

03.12.2013

RESPONSE TO LETTER FROM THE HELLENIC CAPITAL MARKET COMMISSION

In response to the letter with Ref. No. 4381/2.12.2013 sent by the Hellenic Capital Market Commission on 2/12/2013 with regard to the rebate and clawback amounts to be paid to the National Organization for Healthcare (EOPYY) for services rendered and invoiced in the 1st half of 2013, which amounts are included in the financial statements for the period ended 30/9/2013, the company DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS HYGEIA SA (hereinafter HYGEIA) announces the following:

a) The following are stipulated in the provisions of Article 100 (1, 2, 3, 5 & 7) of Law 4172/2013 (Government Gazette [GG] A 167/23.7.2013), in Ministerial Decision No. Y9/Ref. 91813 (GG B 2511/7.10/2013) and in Ministerial Decision No. Y9/Ref. 77307/14.8.2013 (GG B 2045/22.8.2013):

- i) A progressive percentage procedure over the amounts owed by EOPYY to private affiliated healthcare providers for hospitalization expenses, diagnostic tests and physiotherapies for people insured with EOPYY, as well as the rebate method.
- ii) An automatic payback mechanism (claw-back) for any expenses incurred in 2013 relating to hospitalization, diagnostic tests and physiotherapy. In accordance with this decision, the monthly EOPYY expenses for private clinics, hospitals, rehabilitation centers, psychiatric clinics, hemodialysis centers and any other private or semi-private healthcare units, as well as all types of private diagnostic centers, labs and physiotherapists owned by private affiliated healthcare providers, must not exceed 1/12 of the approved funds of the EOPYY budget.

The amounts that will arise once the aforementioned clauses are implemented will appear as a negative item in sales, following the issuing of any tax assets.

b) Based on the aforementioned clauses, the Company and the rest of the Group companies – which are affiliated with EOPYY – have been informed of the rebate and claw-back amounts for the period from 01/01/2013 to 30/06/2013 with the letters sent by EOPYY on 29/10/2013 and 12/11/2013. Note that, as mentioned in the relevant letter, the final claw-back amount will be calculated based on the fixed amounts payable and said procedure has not commenced yet. In addition, the payment or offsetting procedure for the aforementioned amounts will be performed at a later date (which, however, is not stipulated in the letters mentioned herein).

The relevant amounts, as they appear in the aforementioned letters, are outlined in the following table:

<i>Claw-back and rebate analysis for the 1H 2013</i>			
<i>Amounts in €</i>	<i>Initial claw-back amount*</i>	<i>Rebate amount (incl. VAT)</i>	<i>Total claw-back & rebate amount</i>
HYGEIA SA	7,955,756	3,504,991	11,460,747
Other Group Companies	5,847,794	2,163,073	8,010,867
HYGEIA Group total	13,803,550	5,668,064	19,471,614

*The EOPYY has not yet stipulated whether VAT is included or not.

c) The HYGEIA Group companies that are affiliated with EOPYY, as well as other companies that are members of the Hellenic Association of Clinics (SEK), have brought an action before the Greek Council of State to annul the aforementioned ministerial decisions. Following the intervention of the State during the initial hearing on 26/11/2013, said action will be heard on 17/12/2013, since the Council of State accepted the relevant preference request filed by the companies that brought the action. However, discussions with the Health Ministry leadership and the relevant bodies are continuing with the aim of amending the aforementioned decisions with mutually acceptable clauses.

d) Taking into account the aforementioned issues, a relevant provision against the results has not been formed in the financial statements for the period ended 30/9/2013, in accordance with IAS 37, since it is currently not possible to calculate the amount of said provision, due to the uncertain outcome of the pending court case and the fact that the amounts to be returned have not been finalized yet (settlement of accounts after the relevant audit for unacceptable expenses, which audit has not commenced yet).

Both the Company's Management and legal advisors estimate that at present, in view of the pending action brought before the Council of State, coupled with the discussions taking place with the Health Ministry leadership, there is uncertainty surrounding the aforementioned ministerial decisions.

e) Taking into account all of the aforementioned issues, the Company disclosed this contingent liability in Note 12 of the published financial statements for the period ended 30/09/2013, setting an estimate range for the rebate amount for the 9-month period of 2013. As for the clawback amount, it was impossible to calculate it for the relevant period of the aforementioned financial statements due to the imponderable factor regarding the settlement of the final amount. However, this contingent liability was also mentioned.

The Company will inform the investors on any developments with regard to the provisions of Law 3340/2005.

This announcement is in line with the provisions of Law 3556/2007 and is published as regulated information.