836</b>	<b>379.747</b>
<b><u>Depreciation</u></b>							
<b>Balance 01.01.</b>	<b>0</b>	<b>(37.598)</b>	<b>(61.876)</b>	<b>(1.917)</b>	<b>(29.068)</b>	<b>0</b>	<b>(130.459)</b>
Exchange Differences	0	0	(1)	0	0	0	(1)
Year's Additions	0	(3.914)	(3.966)	(52)	(1.109)	0	(9.042)
Sales/Deletions	0	0	1.124	16	128	0	1.268
Adjustments	0	0	0	0	0	0	0
Transitions and reclassifications	0	0	0	0	0	0	0
<b>Period total</b>	<b>0</b>	<b>(3.914)</b>	<b>(2.843)</b>	<b>(36)</b>	<b>(981)</b>	<b>0</b>	<b>(7.775)</b>
<b>Balance 31.12.</b>	<b>0</b>	<b>(41.512)</b>	<b>(64.719)</b>	<b>(1.953)</b>	<b>(30.049)</b>	<b>0</b>	<b>(138.234)</b>
<b>Net Book Value 31.12.</b>	<b>58.086</b>	<b>153.773</b>	<b>15.266</b>	<b>254</b>	<b>4.298</b>	<b>9.836</b>	<b>241.513</b>

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***Movement for year 2013 – Group***

	Land	Buildings & installations	Machinery & equipment	Transportation equipment	Furniture & fixtures	Construction / Purchases in Progress	Total
<b>Cost or measurement</b>	<b>58.086</b>	<b>194.763</b>	<b>77.979</b>	<b>2.286</b>	<b>33.028</b>	<b>8.021</b>	<b>374.165</b>
<b>Balance 01.01.</b>							
Exchange Differences	19	(12)	(22)	(2)	(2)	1	(19)
Additions	0	478	2.250	8	869	1.946	5.551
Sales/Deletions	(19)	(106)	(951)	(71)	(117)	(722)	(1.986)
Transfers from fixed assets under constructions	0	0	5	0	0	(14)	(9)
Transitions and reclassifications	0	0	0	0	0	0	0
<b>Balance 31.12.</b>	<b>58.086</b>	<b>195.123</b>	<b>79.262</b>	<b>2.222</b>	<b>33.777</b>	<b>9.231</b>	<b>377.701</b>
<b>Depreciation</b>							
<b>Balance 01.01.</b>	<b>0</b>	<b>(33.707)</b>	<b>(58.772)</b>	<b>(1.918)</b>	<b>(27.967)</b>	<b>0</b>	<b>(122.366)</b>
Exchange Differences	0	3	19	1	1	0	23
Year's Additions	0	(3.940)	(3.930)	(88)	(1.219)	0	(9.176)
Sales/Deletions	0	46	807	89	117	0	1.059
Transitions and reclassifications	0	0	0	0	0	0	0
<b>Period total</b>	<b>0</b>	<b>(3.891)</b>	<b>(3.104)</b>	<b>2</b>	<b>(1.101)</b>	<b>0</b>	<b>(8.094)</b>
<b>Balance 31.12.</b>	<b>0</b>	<b>(37.598)</b>	<b>(61.876)</b>	<b>(1.917)</b>	<b>(29.068)</b>	<b>0</b>	<b>(130.459)</b>
<b>Net Book Value 31.12.</b>	<b>58.086</b>	<b>157.525</b>	<b>17.386</b>	<b>305</b>	<b>4.709</b>	<b>9.231</b>	<b>247.242</b>

***Movement for year 2014– Company***

	Land	Buildings & installations	Machinery & equipment	Transportation equipment	Furniture & fixtures	Construction / Purchases in Progress	Total
<b>Cost or measurement</b>							
<b>Balance 01.01.</b>	<b>51.308</b>	<b>190.689</b>	<b>73.411</b>	<b>1.810</b>	<b>32.622</b>	<b>5.568</b>	<b>355.408</b>
Additions	0	162	2.416	21	696	605	3.900
Sales –Deletions	0	0	(1.639)	(36)	(124)	0	(1.799)
Adjustments	0	0	0	0	0	0	0
Transfers from fixed assets under constructions	0	0	0	0	0	0	0
Transitions and reclassifications	0	0	0	0	0	0	0
<b>Balance 31.12.</b>	<b>51.308</b>	<b>190.851</b>	<b>74.188</b>	<b>1.795</b>	<b>33.194</b>	<b>6.173</b>	<b>357.509</b>
<b>Depreciation</b>							
<b>Balance 01.01.</b>	<b>0</b>	<b>(34.430)</b>	<b>(57.596)</b>	<b>(1.505)</b>	<b>(27.990)</b>	<b>0</b>	<b>(121.520)</b>
Year's Additions	0	(3.830)	(3.275)	(52)	(1.091)	0	(8.248)
Sales –Deletions	0	0	1.113	16	124	0	1.253
Adjustments	0	0	0	0	0	0	0
Transitions and reclassifications	0	0	0	0	0	0	0
<b>Period Total</b>	<b>0</b>	<b>(3.830)</b>	<b>(2.162)</b>	<b>(36)</b>	<b>(967)</b>	<b>0</b>	<b>(6.995)</b>
<b>Balance 31.12.</b>	<b>0</b>	<b>(38.259)</b>	<b>(59.758)</b>	<b>(1.541)</b>	<b>(28.957)</b>	<b>0</b>	<b>(128.515)</b>
<b>Net Book Value 31.12.</b>	<b>51.308</b>	<b>152.591</b>	<b>14.430</b>	<b>254</b>	<b>4.237</b>	<b>6.173</b>	<b>228.993</b>

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**Movement for year 2013– Company**

	Land	Buildings & installations	Machinery & equipment	Transportation equipment	Furniture & fixtures	Construction / Purchases in Progress	Total
<b>Cost or measurement</b>	<b>51.308</b>	<b>190.317</b>	<b>72.117</b>	<b>1.869</b>	<b>31.830</b>	<b>3.635</b>	<b>351.076</b>
<b>Balance 01.01.</b>							
Additions	0	478	2.208	8	854	1.932	5.481
Sales -Deletions	0	(106)	(914)	(67)	(62)	0	(1.149)
Transitions and reclassifications	0	0	0	0	0	0	0
Transfers from fixed assets under constructions	0	0	0	0	0	0	0
<b>Balance 31.12.</b>	<b>51.308</b>	<b>190.689</b>	<b>73.411</b>	<b>1.810</b>	<b>32.622</b>	<b>5.568</b>	<b>355.408</b>
<b>Depreciation</b>							
<b>Balance 01.01.</b>	<b>0</b>	<b>(30.635)</b>	<b>(54.832)</b>	<b>(1.515)</b>	<b>(26.852)</b>	<b>0</b>	<b>(113.833)</b>
Year's Additions	0	(3.841)	(3.537)	(76)	(1.200)	0	(8.654)
Sales/Deletions	0	46	773	86	62	0	967
Transitions and reclassifications	0	0	0	0	0	0	0
<b>Period total</b>	<b>0</b>	<b>(3.795)</b>	<b>(2.764)</b>	<b>10</b>	<b>(1.138)</b>	<b>0</b>	<b>(7.687)</b>
<b>Balance 31.12.</b>	<b>0</b>	<b>(34.430)</b>	<b>(57.596)</b>	<b>(1.505)</b>	<b>(27.990)</b>	<b>0</b>	<b>(121.520)</b>
<b>Net Book Value 31.12.</b>	<b>51.308</b>	<b>156.259</b>	<b>15.815</b>	<b>305</b>	<b>4.632</b>	<b>5.568</b>	<b>233.887</b>

There is mortgage attachment amounted to 196,8 mil, which is registered on parent company's land and buildings.No item of machinery equipment has been pledged as security for liabilities.

**15. INTANGIBLE ASSETS**

**The Group**

	Rights/ Licenses	Other (Software)	Total
<b>Cost</b>			
<b>Balance 01.01.2013</b>	<b>66</b>	<b>1.613</b>	<b>1.678</b>
Exchange Differences	0	0	0
Additions	0	210	210
Sales/Deletions	0	0	0
Adjustments	0	0	0
Transitions	0	0	0
<b>Balance 31.12.2013</b>	<b>66</b>	<b>1.823</b>	<b>1.889</b>
<b>Accumulated amortization</b>			
<b>Balance 01.01.2013</b>	<b>0</b>	<b>(1.436)</b>	<b>(1.436)</b>
Exchange Differences	0	0	0
Additions	0	(120)	(120)
Adjustments	0	0	0
Sales/Deletions	0	0	0
Transitions / Reclassifications	0	0	0
<b>Balance 31.12.2013</b>	<b>0</b>	<b>(1.555)</b>	<b>(1.555)</b>
<b>Net Book Value 31.12.2013</b>	<b>66</b>	<b>267</b>	<b>333</b>

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	Rights/Licenses	Other (Software)	Total
<b>Cost</b>			
<b>Balance 01.01.2013</b>	66	1.549	1.615
Exchange Differences	0	(2)	(2)
Additions	0	57	57
Sales / Deletions	0	0	0
Impairment	0	0	0
Transitions / Reclassifications	0	9	9
<b>Balance 31.12.2013</b>	<b>66</b>	<b>1.613</b>	<b>1.678</b>
<b>Accumulated amortization</b>			
<b>Balance 01.01.2013</b>	0	(1.275)	(1.275)
Exchange Differences	0	2	2
Additions	0	(163)	(163)
Sales/deletions	0	0	0
<b>Balance 31.12.2013</b>	<b>0</b>	<b>(1.436)</b>	<b>(1.436)</b>
<b>Net Book Value 31.12.2013</b>	<b>66</b>	<b>177</b>	<b>243</b>

**The Company**

	Rights/Licenses	Other (Software)	Total
<b>Cost</b>			
<b>Balance 01.01.2014</b>	<b>66</b>	<b>1.325</b>	<b>1.391</b>
Additions	0	204	204
Adjustments	0	0	0
<b>Balance 31.12.2014</b>	<b>66</b>	<b>1.529</b>	<b>1.595</b>
<b>Accumulated amortization</b>			
<b>Balance 01.01.2014</b>	<b>0</b>	<b>(1.160)</b>	<b>(1.160)</b>
Additions	0	(111)	(111)
Adjustments	0	0	0
Transitions / Reclassifications	0	0	0
<b>Balance 31.12.2014</b>	<b>0</b>	<b>(1.270)</b>	<b>(1.270)</b>
<b>Net Book Value 31.12.2014</b>	<b>66</b>	<b>259</b>	<b>325</b>

	Rights/Licenses	Other (Software)	Total
<b>Cost</b>			
<b>Balance 01.01.2013</b>	66	1.276	1.342
Additions	0	49	49
Sales/deletions	0	0	0
<b>Balance 31.12.2013</b>	<b>66</b>	<b>1.325</b>	<b>1.391</b>
<b>Accumulated amortization</b>			
<b>Balance 01.01.2013</b>	0	(1.068)	(1.068)
Additions	0	(92)	(92)
Sales/deletions	0	0	0
<b>Balance 31.12.2013</b>	<b>0</b>	<b>(1.160)</b>	<b>(1.160)</b>
<b>Net Book Value 31.12.2013</b>	<b>66</b>	<b>166</b>	<b>232</b>

## 16. INVESTMENTS OF PARENT COMPANY IN SUBSIDIARIES

a) The investments of the Company in subsidiaries at the 31st December 2014 are analyzed as follows:

	Participation %	Acquisition cost in 31/12/2014	Acquisition cost in 31/12/2013
Iatriki Techniki S.A.	<i>100,00%</i>	25.421	25.421
Physiotherapy center S.A	<i>33,00%</i>	19	19
Axoniki Erevna S.A.	<i>50,50%</i>	545	545
Erevna S.A	<i>51,00%</i>	503	503
Hospital Affiliates International	<i>68,89%</i>	91	91
Eurosite S.A	<i>100,00%</i>	8.335	8.335
Ortelia Holdings	<i>99,99%</i>	0	1.039
Medsana Buch	<i>100,00%</i>	33	33
BIOAXIS SRL (former Medsana Srl)	<i>78,90%</i>	517	517
Athens Paediatrics Center	<i>58,30%</i>	169	169
Maternity clinic Gaia SA	<i>100,00%</i>	23.540	23.540
		<b>59.173</b>	<b>60.212</b>
Impairment loss		(39.102)	(37.526)
<b>Balance</b>		<b>20.072</b>	<b>22.687</b>

b) The investments of the Group in subsidiaries at the 31st December 2014, after the non consolidation of company Ortelia Holdings in Group and its deletion from parent's accounting books, are analyzed as follows:

	Participation percentage	Acquisition cost on 31/12/2014	Acquisition cost on 31/12/2013
Ortelia Holdings	<i>99,99%</i>	1.039	-
Acquisition cost deletion		(1.039)	-
		0	-
Impairment loss		(1.039)	-
Impairment loss deletion		1.039	-
		0	-
Balance		0	0

The non consolidation of Ortelia Holdings in Group at 31/12/2014, which was in liquidation procedure, is due to the issuance of deletion certificate for the company by the Companies' Supervisor of Cyprus. The non consolidation of Ortelia Holdings in Group was not recognized as a discontinued operation according to paragraph 32 of I.F.R.S. 5.

The above-mentioned subsidiaries are consolidated, except from Athens Pediatrics Center SA, which is under liquidation procedure and its acquisition cost is totally deleted in the Company's retained earnings. The operation of this company was interrupted before the transition date, the assets and liabilities of its balance sheets are of minor significance and the liquidation procedure does not entail significant costs for the Company. Until the reporting date of the accompanying Financial Statement no final judicial decision has been issued for its dissolution and its final deletion from the S.A. register.

The acquisition cost in Ortelia Holdings SA and in BIOAXIS SRL (former Medsana Srl) has been completely deleted in the stand alone Financial Statement of the Company, according to the provisions of **IAS 27** and **38**. These companies, do not present any operation and their accounting value is greater of their recoverable amount. At the transition date in IFRS, an impairment test took place in the above mentioned investments, during which, it was attributed in Company's cash generating units. The

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recoverable amount, which in this case was the value of use, was lower than the carrying amount and the impairment loss arose and amounted to € 1,805, was charged against the retained earnings of 1<sup>st</sup> of January 2004.

In 2012 subsidiaries Hospital Affiliates International with residence in Greece and Ortelia Holdings with residence in Cyprus, entered liquidation procedure. It is noted that the companies had not any revenue since, while their assets are only current and of no significance compared to the Group's ones. The companies Axoniki Erevna S.A. and Erevna S.A remain in liquidation procedure up to date. It is noted that in year 2013 the participation in subsidiary Hospital Affiliates International was fully impaired, while the participations in subsidiaries Axoniki Erevna S.A. and Erevna S.A were impaired to the extent that their balances correspond to the estimated liquidation result that applies to parent Company.

During the year 201 the Company has performed an impairment test for its investments, recognizing impairment losses amounting to €2.615 (see note 11).

More specifically, Company impaired the following participations:

	<b>2014</b>	<b>2013</b>
<b>Impairment at the beginning of the year</b>	<b>(37.526)</b>	<b>(27.323)</b>
Participation impairment in Iatriki Techniki	(2.615)	(8.546)
Participation impairment in Eurosite	0	(722)
Participation impairment in Hospital Affiliates International	0	(78)
Participation impairment in Axoniki Erevna S.A.	0	(495)
Participation impairment in Erevna S.A	0	(361)
Participation impairment in Gaia S.A.	0	0
Deletion of Ortelia Holdings impairment	1.039	0
<b>Impairment at the end of the year</b>	<b>(39.102)</b>	<b>(37.526)</b>

Impairment is analyzed as follows:

	<b>Participation percentage</b>	<b>Impairment at 31/12/2014</b>	<b>Impairment at 31/12/2013</b>
Iatriki Techniki S.A.	<i>100,00%</i>	13.140	10.525
Axoniki Erevna S.A.	<i>50,50%</i>	534	534
Erevna S.A	<i>51,00%</i>	389	389
Hospital Affiliates International S.A.	<i>68,89%</i>	91	91
Ortelia Holdings	<i>99,99%</i>	0	1.039
BIOAXIS SRL (former Medsana Srl)	<i>78,90%</i>	517	517
Athens Paediatrics Center	<i>58,30%</i>	169	169
Maternity clinic Gaia S.A.	<i>100,00%</i>	23.540	23.540
Eurosite	<i>100,00%</i>	722	722
<b>Total</b>		<b>39.102</b>	<b>37.526</b>

As at 31/12/2014, in frame of the assets' impairment test, the value of the investment in the subsidiary company IATRIKI TECHNIKI S.A. (cash generating unit) was tested for impairment, in accordance with the provisions of IAS 36. The adverse economic conditions prevailing in the healthcare services industry in Greece, as well as the reduced figures and results of the subsidiary company during the year 2014 (and previous years also), according to Management's judgment, suggested indications that the subject investment may be impaired.

The recoverable amount of the cash generating unit (subsidiary company) was determined based on its value in use. The value in use in turn was calculated on the basis of estimates of net discounted cash flows expected to arise from the company's activity, which were based on financial projections approved

by management covering a five-year period. The cash flows beyond the five year period are calculated on the basis of the estimated growth rate of the market the subsidiary company is operating in.

The key assumptions used for value in use calculations as at 31/12/2014 are the following:

**Budgeted gross margins:** The basis used to determine the value assigned to the budgeted gross margins is the actual gross margin achieved by the cash generating unit in the previous five year period. Greater significance was given on the respective margins of the last two years as more representative of the current conditions.

**Capital expenditures:** All the necessary estimated purchases of fixed assets as well as investments in working capital were taken into account, based on the last five years actual requirements, in order for the cash generating unit to maintain its production capacity and market share.

**Discount rate:** The pre tax internal rate of return of the projected cash flows was applied. The discount rate reflects (a) the time value of money and (b) specific risks inherent with the activity of the cash generating unit. The subject rate as at 31/12/2014 rose to 14,40%.

**Growth rate (beyond the five-year period):** The projected cash flows beyond the five year period were calculated using a growth rate of 1,50 % which is considered as consistent with the estimated average growth rate of the healthcare supplies industry in Greece as well as the general condition of the Greek economy.

The impairment test the investment value of the Company in the subsidiary company IATRIKI TECHNIKI S.A. resulted to an impairment loss amounting to € 2.615, which was included in the item "Net Investment income / (expenses)" of the Company's Statement of Comprehensive Income.

Furthermore, a sensitivity analysis was carried out on the impairment test result regarding the basic financial parameters used for calculating the value in use of the cash generating unit, i.e. the growth rate beyond the five-year period and the weighted average cost of capital (after tax discount rate). The cases where the aforementioned parameters were respectively 0,5% and 1,0% higher/lower were examined. From the sensitivity analysis, the impairment loss was estimated to range between € 0,00 and € 4.619, for the extreme (favorable or not) values of the parameters examined.

The dividends of subsidiaries for year 2014, are the following:

	<b>Income from dividends</b>
Iatriki Techniki S.A.	155
Physiotherapy center S.A	50
<b>TOTAL</b>	<b>205</b>

The dividends of subsidiaries for year 2013, are the following:

	<b>Income from dividends</b>
Physiotherapy center S.A	33
<b>TOTAL</b>	<b>33</b>

There are no dividends from subsidiaries that have been sold during year 2014.

## **17. INVESTMENTS IN ASSOCIATES CONSOLIDATED BY THE EQUITY METHOD**

These concern Company's investments in the capital share of the following companies in a percentage between 20% and 50% and in which no important influence is exercised.

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**The Company**

	Percentage %	Acquisition cost in 31/12/2014	Acquisition cost in 31/12/2013
Medisoft S.A.	45,00%	0	132
Interoptics S.A.(ex-In Health S.A.)	27,33%	205	205
Aggiologiki Dierevnisi Ltd	20,00%	2	2
Herodikos Ltd	20,00%	19	19
		<b>226</b>	<b>358</b>
Impairment loss		(226)	(358)
<b>Net carrying amount</b>		<b>0</b>	<b>0</b>

The carrying amount of the above companies is deleted in the Company's Equity at a time prior to the transition date and the same classification is preserved since the 1<sup>st</sup> January 2004.

It is noted that company In Health S.A. was merged through absorption from company Interoptics S.A. at 15 March 2005 and as a result Group obtains a percentage of 27.33% on the capital of Interoptics S.A. instead of 30.37% that was obtained on the capital of the absorbed company In Health S.A.

**The Group**

	31/12/2014	31/12/2013
<b>Percentage in equity at the beginning of the year</b>	<b>338</b>	<b>348</b>
Deletion of Medicafe S.A.'s acquisition cost from subsidiary's Iatriki Techniki S.A.books	(81)	0
Gain/losses from associates – Interoptics S.A. and Medicafe S.A.	(40)	28
Recognized income from dividends of company Medicafe S.A. (Note 11)	(48)	(38)
Sale of Medicafe S.A. in Group (Note 11)	(70)	0
<b>Total</b>	<b>98</b>	<b>338</b>

The total amount of losses from associates of € 88 (€40 plus €48) has been included in the financial income (Note 11).

The dividends of associates for year 2014 are the following:

	<b>Income from dividends</b>
Medicafe S.A.	48

The dividends of associates for year 2013 are the following:

	<b>Income from dividends</b>
Medicafe S.A.	38

There are no dividends from associates that have been sold during year 2013, besides company Medicafe S.A., which was sold in December 2014 by €85 (see cash flow statement), while this sale, according to paragraphs 6 to 8A of **I.F.R.S. 5**, was not considered to be a discontinued operation.

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**Summary financial information of companies Interoptics S.A. and Medicafe S.A. 2013**

Company	Assets	Liabilities	Income	Gains / (Losses)	Group's percentage
<b>Interoptics S.A.</b>	1.233	873	2.033	(39)	(11)
<b>Plus: Adjustment for losses of previous years</b>					(71)
<b>Medicafe S.A. up to the sale date</b>				76	42
<b>Total</b>					<b>(40)</b>

**Summary financial information of companies Interoptics S.A. and Medicafe S.A. 2013**

Company	Assets	Liabilities	Income	Gains / (Losses)	Group's percentage
<b>Interoptics S.A.</b>	1.210	810	1.680	(80)	(22)
<b>Medicafe S.A.</b>	443	157	805	87	48
<b>Effect from the retrospective application of IAS 19 in Medicafe S.A.</b>					2
<b>Total</b>					<b>28</b>

**18. INVENTORIES:**

The inventories are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Merchandise	64	61	0	0
Raw materials and consumable materials	4.497	4.697	4.347	4.510
	<b>4.561</b>	<b>4.758</b>	<b>4.347</b>	<b>4.510</b>

No item of inventories of Group and Company has been pledged as security for liabilities.

**19. TRADE ACCOUNTS RECEIVABLE:**

The trade accounts receivable are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Trade debtors – open balances (before <b>Rebate</b> and <b>Clawback</b> ) of respective year	113.460	149.535	112.917	148.911
Reversal of provisions <b>Rebate</b> and <b>Clawback</b> 1st and 2nd semester 2013 (L.4172/2013 art. 100)	9.664	-	9.664	-
Estimated effect of <b>Rebate</b> and <b>Clawback</b> 1st and 2nd semester 2013 and 2014 (L.4172/2013 art. 100)	(21.568)	(35.584)	(21.568)	(35.584)
Trade debtors – open balances (after <b>Rebate</b> and <b>Clawback</b> )	101.556	113.951	101.013	113.327
Checks receivable (postdated) & bills receivable	18.158	19.826	18.123	19.759
Doubtfull debtors	1.009	1.004	1.003	998
Less: Provision for impairment (trade debtors)	(22.787)	(24.490)	(22.787)	(24.409)
Less: Provision for impairment (trade accounts receivable)	(313)	(313)	(313)	(313)
	<b>97.624</b>	<b>109.978</b>	<b>97.040</b>	<b>109.363</b>

These short term financial assets' fair value is not fixed independently because it is considered that book value approaches their fair value.

The estimated effect of Rebate and Clawback, has equally decreased the corresponding Turn Over of Company and Group

The major part of debtors comes from public insurance organizations and private insurance companies, whose credit risk is not considered significant in terms of Group's assets and liabilities, except extraordinary events. Regarding the rest of debtors, represented by sale to individuals, risk is diversified due to the great number of debtors.

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 formulated provision for doubtful debts in relation with the credit policy and data from the Group's Law Department, which arises from processing past data and recent developments of each case.

For all Group receivables, indications for their probable impairment have been assessed.

We note that according to Law 4132 (GG 59A – 7/3/2012) and the Ministerial Decision no. 18579 of 19/02/2013 (GG 427B – 25/2/2013) the percentage of discount for the payment of receivables from Public Funds included in EOPYY prior to 31/12/2012, has been set at 8%. For this reason within previous year 2012 the Group has formed a provision for credit notes amounting to € 20.298. In period 1/1-31/12/2014 credit notes have been issued after the clearance of part of relevant debtors, amounted to € 3.114 with equal decrease of the relevant provision that had been formed in year 2012.

During the years 2013-2014 the Ministry of Health has issued decisions regarding the year 2013 and retrospectively the year 2014, that differ partially from the article's 100 L. 4172/2013 regulations as far as the Clawback and Rebate provisions are concerned.

The Company has duly and rightfully exercised legal remedies against some of those decisions in front of the Council of State. Two (2) of them have already been heard and the verdict is expected, while the others have not.

There have also been issued against our Company four (4) individual administrative acts by EOPYY, (regarding Clawback-Rebate for the year 2013 and the First Semester of 2014), against which our company has exercised legal remedies and applications for suspension in front of the Administrative Court of Appeal of Athens. All four (4) applications for suspension have been accepted. As for the legal remedies only one has already been heard and no verdict has yet been issued.

In year 1/1-31/12/2014 an additional impairment has been formed, for doubtful debtors, of euro 1.492 for Group and for the Company (see note 9).

In addition, some of the non impaired receivables are in delay.

Specifically the impairment account has as follows:

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	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
<b>Beginning balance</b>	<b>24.804</b>	<b>31.434</b>	<b>24.722</b>	<b>31.434</b>
Provision for impairment of public insurance funds receivables (see note 9)	0	0	0	0
Debtors impairment that charged the results (see note 9)	1.492	1.508	1.492	1.426
Deletion of accumulated provision for companies <b>Commercial Value S.A.</b> and <b>Aspis Pronoia S.A.</b>	0	(2.405)	0	(2.405)
Decrease of provision due to credit notes issuance (see above)	(3.114)	(5.733)	(3.114)	(5.733)
Reversal of formed provision of a subsidiary (see Note 10)	(34)	0	0	0
Deletion of receivables with equal deletion of accumulated provision of debtors impairment of a subsidiary	(47)	0	0	0
<b>Ending balance</b>	<b>23.100</b>	<b>24.804</b>	<b>23.100</b>	<b>24.722</b>

Maturity of trade accounts receivable is presented in the following table.

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Trade debtors (<365 days) - non past due	34.261	13.285	34.078	13.058
Checks receivable (postdated) & bills receivable (<365 days) -non past due	3.837	5.489	3.837	5.489
Trade debtors (>365 days) – Past due & <u>impaired up to the amount of impairment</u>	67.295	100.666	66.935	100.270
Less: Provision for impairment	(22.787)	(24.490)	(22.787)	(24.409)
Checks receivable (postdated) & bills receivable (>365 days) - Past due	14.321	14.337	14.286	14.270
doubtfull debtors past due & <u>impaired</u>	1.009	1.004	1.003	998
Less: Provision for impairment	(313)	(313)	(313)	(313)
	<b>97.624</b>	<b>109.978</b>	<b>97.040</b>	<b>109.363</b>

Specifically the maturity of trade debtors – open balances is presented in the following table:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Trade debtors (<30 days)	7.035	1.453	6.921	1.330
Trade debtors (30-60 days)	4.538	-1.863	4.499	-1.911
Trade debtors (60-90 days)	4.887	-777	4.872	-808
Trade debtors (90-180 days)	5.815	3.303	5.807	3.283
Trade debtors (181-365 days)	11.986	11.169	11.978	11.163
Trade debtors (>365 days)	67.295	100.666	66.935	100.270
	<b>101.556</b>	<b>113.951</b>	<b>101.013</b>	<b>113.327</b>

The negative balances in the above table are the result of the estimated clawback effect.

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It is noted that the company in terms of the new common bond loan (see note 25) and granting securing in favour of borrowing banks, has transferred trade debtors amounted to €62,41 mil., up to 15<sup>th</sup> January 2015.

The company did not derecognise the above mentioned trade debtors from its financial statements and the counterparty (the receiver of the transfer) is obliged to return to the company the amount received from these trade debtors. The counterparty is entitled to retain the amount received from the trade debtors only when amounts due, that are owed to the banks, exist.

It is noted that the company's obligations to borrowing banks, that must be paid in year 2015, amount to € 37.21 mil., as well as almost € 7,00 mil., amount that is estimated to be the financial expense of bond loan for year 2015.

Group's trade accounts receivable mainly consist of receivables in euro.

**20. PREPAYMENTS AND OTHER RECEIVABLES:**

The prepayments and other receivables are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Advances to third parties	64	167	25	129
Other accounts receivable	20.968	17.649	19.171	16.244
Short-term receivables from associates	0	0	5.210	6.179
Impairment of receivables from associates (Ortelia)	0	0	0	(1.729)
Impairment of receivables from associates (Hospital Affiliates International S.A.)	0	0	(389)	(389)
Prepaid expenses, earned income and other debtors	1.115	1.607	1.078	1.088
	<b>22.146</b>	<b>19.423</b>	<b>25.095</b>	<b>21.522</b>

In other accounts receivable in 31<sup>st</sup> December 2014, retained and advanced income taxes are included, amounted to € 14.010 (€ 9.112 at 31<sup>st</sup> December 2013) for Group and € 13.704 (€ 8.789 at 31<sup>st</sup> December 2013) for the Company. Additionally, the same account includes receivables from credit cards € 584 (€ 584 for the Company), receivables from insurance funds € 418 (€ 351 for the Company) and receivables € 1.591 from Alpha Bank. This amount refers to receipts from an insurance fund (Company's client) and is withheld from the bank (see note 19). The remaining amount of the account "Other accounts receivable" refers to the Company's and the Group's receivables from business partners, mainly legal entities.

The Group proceeds to impairment tests and forms the relevant provisions regularly.

In year 2013, the Company impaired the receivables from subsidiary Hospital Affiliates International amounted to euro 389 with equal charge of the results.

**21. DERIVATIVES:**

	<b>The Group</b>		<b>The Company</b>	
	<b>Assets</b>		<b>Assets</b>	
	<b>Fair value</b>		<b>Fair value</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Interest rate Derivatives. (Swaps) (Contracts' nominal value 17.000.000 euro )-(19.000.000 euro at 31/12/2013)	344	959	344	959
	<b>344</b>	<b>959</b>	<b>344</b>	<b>959</b>

	<b>The Group</b>		<b>The Company</b>	
	<b>Total Equity and liabilities</b>		<b>Total Equity and liabilities</b>	
	<b>Fair value</b>		<b>Fair value</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/20</u></b>	<b><u>31/12/2013</u></b>
Interest rate Derivatives. (Swaps) (Contracts' nominal value 51.000.000 euro)- ( 61.000.000 euro at 31/12/2013)	932	3.277	932	3.277
	<b>932</b>	<b>3.277</b>	<b>932</b>	<b>3.277</b>

The derivatives' fair value is based on market to market assessment. For all swap contracts, fair values are confirmed from financial institutions with which the group has entered relevant contracts.

The financial income / expenses from derivatives for year 2014 is mentioned in detail in note 11.

**SWAPS**

Swaps in 31<sup>st</sup> December 2014 were as following:

<b>Bank</b>	<b>Maturity</b>	<b>Interest Swaps</b>	
		<b>Collections (based)</b>	<b>Payments (based)</b>
National Bank of Greece	7/2015	Euribor 6month	fixed
Alpha Bank	7/2015	Euribor 6month	Libor 6month
Unicredit	7/2015	fixed	Euribor 6month

**22. CASH AND CASH EQUIVALENTS:**

The cash and cash equivalents are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Cash in hand	412	259	406	248
Deposits (sight and time)	4.615	16.230	3.819	15.740
	<b>5.027</b>	<b>16.489</b>	<b>4.225</b>	<b>15.988</b>

The bank deposits are lent at interest with floating interest rates based on the monthly interest rates of bank deposits and mainly refer to deposits in euro. Group's bank deposits in other currencies in 31<sup>st</sup> December 2014 amount to € 113 (Group's bank deposits in other currencies in 31<sup>st</sup> December 2013 amounted to € 98). The income from sight and time bank deposits interest is recognized in accrual basis of accounting. (See note 11).

### 23. SHARE CAPITAL:

The share capital of the Company in 31<sup>st</sup> December 2014, consists of 86.735.980 common nominal shares, with nominal value € 0,31 each.

The Company's shares are publicly traded on the Athens Stock Exchange.

According to the Shareholders Record of the Company, in the 31<sup>st</sup> of December 2014, the shareholders with holding a percentage in the Company greater than 2 % were the following:

	<b>Number of shares acquired</b>	<b>% 31<sup>st</sup> December 2014</b>
G. Apostolopoulos Holdings S.A.	33.955.539	39,15%
Asklepios International GmbH	30.624.114	35,31%
Eurofinanciere D Investissement Monaco	2.585.057	2,98%
Credit Suisse-AG	6.712.461	7,74%
Free float < 2%	12.858.809	14,82%
	<b>86.735.980</b>	<b>100,00%</b>

The share premium of the Company resulted from the period of 1991 until the period of 2007, with a total amount of € 19.777 by the issuing of shares against cash, in value greater than their nominal value.

### 24. LEGAL, TAX FREE AND SPECIAL RESERVES:

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

#### The Group

	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Legal reserve	8.576	5.537
Tax free and specially taxed reserves	9.577	37.258
Other	(14)	(79)
	<b>18.139</b>	<b>42.716</b>

#### The Company

	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Legal reserve	8.064	5.026
Tax free and specially taxed reserves	9.356	36.997
Other	440	440
	<b>17.860</b>	<b>42.462</b>

**Legal Reserve:** According to the Greek Company Law, the companies are obliged to form at least 5% of their annual net profits, as they are represented in the accounting books, in legal reserve, until the accumulated amount of the legal reserve reaches at least the 1/3 of the capital share. The above-mentioned reserve cannot be distributed during the operation of the Company.

The change (increase) of legal reserve for Group as well as for Company of euro 3.039 in relation to previous year 2013, is due to impairment losses of affiliated companies, which were recognized against legal reserve, according to tax regulation, in a period before the transition to I.F.R.S. and which were offset with non-distributed tax free reserves (see below), besides impairment loss amounted to 705 regarding affiliated companies Medisoft SA and Iatriko Int., which due to their deletion, were reclassified to income statement (See note 11). This reclassification did not have any effect on the total sum of Company's and Group's equity.

**Tax free and Specially Taxed Reserves:** The untaxed and specially taxed reserves represent interest income, which are tax free or taxed by 10% at their source. The particular income is not taxable under the condition that adequate profits exist, from which respective untaxed reserves can be formed. According to the Greek tax legislation, this reserve is excluded from income tax, under the condition that it will not be distributed to the shareholders. The Company does not intend to distribute the particular reserve and thus it has not proceeded to the estimation of deferred income tax that would have been necessary in the case of reserve distribution.

With article 72 of the law 4172/2013, the non-distributed or capitalized tax free reserves of entities as stated in the last financial statement before 01.01.2014 and also those coming from tax free profits of the law 2238/1994, in case of distribution or capitalization until 31.12.2013, are taxed with a tax rate of 15% and that way the tax liability of the entity and its shareholders is completed. From 01.01.2014 and onwards, the above-mentioned reserves will offset at the end of each tax year with losses coming from the last 5 years, till their depletion. In case of distribution or capitalization they will be taxed with a rate of 19%. From 01.01.2015 it is not allowed to keep special accounts for taxfree reserves.

At the end of year 2013, the Company offset tax free reserves from shares' sale, amounted to euro 37.894 with losses arising from devaluation recognized on greek subsidiaries, according the tax legislation. Substantial amount of this devaluation in form of impairment, had already been accounted, in prior year's financial statements of the Company. Regarding the impairment of investments in subsidiaries, which were recognized by the Company in year 2013, see note 16.

Regarding the rest amount of tax free reserves, remaining at 1/1/2014. the Company, at the end of year 2014, offset it with tax deductible losses and losses arising from devaluation recognized on subsidiaries. For the amount of tax free reserves, which at the end of previous year 2013, was estimated to remain after the above mentioned offsetting, the relevant tax obligation that would have resulted, amounted to €255 with tax rate 19% (see note 12). This amount was reversed in annual financial statements of year 1/1-31/12/2014, due to later exemption of specific categories of tax free reserves from the above mentioned taxation (POL.1143 /15.5.2014).

The special reserve, on 31<sup>st</sup> December 2014 and on 31<sup>st</sup> December 2013 amounted to euro 4.343 in Company and euro 4.437, in Group, was formed according to the provisions of L. 3697/2008. The tax liability which will accumulate due to the distribution of this special reserve is estimated, at 31<sup>st</sup> December 2014 in 1.129 euro for the Company and 1.154 euro for the Group and will be recognized, if only its distribution takes place.

**Special Reserves:** The special reserves have been formed based on the decisions of the shareholders' General Assemblies. The Company does not intend to distribute the particular reserves.

## 25. LOANS:

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
<b>Non-current loans</b>				
Common bond loan	-	-	-	-
Finance leases	132	198	28	39
	<b>132</b>	<b>198</b>	<b>28</b>	<b>39</b>
<b>Current loans</b>				
Bank loans	157.443	166.490	155.193	164.239
Non-current loans payable within the next 12 months	-	-	-	-
Factoring	-	-	-	-
Finance leases	65	934	11	841
	<b>157.508</b>	<b>167.423</b>	<b>155.204</b>	<b>165.081</b>
<b>Total of loans due</b>	<b>157.640</b>	<b>167.621</b>	<b>155.232</b>	<b>165.120</b>

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<b>Maturity of non-current loans</b>	<b>The Group</b>		<b>The Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Up to 1 year	-	-	-	-
Between 1 & 5 years	-	-	-	-
Over 5 years	-	-	-	-
	-	-	-	-

The fair value of borrowings approaches their book value, as Group's and Company's borrowings are mainly based on floating rates.

On July 12, 2012 the company has signed the Common Bond Loan Issuance Programme, according to the provisions of C.L. 2190/1920 and L. 3156/2003, through private placement to NATIONAL BANK OF GREECE S.A., EFG EUROBANK ERGASIAS S.A. and ALPHA BANK S.A., the last acting also as a "Manager", of total nominal value of up to 164.000.000,00 euros and granting of collaterals, following the decision of the 1st Repetitive Assembly of the Shareholders on 21st March 2012 and the decision of the Board of Directors on July 11, 2012.

The Loan's duration is 5 years with floating rate based on Euribor plus margin and is payable in ten (10) installments. The Common Bond Loan will be used as follows: i) Refinancing of the 24 May 2007 existing Bond Loan of 150.000.000 euros and remaining to be paid amount of 144.000.000 euros, ii) Refinancing of the company's existing short-term borrowings of 9.000.000,00 euros to bond holder banks, and iii) the remaining amount of 11.000.000,00 euros will be used in order to cover general business purposes and needs.

The financial clauses of the Loan include presuppositions of minimum Net Debt, minimum proportion of Net Debt to EBITDA, EBITDA to the total amount of interest expenses minus interest income, total Bank Debt to the total Bank Debt plus Equity.

More specifically the financial clauses at 31 December 2014 are as following (consolidated amounts):

- a) Net Debt (leasing and recourse factoring) to maintain lower or equal to 190.000.000 euros.
- b) Net Debt (leasing and recourse factoring), to EBITDA to maintain lower or equal to 10 for year 2014.
- c) EBITDA to the total amount of interest expenses minus interest income to maintain greater or equal to 2 for year 2014.
- d) total Bank Debt to the total Bank Debt plus Equity to maintain for all common Bond loan's duration lower or equal to 0,6.

For year 2014 like previous year 2013, 3 of the above mentioned clauses were not satisfied by the Company (b, c, and d), resulting to the reclassification of the common bond loan from long term to short term borrowings, according to **IAS 1**.

Management is in negotiation process with borrowing banks regarding the restructuring of the bond loan, while the maturity date of bonds of initial maturity date 31/12/2014 and 20/1/2015 and amounted to € 26,94 mil. was extended up to 20/4/2015.

The current bank loans, except the common Bond Loan, have been received by the Company and its subsidiaries for serving their needs in working capital.

The relevant weighted average interest margins at the Financial Statement date are as follows:

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**31/12/2013**

	<b>The Group</b>	<b>The Company</b>
Short term borrowing	6,23%	6,23%
Common bond loan, long term borrowing	4,97%	4,97%

**31/12/2014**

	<b>The Group</b>	<b>The Company</b>
Short term borrowing	6,30%	6,28%
Common bond loan, long term borrowing	4,95%	4,95%

The loan cost has charged the year's results according to accrual basis principle (Note 11).

The liabilities that result from leases concern the leasing of mechanical – hospital equipment. The liabilities to the lessor are analyzed as follows:

*Leasing Liabilities - Minimum payments of leases:*

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Up to 1 year	73	960	11	853
Between 1 & 5 years	139	213	28	39
Over 5 years	0	0	0	0
<b>Total</b>	<b>212</b>	<b>1.173</b>	<b>39</b>	<b>892</b>
Future finance charges on finance leases	(15)	(42)	0	(12)
<b>Present value of lease liability</b>	<b>197</b>	<b>1.131</b>	<b>39</b>	<b>880</b>

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

	<b>The Group</b>		<b>The Company</b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Up to 1 year	65	933	11	841
Between 1 & 5 years	132	197	28	39
Over 5 years	0	0	0	0
	<b>197</b>	<b>1.131</b>	<b>39</b>	<b>880</b>

The currency break down of Company's and Group's loans at 31/12/2013 has as follows:

	<b><u>The Group</u></b>	<b><u>The Company</u></b>
Euro	167.431	165.120
RON	190	-
<b>Total</b>	<b>167.621</b>	<b>165.120</b>

The currency break down of Company's and Group's loans at 31/12/2014 has as follows:

	<b><u>The Group</u></b>	<b><u>The Company</u></b>
Euro	157.491	155.232
RON	149	-
<b>Total</b>	<b>157.640</b>	<b>155.232</b>

Over the leased assets ownership retention exists, which will stay in force until the ending of the leasing period and the payment in full of the leases.

There are no other guaranties and commitments of ownership or use over the fixed assets and the other assets of the Group, except the one mentioned in note 14.

## 26. GOVERNMENT GRANTS:

The movement in the government grants during the year ended in 31st December 2014 and the year ended in 31<sup>st</sup> December 2013 was the following:

	<u>The Group</u>	<u>The Company</u>
<b>Balance 01.01.2014</b>	<b>1</b>	-
Additions	-	-
Depreciation	-	-
<b>Balance 31.12.2014</b>	<b>1</b>	-

	<u>The Group</u>	<u>The Company</u>
<b>Balance 01.01.2013</b>	<b>22</b>	-
Additions	-	-
Deletion	(21)	-
Depreciation	-	-
<b>Balance 31.12.2013</b>	<b>1</b>	-

## 27. PROVISION FOR RETIREMENT INDEMNITIES:

**(a) Government Insurance Programs:** The contributions of the Company and the Group to the insurance funds for the year ended in 31st December 2013, were recognized as expenses and amounted to € 14.031 and € 14.449 respectively.

**(b) Provision for retirement indemnities:** According to the Greek employment legislation, the employees entitled to receive compensation in case of dismissal or retirement, the amount of which varies depending on the salary, the years of service and the type of retirement (dismissal or pensioning) of the employee. Employees that resign or get dismissed with a justification are not entitled to receive compensation. The payable compensation in case of retirement equals the 40% of the compensation that would have been payable in case of an unjustified dismissal. In Greece, according to the local practice, these programs are not granted. The Company debits to the results for the accrued benefits in every period with a relevant rise of the pensioning liability. The payments of the benefits performed to the pensioners every period are charged against this liability.

The movement of the net liability in the accompanying balance sheets of the Company and the Group is the following:

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<b>The Company</b>	<b><u>31<sup>st</sup> December</u></b>	<b><u>31<sup>st</sup> December</u></b>
	<b><u>2014</u></b>	<b><u>2013</u></b>
Net liability at the beginning of the year	6.489	11.572
Actual benefits paid	(551)	-
Expense recognized in the income statement	551	-
Income from reversal of formed provisions – net effect (see note 10)	(87)	(6.318)
Retirement indemnity interest costs (see note 11)	201	440
Actuarial gains/(losses)	1.723	795
<b>Net liability at the end of the year</b>	<b><u>8.327</u></b>	<b><u>6.489</u></b>
<b>The Group</b>	<b><u>31<sup>st</sup> December</u></b>	<b><u>31<sup>st</sup> December</u></b>
	<b><u>2014</u></b>	<b><u>2013</u></b>
Net liability at the beginning of the year	6.561	11.633
Actual benefits paid	(554)	-
Expense recognized in the income statement	554	-
Provisions for retirement benefits of subsidiaries	4	6
Income from reversal of formed provisions (see note 10)	(87)	(6.320)
Retirement indemnity interest costs (see note 11)	203	440
Actuarial gains/(losses)	1.741	802
<b>Net liability at the end of the year</b>	<b><u>8.422</u></b>	<b><u>6.561</u></b>

An renounced firm of independent analogists/actuaries evaluated the Company's liabilities arising from the obligation to pay retirement indemnities.

The details and principal assumptions of the actuarial study as at 31<sup>st</sup> of December 2014 and 31<sup>st</sup> of December 2013 is the following:

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	<b>The Group</b>		<b>The Company</b>	
	<b>31<sup>st</sup> December 2014</b>	<b>31<sup>st</sup> December 2013</b>	<b>31<sup>st</sup> December 2014</b>	<b>31<sup>st</sup> December 2013</b>
<b>Net liability in Balance Sheet</b>	<b>8.422</b>	<b>6.561</b>	<b>8.327</b>	<b>6.489</b>
<b>Components of net periodic pension cost:</b>				
Service cost	403	999	397	994
Past service cost	0	(6.493)	0	(6.491)
Interest cost	203	440	201	440
Actuarial (losses) / gains	1.741	802	1.723	795
Employment termination cost	(554)	(196)	(551)	(190)
<b>Regular charge in statement of comprehensive income</b>	<b>1.793</b>	<b>(4.448)</b>	<b>1.770</b>	<b>(4.452)</b>
Additional cost (benefit) of extra benefits	68	12	68	-
<b>Total charge in statement of comprehensive income</b>	<b>1.861</b>	<b>(4.436)</b>	<b>1.838</b>	<b>(4.452)</b>
<b>Reconciliation of benefit obligation:</b>				
Net liability at beginning of period	6.561	11.633	6.489	11.572
Service cost	403	999	397	994
Past service cost	0	(6.493)	0	(6.491)
Interest cost	203	440	201	440
Benefits paid	(554)	(636)	(551)	(630)
Additional cost (benefit) of extra benefits and employment termination cost	68	(184)	68	(190)
Actuarial (losses) / gains	1.741	802	1.723	795
<b>Present value of obligation at the end of the year</b>	<b>8.422</b>	<b>6.561</b>	<b>8.327</b>	<b>6.489</b>

**GROUP**

<b>Principal assumptions:</b>	<b>2014</b>	<b>2013</b>
Discount rate	1,7%	3,1%
Rate of compensation increase	3,0%	3,0%
Increase in consumer price index	2,0%	2,0%

**COMPANY**

<b>Principal assumptions:</b>	<b>2014</b>	<b>2013</b>
Discount rate	1,7%	3,1%
Rate of compensation increase	3,0%	3,0%
Increase in consumer price index	2,0%	2,0%

The additional cost of extra benefits relates to benefits paid to employees, who became redundant. Most of these benefits were not expected within the terms of this plan and accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charge.

**Actuarial gains/losses :** As a consequence of adopting the amended IAS 19, the Group changed the accounting policy regarding the recognition of actuarial losses and profits, arising from the fixed benefit plan of employees. These amounts are included in the retained earnings of Company and Group and are as follows:

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<b>Group</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Actuarial gains at 1/1	<b>2.097</b>	<b>2.896</b>
Actuarial gains /(losses)	(1.741)	(802)
Actuarial gains /(losses) of associates consolidated by the equity method	0	2
Actuarial gains at 31/12	<b>355</b>	<b>2.097</b>
<b>Company</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Actuarial gains at 1/1	<b>2.125</b>	<b>2.921</b>
Actuarial gains /(losses)	(1.723)	(795)
Actuarial gains at 31/12	<b>403</b>	<b>2.125</b>

**Sensitivity analysis:**

The effect on the present value of the commitment for certain benefits when we have a variation of the discount exchange rate of +/- 0,5% is on 31.12.2014 and 31.12.2013 as following:

<b><u>2014</u></b>	<b><u>The Group</u></b>	<b><u>The Company</u></b>
	Percentage effect on present value of the commitment for certain benefits	Percentage effect on present value of the commitment for certain benefits
Variation of the discount exchange rate of +/- 0,5%	-/+ 7%	-/+ 7%

<b><u>2013</u></b>	<b><u>The Group</u></b>	<b><u>The Company</u></b>
	Percentage effect on present value of the commitment for certain benefits	Percentage effect on present value of the commitment for certain benefits
Variation of the discount exchange rate of +/- 0,5%	-/+ 6%	-/+ 6%

**28. TRADE ACCOUNTS PAYABLE:**

The trade accounts payable are analyzed as follows:

	<b><u>The Group</u></b>		<b><u>The Company</u></b>	
	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>	<b><u>31/12/2014</u></b>	<b><u>31/12/2013</u></b>
Suppliers	73.121	72.930	86.115	84.337
Checks outstanding and bills payable (postdated)	6.767	6.777	5.144	6.405
	<b>79.888</b>	<b>79.707</b>	<b>91.259</b>	<b>90.742</b>

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

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

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	<b>The Group</b>		<b>The Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Obligations to associates	33	34	33	34
Sundry creditors	15.065	12.182	12.319	9.540
Insurance and pension contributions payable	10.160	10.393	8.031	8.212
Accrued expenses	1.196	2.917	1.002	2.720
Dividends payable	0	13	0	13
Other provisions	209	209	0	0
Other	1.169	926	1.126	900
	<b>27.832</b>	<b>26.674</b>	<b>22.511</b>	<b>21.418</b>

**30. OPERATING SEGMENT REPORTING:**

The Group in year 2009 replaces IAS 14 «Segment reporting » with I.F.R.S. 8 «Operating segment reporting». According to I.F.R.S. 8 the definition of operating segments is based on «management approach» while the standard requires the report of Group's information based on internal organizational and managerial structures, related to operating segments.

The operating segment performance assessment is based on revenue, operating results and EBITDA. (results before taxes, financing, investing activity and depreciation), while intersegment sales are eliminated in consolidated Financial Statement. It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the operating segments' results.

Hence the Group's operating segments are the following: a) Domestic healthcare service, b) Healthcare service provided abroad (Romania) and c) Sale of medical tools & sanitary/health equipment.

The sales and results of Group's operating segments for periods 1/1-31/12/2014 and 1/1-31/12/2013 are the following:

	<b><u>Year 2013</u></b>					
	<b>Domestic healthcare service</b>	<b>Healthcare service provided abroad</b>	<b>Sale of medical tools &amp; sanitary/health equipment</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
<b>Sales</b>						
To customers	137.903	4.336	96	44	-	<b>142.379</b>
Intersegment	384	-	7.102	17	(7.503)	<b>0</b>
<b>Total</b>	<b>138.287</b>	<b>4.336</b>	<b>7.198</b>	<b>61</b>	<b>(7.503)</b>	<b>142.379</b>
<b>Results</b>						
Profit before taxes, financing and investing activity and depreciation	(13.003)	(2)	466	(21)	389	<b>(12.170)</b>
Financial income	4.299	4	38	313	(45)	<b>4.609</b>
Financial expenses	(23.890)	(33)	(158)	-	10.202	<b>(13.880)</b>
Gains / (losses) from associates	(22)	-	10	-	-	<b>(12)</b>
Profit before taxes	(41.505)	(315)	72	(430)	10.546	<b>(31.632)</b>
Taxes	(6.644)	4	(273)	(92)	-	<b>(7.004)</b>
Profit after taxes	(48.149)	(310)	(201)	(522)	10.546	<b>(38.636)</b>
Depreciation/Amortization	(8.799)	(266)	(273)	-	-	<b>(9.338)</b>

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**Year 2014**

	<b>Domestic healthcare service</b>	<b>Healthcare service provided abroad</b>	<b>Sale of medical tools &amp; sanitary/health equipment</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
<b>Sales</b>						
To customers	144.507	4.193	100	73	-	<b>148.873</b>
Intersegment	333	0	8.933	0	(9.266)	<b>0</b>
<b>Total</b>	<b>144.840</b>	<b>4.193</b>	<b>9.033</b>	<b>73</b>	<b>(9.266)</b>	<b>148.873</b>

**Results**

Profit before taxes, financing and investing activity and depreciation	1.360	81	466	-	-	<b>1.907</b>
Financial income	3.226	1	52	-	(354)	<b>2.926</b>
Financial expenses	(14.749)	(33)	(151)	-	2.615	<b>(12.317)</b>
Gains / (losses) from associates	(82)	-	(77)	-	-	<b>(158)</b>
Profit before taxes	(19.081)	(126)	(228)	(2)	2.261	<b>(17.176)</b>
Taxes	(1.069)	2	(219)	(4)	(36)	<b>(1.326)</b>
Profit after taxes	(20.150)	(124)	(447)	(6)	2.225	<b>(18.503)</b>
Depreciation/Amortization	(8.390)	(176)	(596)	-	-	<b>(9.162)</b>

Inter-segment revenues are eliminated upon consolidation.

Capital expenditures refer mainly to sector a) Domestic healthcare service.

It is noted that in domestic healthcare service sector, the most significant part of sales to customers (approximately 38%), refers mainly to public insurance funds that are included in the broader public sector.

Group's operating segment assets and liabilities for periods 1/1-31/12/2014 and 1/1-31/12/2013 are the following:

	<b>Domestic healthcare service</b>	<b>Healthcare service provided abroad</b>	<b>Sale of medical tools &amp; sanitary/health equipment</b>	<b>Other</b>	<b>Eliminations</b>	<b>Total</b>
<b><u>Assets in</u></b>						
31 <sup>st</sup> December 2013	421.076	1.372	32.815	10.501	(56.468)	<b>409.296</b>
31 <sup>st</sup> December 2014	391.922	1.167	34.560	10.401	(57.315)	<b>380.736</b>
<b><u>Liabilities in</u></b>						
31 <sup>st</sup> December 2013	324.189	593	20.991	4.493	(33.920)	<b>316.346</b>
31 <sup>st</sup> December 2014	315.249	510	23.390	2.662	(34.879)	<b>306.931</b>

### 31. RELATED PARTY DISCLOSURES:

The Company and its subsidiaries are related to the following legal and natural persons:

- ▶ due to the majority of shares acquisition in its capital with Mr. Georgios Apostolopoulos and the legal persons or other business activities he is related with
- ▶ with its subsidiaries including their main shareholders and the members of their Boards of Directors
- ▶ with the members of the Company's Board of Directors.

The transactions with its subsidiaries are mainly concerning the provision of commercial services, as well as the purchasing and selling of goods. The transactions are realized within the normal operating framework of the Company.

The relative balances receivable from associates are not covered by securities, mortgages and their payment in full is conducted by cash payment within the time limits agreed between the companies in question. The Management of the Company does not regard that a provision/allowance for a possible non-collection of its subsidiaries related receivables is needed, hence no provision/allowance for doubtful debtors against these receivables is formed, except the case of subsidiary Ortelia, subsidiary Hospital Affiliates International (see note 20) and associate company LAVIE ASSURANCE (see below).

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

<i>Year 2014</i>	<b>Company</b>			
	<i>Receivables</i>	<i>Liabilities</i>	<i>Income</i>	<i>Purchases</i>
<b>ATHENS MEDICAL CENTER S.A.</b>	0	0	0	0
<b>IATRIKI TECHNIKI S.A.</b>	8	31.911	16	8.933
<b>EREVNA S.A.</b>	0	31	0	0
<b>AXONIKI EREVNA S.A.</b>	0	0	0	0
<b>PHYSIOTHERAPY CENTER S.A.</b>	0	238	111	333
<b>MEDSANA BUCHAREST MEDICAL CENTER</b>	0	0	0	0
<b>BIOAXIS SRL (ex MEDSANA SRL)</b>	0	0	0	0
<b>ORTELIA HOLDINGS</b>	0	0	0	0
<b>EUROSITE</b>	3.416	0	58	0
<b>GAIA</b>	1.591	12	1	95
<b>HOSPITAL AFFILIATES INTERNATIONAL S.A.</b>	390	0	0	0
<b>TOTAL</b>	<b>5.405</b>	<b>32.192</b>	<b>186</b>	<b>9.361</b>

Part of Company's receivables from subsidiaries Eurosite S.A. and Gaia S.A. and specifically receivables amounted to euro 1.548 and euro 1.399 respectively, refer to deposits of Parent Company for the purpose of future share capital increase of these subsidiaries. The rest of the receivables of the above mentioned companies, refer to financial facilitation. In year 2012, the company in relation to receivables from **LAVIE ASSURANCE** of 1.745 euro (in 31/12/2014), formed provision for impairment loss of 909 euro, charging its results. Finally, in previous year 2013 regarding the receivables of euro 390 (at 31/12/2014) from Hospital Affiliates International S.A., the Company formed impairment, charging this year's results, amounted to euro 389 (see note 20).

The purchases of the Company mainly refer to purchases of medical materials from IATRIKI TECHNIKI S.A. transacted in the normal course of business. Liabilities exist due to this commercial relationship.

**ATHENS MEDICAL CENTER S.A.**  
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Purchases from PHYSIOTHERAPY CENTER S.A. refer to health services that were provided by the subsidiary to patients of the Group's Clinics. Purchases from GAIA S.A. refer to mechanical equipment lease.

Also Parent Company has guaranteed in favour of subsidiary Medsana for its borrowings (financial leases) amounted to 149 euro.

	<b>Company</b>		<b>Company</b>
	<i>Receivables from dividends</i>	<i>Income from dividends</i>	
<b>IATRIKI TECHNIKI S.A.</b>	155		155
<b>PHYSIOTHERAPY CENTER S.A.</b>	0		50
<b>TOTAL</b>	<b>155</b>		<b>205</b>

**Other**

	<b>The Group</b>				<b>The Company</b>			
	Receivables at 31/12/2014	Liabilities at 31/12/2014	Income for the period 1/1-31/12/2014	Purchases for the period 1/1-31/12/2014	Receivables at 31/12/2014	Liabilities at 31/12/2014	Income for the period 1/1-31/12/2014	Purchases for the period 1/1-31/12/2014
<b>G. APOSTOLOPOULOS HOL.</b>	0	0	0	0	0	0	0	0
<b>IKODOMIKI EKMETALEFTIKI S.A.</b>	3	0	0	0	3	0	0	0
<b>LA VIE Assurance</b>	1.745	39	0	0	1.745	39	0	0
<b>SYCHRONI ECHODIAGNOSI PROSTATE INSTITUTE</b>	0	27	0	0	0	27	0	0
<b>KORINTHIAKOS RYTHMOS</b>	6	591	0	464	6	136	0	381
<b>HERODIKOS Ltd</b>	0	0	0	0	0	0	0	0
<b>QUS ATH. CENTER OF ENVIRONMENT</b>	0	0	0	0	0	0	0	0
<b>TRADOR S.A.</b>	26	0	0	0	26	0	0	0
<b>AGGEOLOGIKI DIEREVNISI S.A.</b>	0	6	0	0	0	6	0	0
<b>ATHENS PAEDIATRICS CENTER</b>	0	0	0	0	0	0	0	0
<b>ELECTRONYSTAGMO GRAFIKI S.A.</b>	0	0	0	0	0	0	0	0
<b>NEVROLITOURGIKI S.A.</b>	0	0	0	0	0	0	0	0
<b>MEDISOFT</b>	0	0	0	0	0	0	0	0
<b>MEDICAFE CATERING SERVICES S.A.</b>	20	0	74	0	20	0	74	0
<b>DOMINION INSURANCE BROKERAGE S.A.</b>	0	70	0	17	0	64	0	17
<b>INTEROPTICS S.A.</b>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1.800</b>	<b>733</b>	<b>74</b>	<b>481</b>	<b>1.800</b>	<b>273</b>	<b>74</b>	<b>398</b>

	<b>The Group</b>		<b>The Company</b>	
	<i>Receivables from dividends</i>	<i>Income from dividends</i>	<i>Receivables from dividends</i>	<i>Income from dividends</i>
<b>MEDICAFE CATERING SERVICES S.A.</b>	-	48	-	-

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

	<b>The Group</b>	<b>The Company</b>
<b>Compensations of executives and members of the Board</b>	<b>6.622</b>	<b>5.994</b>
	<b>The Group</b>	<b>The Company</b>
<b>Receivables from executives and members of the Board</b>	-	-
<b>Liabilities to executives and members of the Board</b>	<b>1.806</b>	<b>1.723</b>

*Year 2013*

	<b>Company Receivables</b>	<b>Liabilities</b>	<b>Income</b>	<b>Purchases</b>
<b>ATHENS MEDICAL CENTER S.A.</b>	0	0	0	0
<b>IATRIKI TECHNIKI S.A.</b>	0	29.421	16	7.102
<b>EREVNA S.A.</b>	0	31	0	0
<b>AXONIKI EREVNA S.A.</b>	0	0	0	0
<b>PHYSIOTHERAPY CENTER S.A.</b>	0	257	116	384
<b>MEDSANA BUCHAREST MEDICAL CENTER</b>	0	0	0	0
<b>BIOAXIS SRL (ex MEDSANA SRL)</b>	0	0	0	0
<b>ORTELIA HOLDINGS</b>	1.745	0	0	0
<b>EUROSITE</b>	3.434	24	55	17
<b>GAIA SA</b>	949	(78)	1	60
<b>HOSPITAL AFFILIATES INTERNATIONAL S.A.</b>	389	0	0	0
<b>TOTAL</b>	<b>6.517</b>	<b>29.655</b>	<b>188</b>	<b>7.563</b>

	<b>Company Receivables from dividends</b>	<b>Income from dividends</b>
<b>IATRIKI TECHNIKI S.A.</b>	-	-
<b>PHYSIOTHERAPY CENTER S.A.</b>	-	33
<b>TOTAL</b>	-	<b>33</b>

**ATHENS MEDICAL CENTER S.A.**  
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(Amounts in all tables and notes are presented in thousands of Euro, unless otherwise stated)

**Other**

	The Group				The Company			
	Receivables at 31/12/2013	Liabilities at 31/12/2013	Income for the period 1/1- 31/12/2013	Purchases for the period 1/1- 31/12/2013	Receivables at 31/12/2013	Liabilities at 31/12/2013	Income for the period 1/1- 31/12/2013	Purchases for the period 1/1- 31/12/2013
<i>G. APOSTOLOPOULOS HOL.</i>	0	0	0	0	0	0	0	0
<i>IKODOMIKI EKMETALEFTIKI S.A.</i>	4	0	0	0	3	0	0	0
<i>LA VIE Assurance</i>	1.745	39	22	5	1.745	39	22	5
<i>SYCHRONI ECHODIAGNOSI</i>	0	27	0	0	0	27	0	0
<i>PROSTATE INSTITUTE</i>	0	0	0	0	0	0	0	0
<i>KORINTHIAKOS RYTHMOS</i>	6	410	0	452	6	46	0	368
<i>HERODIKOS Ltd</i>	0	0	0	0	0	0	0	0
<i>QUS ATH. CENTER OF ENVIRONMENT</i>	0	0	0	0	0	0	0	0
<i>TRADOR S.A. AGGEOLOGIKI DIEREVNISI S.A.</i>	26	0	0	0	26	0	0	0
<i>ATHENS PAEDIATRICS CENTER</i>	0	0	0	0	0	0	0	0
<i>ELECTRONYSTAGMO GRAFIKI S.A. NEVROLITOURGIKI S.A.</i>	0	0	0	0	0	0	0	0
<i>MEDISOFT</i>	1	0	0	0	1	0	0	0
<i>MEDICAFE CATERING SERVICES S.A.</i>	21	0	64	0	21	0	64	0
<i>DOMINION INSURANCE BROKERAGE S.A.</i>	0	57	0	14	0	53	0	14
<i>INTEROPTICS S.A.</i>	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1.803</b>	<b>539</b>	<b>86</b>	<b>471</b>	<b>1.802</b>	<b>171</b>	<b>86</b>	<b>387</b>

	The Group		The Company	
	<i>Receivables from dividends</i>	<i>Income from dividends</i>	<i>Receivables from dividends</i>	<i>Income from dividends</i>
<b>MEDICAFE CATERING SERVICES S.A.</b>	-	38	-	-

	<u>The Group</u>	<u>The Company</u>
<b>Compensations of executives and members of the Board</b>	<b>5.522</b>	<b>4.841</b>

	<u>The Group</u>	<u>The Company</u>
<b>Receivables from executives and members of the Board</b>	<b>0</b>	<b>0</b>
<b>Liabilities to executives and members of the Board</b>	<b>816</b>	<b>758</b>

## **32. LEGAL DISPUTES - CONTIGENCIES AND COMMITMENTS :**

### **(a) Lawsuits/Litigation and claims:**

The Company is involved (in its capacity as defendant and as plaintiff) in various lawsuits and legal amperages in the framework of its normal operation. The Management, as well as its legal advisors estimates that all the pending cases are expected to be settled without any significant negative repercussions on the consolidated financial position of the Company or in the results of its operation (see note 19).

### **(b) Commitments:**

#### **(i) Commitments from operational leases:**

The 31<sup>st</sup> of December 2014 the Group and the Company had various agreements of operational lease, concerning the renting of buildings and transportation equipment and they end in several dates.

The renting expenses are included in the accompanying consolidated income statement of the period ended in the 31<sup>st</sup> of December 2013 and they amount to € 2.094 (€2.029 at 31<sup>st</sup> December 2013).

The minimum future payable rental leases based on non-reversible contracts of operational leases in 31<sup>st</sup> of December 2014 and 2013 are as follows:

	<b>31/12/2013</b>	
<b>Commitments from operational leases:</b>	<u>The Group</u>	<u>The Company</u>
Within 1 year	1.877	2.038
1-5 years	6.522	6.399
Over 5 years	13.877	13.877
	<b>22.276</b>	<b>22.314</b>

	<b>31/12/2013</b>	
<b>Commitments from operational leases:</b>	<u>The Group</u>	<u>The Company</u>
Within 1 year	2.056	2.217
1-5 years	7.195	7.335
Over 5 years	16.332	16.332
	<b>25.583</b>	<b>25.884</b>

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

The Group in 31<sup>st</sup> of December 2014 had the following contingent liabilities:

Had issued letters of guarantee for good performance for a total amount of € 132 ( € 132 in year 2013).

**33. SUBSEQUENT EVENTS:**

There aren't any.

**Marousi, 30/3/2015**

<i><b>THE PRESIDENT OF THE BOD</b></i>	<i><b>THE CHIEF EXECUTIVE OFFICER AND MEMBER OF THE BOD</b></i>	<i><b>THE GENERAL GROUP CFO</b></i>	<i><b>THE PARENT CFO</b></i>	<i><b>THE PARENT CHIEF ACCOUNTANT</b></i>
<i><b>GEORGIOS V. APOSTOLOPOULOS</b></i>	<i><b>VASSILIOS G. APOSTOLOPOULOS</b></i>	<i><b>EMMANOUIL P. MARKOPOULOS</b></i>	<i><b>PETROS D. ADAMOPOULOS</b></i>	<i><b>PANAGIOTIS CH. KATSICHTIS</b></i>
<i><b>ID AK 038305</b></i>	<i><b>ID Ε 350622</b></i>	<i><b>ID Π 001034</b></i>	<i><b>ID AZ 533419</b></i>	<i><b>ID AB 052569 O.E.E. Rank No.17856 Classification A'</b></i>

## **34. FINANCIAL STATEMENT AND INFORMATION**

**35. INFORMATION OF ARTICLE 10 CL. 3401/2005:**

The Company during the year 2014, provided at the disposal of the public the following information, which are available in the web site

<b>DATE</b>	<b>INFORMATION</b>	<b>WEB SITE ADDRESS</b>
	Answers to questions of Stock Exchange and Capital Market's	
25/02/2014	Board of Director's Commission	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
28/03/2014	Financial Calendar	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
31/03/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
31/03/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
31/03/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
31/03/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
31/03/2014	Financial Statement and Information according to IFRS	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
31/03/2014	Financial Statement and Information according to IFRS	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
30/05/2014	Financial Statement and Information according to IFRS	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
30/05/2014	Financial Statement and Information according to IFRS	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
30/05/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
30/05/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
30/05/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
30/05/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
03/06/2014	Announcement about the General Meeting	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
05/06/2014	Announcement about the annual presentation to the analysts	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
05/06/2014	Announcement about the annual presentation to the analysts	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
25/06/2014	Announcement about decisions of General Meeting	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
26/06/2014	Announcement about decisions of General Meeting	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
15/07/2014	Transaction disclosure	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
15/07/2014	Announcement of L. 3340/2005	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
05/08/2014	Change in Voting Rights	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
29/08/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
29/08/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
29/08/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
29/08/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
29/08/2014	Financial Statement and Information according to IFRS	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
29/08/2014	Financial Statement and Information according to IFRS	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
14/10/2014	Transaction disclosure	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
14/10/2014	Announcement of L. 3340/2005	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
26/11/2014	Announcement about the General Meeting	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
27/11/2014	Announcement about the General Meeting	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
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28/11/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
28/11/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
28/11/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
28/11/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
28/11/2014	Financial Statements	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
19/12/2014	Announcement about decisions of General Meeting	<a href="http://www.iatriko.gr">www.iatriko.gr</a>
19/12/2014	Announcement about decisions of General Meeting	<a href="http://www.iatriko.gr">www.iatriko.gr</a>

### **36. WEB SITE ADDRESS**

The Company's annual Financial Statement, consolidated and separate, the report of the Board of Directors as well as the Independent Auditor's report are uploaded to the internet address [www.iatriko.gr](http://www.iatriko.gr) .

**IMPORTANT NOTE:** These Financial Statements and notes have been translated to English language from the original statutory Greek Financial Statement and notes. In case that differences exist between this translation and the Greek Financial Statement and notes, the Greek Financial Statements and notes will prevail.