DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS HYGEIA S.A.
GROUP OF COMPANIES

2006 Annual Financial Statements
According to the International Financial Reporting Standards

It is confirmed that the attached Annual Financial Statements are those approved by the Board of Directors of "HYGEIA S.A." on 23/03/2007 and have been published with their posting on the internet, at the web page **www.hygeia.gr**. It is noted that the published in the press brief financial data and information, aim at providing general financial information but do not provide a complete depiction of the Company's and Group's economic status and financial results, according to the International Accounting Standards.

Paschalis Bouchoris
Chief Executive Officer
OF THE COMPANY HYGEIA S.A.

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General Review

2006 constituted a year of strategic changes for Diagnostic & Therapeutic Athens Center HYGEIA S.A., as there were significant changes in its shareholding structure, its management team, business objectives as well as in the strategy to be followed in order to achieve those objectives.

An inaugural event for those to follow throughout the year was the entrance on 24/1/2006 of Marfin Capital S.A., a private equity subsidiary company of Marfin Group, in the company's share capital by 49%. The Company's acquisition of a 24.84% stake in the share capital of "Mitera Private Maternity & Surgical Clinic S.A." then followed in April, for a price of € 60.5 million. This acquisition is expected to yield particularly positive returns quite soon as there are un-exploited synergies amongst the two companies and abilities for significant economies of scale.

To finance the acquisition, the Company's Share Capital increase was successfully completed in December 2006, amounting to € 59.92 mil. It is worth noting at this point that the basic shareholder in this increase, Marfin Capital, partly waived its rights, thus providing the opportunity for cooperating doctors from all associate hospitals and their executives to participate.

The development strategy was confirmed in November 2006, by the partnership agreement with the Hellenic Red Cross, aiming at the construction and operation of a maternity clinic by HYGEIA S.A. in the area of the Asklipio Voula Hospital. This agreement is expected to be completed when the agreement between the Hellenic Red Cross and the Greek State is finalized.

At the same time, an agreement is signed in November with the businessman Mr. S. Duraku, aiming primarily at the joint establishment and operation of the first Private Hospital in Albania and with prospective development of a health service providers network in the neighboring counties Montenegro and Former Yugoslavic Republic of Macedonia. The investment is initially estimated at € 30 million and its implementation is expected to commence in early 2007.

Results at the Parent Company Level

At the company level Turnover amounted to € 93.6 mil. compared to € 83.4 mil. in the previous period, thus posting an increase of 12.2%. The increase in Turnover was not hindered by costs and consequently the Gross Profit margin more than doubled (from 6.1% to 14.6%). The results before Interest, Taxes, Depreciation and Amortization reached € 10.9 mil., presenting an increase of 98% compared to the previous year. This fact reflects the company's successful operation both as regards to increased income and as to containment of expenses. This success, in conjunction with the decrease of receivables (collection of open balances) resulted in the improvement of Cash Flows, which as positive give the company the opportunity to contain its needs for bank debt and consequently to significantly decrease its financial cost.

It is noted that the current period was burdened significantly by non-repeated expenses, such as: provision for doubtful receivables, indemnities, borrowing interest etc., which overall decreased the results by approximately € 10 mil.

Results at the Group Level

At the Group level Turnover amounted to € 94.6 mil. compared to € 83.6 mil. in the previous period, thus posting an increase of 13.2%. The Gross Profit margin doubled (from 8.2% to 16.1%). The results before Interest, Taxes, Depreciation and Amortization reached € 11.6 mil., presenting an increase of 70% compared to the previous year. Earnings before Taxes amounted to € 2.9 mil. compared to Losses of € 2.2 mil. during the previous period.

It is noted that the current period was burdened significantly by non-repeated expenses, such as: provision for doubtful receivables, indemnities, borrowing interest etc., which as mentioned above overall decreased the results by approximately € 10 mil.

Trends and prospects for 2007

The management of HYGEIA S.A., appreciating the common trends and challenges in both the domestic and the international sector of private health, and in conjunction with the continuously increased customer-patient needs for new and integrated services, adopts the policy of continuous dynamic development for the Group's activities. Emphasis is put into improving the Group's operating performance, expanding its client base and providing new health services.

The trend exhibited by the 2006 results, the increase in turnover, assets and the profit margin, as well as the containment of costs, are expected to continue also for 2007.

The Company's strategic development through the establishment or acquisition of similar companies in Greece and abroad is expected to significantly be enhanced by the increase of liquid assets throughout 2007, which will emerge from the successful issuance of a Convertible Bond Loan amounting to € 300,015,000. Furthermore, on 18.07.2006 the General Meeting has provided its approval for the contracting of a Bond Loan amounting to 200,000,000, which will be able to further reinforce the Company's development if such is deemed necessary.

The 2006 results reveal the Group's development course and the most substantial improvement of all financial indicators. 2006 constitutes an inaugural year for the implementation of the new development plan and as such, presents only part of the Group's dynamic and prospects, which are already evident from the 1st quarter 2007, with an increase in turnover exceeding 20%.

Performance Indicators

The Company monitors its performance through an analysis of basic financial performance ratios, in order to detect and promptly face any possible deviations. Performance is measured with the use of financial ratios used internationally:

ROCE - Return On Capital Employed: The Ratio divides Earnings before Taxes and Financial results with the total Capital Employed, which is the sum of the Company's Equity and its total Loans (short-term and long-term).

ROE - Return On Equity: The Ratio divides Earnings after Taxes with the Company's Equity

The aforementioned ratios for 2006, are analyzed as follows:

Ratio	Parent	Group
ROCE	3.2%	3.5%
ROE	0.7%	1.0%

The aforementioned ratios are expected to be reinforced significantly in the next period.

Corporate Governance

The Board of Directors

According to the Internal Operational Regulation of HYGEIA S.A. and L. 3016/2002 concerning Corporate Governance, the Board of Directors represents the Company, exercises its management and mainly sets its strategy and development policy, while it monitors and audits the management of its assets.

The Board of Directors members are obliged to restrain from pursuing personal interests that conflict the Company's interests. Moreover, the Board of Directors members are obliged to reveal to the remaining BoD members, any important self-interests that may be directly affected by company transactions or decisions as well as any other conflict of interests with those of the Company or affiliated companies as defined by article 43e par.5 of C.L.2190/1920, that emerge from the exercise of their responsibilities. The Board of Directors members must disclose their intentions concerning the execution of significant transactions and economic activities related with the Company as well as with basic customers or suppliers of the Company.

<u>Internal Audit</u>

The Internal Audit division, a necessary condition of Corporate Governance, is monitored by the Audit Committee, which consists of non-executive members of the Company's Board of Directors, is assigned by the Company's Board or Directors and reports directly to such.

According to the Company's Internal Regulation, the Internal Audit Division:

Monitors, as an independent unit, the implementation and continuous adherence to the Company's Internal Regulation, Articles of Association and in general the laws and decisions of regulative authorities, which concern the Company's operation. The Division reports to the BoD any possible conflicts of interest between the Company and the BoD members or senior executives, it provides reports, data and proposals towards the BoD regarding all aspects of the operation and cooperation with any regulative authority.

<u>Investor Relations</u>

HYGEIA S.A. also operates an Investor Relations division, which includes the Shareholders Service and Corporate Affairs departments. The division's basic responsibility is to provide accurate, equal and continuous information flows towards the investment community.

<u>Scientific Committee</u>

HYGEIA S.A. also includes a Scientific Committee which comprises of highly credited and trusted experienced doctors. According to article 42 of the Company's Articles of Association, the Scientific Committee consists of seven (7) members with a two-year term beginning from their appointment by the Company's BoD. The Scientific Committee has an advisory-recommendatory role.

The Scientific Committee provides its opinions and makes the appropriate proposals towards the Board of Directors, the Chief Executive Officer or the General Manager or the Chief Scientific Advisor and it monitors the general exercise terms of the medical work in the Company, including rules of ethics.

<u>Ethics and Deontology Committee</u>

According to article 43 of the Company's Articles of Association, a five-member Ethics and Deontology Committee convenes by doctors that meet the same terms and conditions as regards to the election of Scientific Committee members. The term is two-years and begins from the appointment by means of a decision by the Company's Board of Directors.

The Ethics and Deontology Committee sees to the practical implementation of the exercise rules of the medical profession, according to those stated by the Medical Ethics Code in the context of the legislation in effect.

Dividend Policy

From the financial year 2006, a dividend could not be distributed as there were accumulated losses of previous years that were not fully offset by 2006 earnings.

The Board of Directors
Marousi 23.3.2007

Information regarding the clauses of paragraph 1 of Article 11a of Law 3371/2005

Explanatory Report
To the Regular General Shareholders Assembly set out in Article 11a of Law 3371/2005

The current explanatory report of the Board of Directors addressed to the Ordinary General Meeting of Shareholders information regarding the clauses of paragraph 1 of article 11a of Law 3371/2005.

Structure of the Company's share capital

The Company's share capital amounts twenty six million three hundred and twenty two thousand Euros (€ 26,322,000), dividend into sixty four million two hundred thousand (64,200,000) common registered shares of a par value forty one cents of a Euro (€0.41) each. The Company's shares are listed in the Securities Market of the Athens Stock Exchange.

The Company's shareholders rights arising from its share are according to the percentage of capital held which represents the share's paid value. Each share grants all the rights required by the Law and its Articles of association and more particularly:

- The right to dividend payment on the annual profits or profits left on the Company's liquidation. These are calculated by least equal to the largest of the two: 1) 35% of the net gains subtracting only the legal reserve, or 2) 6% of the paid up shared capital. This amount is distributed by the company as first dividend whereas the distribution of surplus dividend is decided by the General Meeting. Entitled to the dividend are all shareholders who have been entered to the shareholders register mainted by the Company by the dividend record date. The dividend will be paid to the shareholders within two months from the date of the Ordinary General Meeting that approved the annual financial statements. The method and place of payment are announced via the press. Dividends not collected for five years, since the end of the year in which the General Meeting approved its distribution, are written off in favor of the State.
- The right to reclaim the contribution in the event of liquidation or capital redemption for that share respectively, upon decision of the General Meeting.
- The right to choose in any increase of the Company's capital between cash and the acquisition of new shares.
- The right to receive a copy of the financial statements, the independent public accountants and the Company's Board of Directors' report, which focuses on various rights: authorization, representation, participation in discussion, proposals on various topics of the agenda, entering statements for the minutes and voting.
- The General Meeting of the Company's shareholders maintains all its rights in the event of liquidation pursuant to its Articles of association.

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

Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is affected in accordance with the Law and there are no restrictions on their transfer pursuant from the Company's Articles of association as these are paperless (dematerialized) shares listed in the Securities market.

Significant direct or indirect participations in the sense of P.O. 51/1992

Shareholders, physical or legal entities, that hold directly or indirectly percentage larger than 5% of the share capital are the following:

Shareholder	Percentage of the total Share Capital*
Marfin Capital	26.61 %
Ioanna Arvanitou	14.66 %
Other Shareholders <5%	58.73%

*As of 31/12/2006

Share that provide special rights of audit

There are no shares.

Restrictions on voting rights

They are not provided in its Articles of association.

Company's Shareholders' agreements

The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of the Company's shares on the voting rights conferred by its shares.

Rules of appointment and replacement of Board of Directors members and amendment of Articles of association.

The rules provided in the Company's Articles of association regarding the appointment and replacement of its Board of Directors members do not differ from those provided for in codified law 2190/1920.

Competency of the Board of Directors or some of its members to issue new shares or purchase owned shares

A. According to the provisions of article 13, paragraph 1, subparagraphs b & c of codified law 2190/1920 and in conjunction to the provisions of its Articles of association, the Company's Board of Directors has the right, upon decision of the General Meeting of their shareholders, to increase the Company's share capital by issuing new shares, which shall require a decision taken by a majority which may not be less than two thirds of the votes cast. In this case, the Share Capital may be increased by amounts which shall not exceed in total the amount of paid up capital on the date on which such authority is granted to the Board of Directors by the General Meeting. This authorisation may be renewed by the General Meeting for a period that does not exceed a period of five years each time.

B. According to the provisions of article 13, paragraph 9 of codified law 2190/1920, upon decision of the General Meeting a program of stock options to the members of the Board of Directors and to the employees can be introduced in the form of a share option plan according to the special terms of this decision. The General Meeting's decision states the maximum number of shares that can be issued, which, under Law cannot exceed 1/10 of the existing shares, if the beneficiaries exercise the right to share warrant, the price and the terms of offering the shares to the beneficiaries. Within the framework of the Law, the postponed Shareholders Ordinary General Meeting of 18.07.2006 unanimously decided the introduction of an offer scheme, for the members of the Company's Board of Directors, its executives and employees as well as for affiliated companies, for share options that will be issued and amount to 1/10 of the number of the existing Company shares, namely four million two hundred and eighty thousand (4,280,000) shares, in the event that the beneficiaries exercise their granted rights in full. The shares at issue shall be common, voting and nominal; the shares' disposal price has been set at 4.50 € per share. The period covered by the program shall be 5 years with December 2010 as the latest period of exercise of the right.

Important agreements contracted by the Company, which will enter into effect, will be amended or will expire in case of change in the Company's control following a public offer

There is no such an existing agreement.

Agreements that the Company has contracted with the members of the Board of Directors or with its personnel

There are no agreements of the Company with members of its Board of Directors or its personnel, which provide for the payment of compensation especially in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer.

INDEPENDENT CERTIFIED AUDITORS REPORT

Towards the Shareholders of **DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA" S.A.**

Report on the Financial Statements.

We have audited the attached financial statements of the company **DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS "HYGEIA" S.A.**, (the "Company"), as well as the consolidated financial statements of the Company and its subsidiaries (the "Group"), which consist of the individual and consolidated balance sheet as at December 31st 2006, the income statements, statement of changes in equity and cash flow statements for the period ending on the aforementioned date as well as the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements.

The Management of the Company is responsible for the compilation and fair presentation of the Financial Statements according to the International Financial Reporting Standards, as such have been adopted by the European Union. This responsibility includes the planning, implementation and maintenance of an internal audit system as regards to the compilation and fair presentation of the financial statements, free from substantial inaccuracies due to fraud or errors. This responsibility also includes the selection and implementation of appropriate accounting principles and the conduct of accounting estimations that are reasonable for the circumstances.

Auditor's Responsibility

Our responsibility is limited to the formation and expression of opinion on the Financial Statements, based on the conducted audit. Our audit was conducted based on the Greek Generally Accepted Auditing Procedures, which are in line with the International Auditing Standards. These Procedures demand our compliance with the ethics rules and the planning and implementation of the audit in a way that reassures with reasonable certainty that the financial statements do not include substantial inaccuracies or omissions.

The audit includes the conduct of procedures for the collection of audit data, supporting the amounts and information included in the financial statements. The procedures are selected according to the auditor's judgment and include the estimation of risk from substantial inaccuracies of the financial statements due to fraud or error.

For the estimation of this risk, the auditor takes into account the internal audit system as regards to the compilation and fair presentation of financial statements, and aims at planning auditing procedures that correspond to the circumstances and not for the expression of an opinion on the effectiveness of the company's internal audit system. The audit also includes the evaluation of the followed accounting principles, the Management's estimations and generally, the overall presentation of the financial statements.

We believe that the audit data collected are adequate and appropriate for the formation of our opinion.

Opinion

In our opinion, the attached individual and consolidated Financial Statements, accurately present in every aspect, the Company's and Group's financial status as at December 31st 2006, as well as their financial performance and Cash Flows for the period ending on the aforementioned date, according to the International Financial Reporting Standards, as such have been adopted by the European Union.

Report on other legal and regulative issues

The contents of the Board of Directors' Management Report are in accordance with the attached financial statements.

Athens, March 29th 2007
The Certified Auditor – Accountant
Sotiris Konstantinou
SOEL Reg. No. 13671

Grant Thornton
SOEL Reg. No. 127
Certified Auditors – Accountants
44 Vasileos Konstantinou Str
116 35 Athens, Greece

Balance Sheet

Amounts in €	Note	GROUP 31 DECEMBER 2006	GROUP 31 DECEMBER 2005	COMPANY 31 DECEMBER 2006	COMPANY 31 DECEMBER 2005
ASSETS					
Non-Current Assets					
Tangible Assets	5.1	89,859,798	93,962,781	89,656,659	93,816,532
Investment property	5.2	1,993,078	1,995,648	1,993,078	1,995,648
Company Goodwill	5.3	7,221,830	0	0	0
Intangible Assets	5.4	4,406,982	4,948,754	4,401,250	4,934,432
Financial assets available for sale	5.5	11,739	11,739	11,739	11,739
Investments in associate companies	5.6.1	60,356,540	104,860	27,720,619	58,694
Investments in subsidiaries	5.6.2	0	0	31,318,281	886,364
Other Long-term Receivables	5.7	58,842	108,537	33,199	81,947
		163,908,810	101,132,319	155,134,825	101,785,356
Current Assets	5.8	2,859,319	2,742,819	2,745,087	2,427,943
Customers and other Trade Receivables	5.9	27,381,373	25,563,865	27,170,139	25,748,875
Cash and cash equivalents	5.10	5,294,501	1,880,659	4,106,741	1,395,839
		35,535,192	30,187,343	34,021,967	29,572,657
Total Assets		**199,444,002**	**131,319,662**	**189,156,792**	**131,358,013**
EQUITY & LIABILITIES					
Equity attributed to the parent's shareholders					
Share capital	5.11	26,322,000	17,548,000	26,322,000	17,548,000
Other reserves	5.11	71,375,333	20,241,027	71,375,333	20,241,027
Profit carried forward	5.11	3,087,874	2,223,527	876,560	1,906,851
Total Equity		100,785,206	40,012,554	98,573,893	39,695,878
Minority interest	5.11	49,618	0	0	0
Total Equity		**100,834,824**	**40,012,554**	**98,573,893**	**39,695,878**
LIABILITIES					
Long-term Liabilities					
Loans	5.12	20,120,199	20,268,039	20,075,517	20,240,961
Deferred income tax	5.13	11,504,590	3,164,862	4,299,952	3,174,595
Provisions for staff retirement indemnities	5.14	10,471,475	9,859,196	10,383,773	9,809,248
Provisions for liabilities and expenses	5.15	3,015,000	1,555,000	2,900,000	1,500,000
		45,111,264	34,847,097	37,659,242	34,724,804
Short-term Liabilities					
Suppliers and related liabilities	5.16	29,523,123	29,921,833	29,095,079	30,536,453
Current income tax		116,132	122,137	0	0
Provisions for liabilities and expenses	5.15	156,000	133,000	156,000	133,000
Loans	5.12	23,702,659	26,283,041	23,672,578	26,267,878
		53,497,914	56,460,011	52,923,658	56,937,331
Total Liabilities		98,609,178	91,307,108	90,582,900	91,662,135
Total Equity & Liabilities		**199,444,002**	**131,319,662**	**189,156,792**	**131,358,013**

Income Statement

Amounts in €	Note	GROUP 31 DECEMBER 2006	GROUP 31 DECEMBER 2005	COMPANY 31 DECEMBER 2006	COMPANY 31 DECEMBER 2005
Sales		94,593,377	83,558,207	93,638,975	83,453,136
Cost of goods sold	5.17	(79,368,544)	(76,682,141)	(79,946,773)	(78,335,925)
Gross Profit		**15,224,833**	**6,876,066**	**13,692,202**	**5,117,211**
Other operating income	5.19	4,503,422	3,142,397	4,518,764	3,132,687
Distribution expenses	5.18	(9,233,827)	(7,058,570)	(8,813,230)	(6,725,895)
Administrative expenses	5.18	(1,148,687)	(1,013,528)	(631,907)	(828,709)
Other operating expenses	5.19	(4,233,070)	(2,238,191)	(4,213,208)	(2,213,522)
Operating Profit		**5,112,670**	**(291,825)**	**4,552,621**	**(1,518,228)**
Financial Income	5.20	139,781	108,168	129,347	104,413
Financial Expenses	5.20	(4,718,816)	(2,073,062)	(4,708,847)	(2,067,598)
Other Financial Results	5.21	8,102	6,600	767,600	767,280
Earning from Acquisition of Company		32,342	-	-	-
Profit/(Loss) from associate companies		2,411,206	10,863	-	-
Net profit/(loss) for the period before taxes		**2,985,287**	**(2,239,256)**	**740,721**	**(2,714,133)**
Income Tax	5.22	(1,948,424)	(107,362)	(1,771,011)	307,108
Net profit/(loss) for the period after taxes		**1,036,863**	**(2,346,618)**	**(1,030,291)**	**(2,407,025)**
Allocated to:					
Shareholders of the parent		1,028,347	(2,346,618)	(1,030,291)	(2,407,025)
Minority shareholders		8,516			
Earnings/(losses) per shares corresponding to shareholders of the parent for the period					
Basic/diluted	5.23	0.024	(0.05)	(0.024)	(0.05)
Results Before Taxes Financing and Investment Results and Depreciations		11,612,322	6,807,017	10,989,008	5,537,358
Results Before Taxes Financing and Investment Results		5,112,670	(291,825)	4,552,621	(1,518,228)
Earnings after Taxes		1,036,863	(2,346,618)	(1,030,291)	(2,407,025)

Statement of changes in equity

Amounts in €

	GROUP					
	Attributed to the parent's shareholders					
	Share Capital	Other Reserves	Profit carried forward	Total	*Minority Interest*	Total Equity
Balance as at December 31st 2004	17,548,000	20,241,027	11,846,145	49,635,172	*0*	49,635,172
Net profit/(loss) for the period	0	0	(2,346,618)	(2,346,618)	*0*	(2,346,618)
Dividend distribution	0	0	(7,276,000)	(7,276,000)	*0*	(7,276,000)
Transfer to reserves	0	0	0	0	*0*	0
Balance as at December 31st 2005	17,548,000	20,241,027	2,223,527	40,012,554	*0*	40,012,554
Net earnings for the period	0	(11,694)	1,040,041	1,028,347	*8,516*	1,036,863
Income / expenses recognized directly to equity	0	0	(183,858)	(183,858)	*0*	(183,858)
Provision of stock options to employees	0	0	172,162	172,162	*0*	172,162
Increase of share capital	8,774,000	51,146,000	0	59,920,000	*0*	59,920,000
Minority interest from acquisition of subsidiary stake	0	0	0	0	*41,102*	41,102
Dividend distribution	0	0	(164,000)	(164,000)	*0*	(164,000)
Balance as at December 31st 2006	26,322,000	71,375,333	3,087,873	100,785,206	*49,618*	100,834,824

	COMPANY			
	Share Capital	Other Reserves	Profit carried forward	Total Equity
Balance as at December 31st 2004	17,548,000	20,241,027	11,589,876	49,378,903
Net profit/(loss) for the period	0	0	(2,407,025)	(2,407,025)
Dividend distribution	0	0	(7,276,000)	(7,276,000)
Balance as at December 31st 2005	17,548,000	20,241,027	1,906,851	39,695,878
Net earnings for the period	0	(11,694)	(1,018,597)	(1,030,291)
Income / expenses recognized directly to equity	0	0	(183,857)	(183,857)
Provision of stock options to employees	0	0	172,162	172,162
Increase of share capital	8,774,000	51,146,000	0	59,920,000
Balance as at December 31st 2006	26,322,000	71,375,333	876,560	98,573,893

Cash flow statement

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash flows from operating activities	**11,112,640**	**9,586,791**	**9,389,745**	**8,231,384**
Interest paid	(4,830,587)	(744,566)	(4,707,626)	(2,079,621)
Income tax paid	(178,940)	(2,085,085)	0	(358,411)
Net cash flows from operating activities	**6,103,114**	**6,757,140**	**4,682,119**	**5,793,352**
Cash flows from investment activities				
Purchases of tangible fixed assets	(1,923,485)	(2,403,806)	(1,900,379)	(2,238,293)
Sales of tangible fixed assets	297,683	109,390	297,683	64,590
Purchases of intangible assets	(147,025)	(363,567)	(147,025)	(358,467)
Dividends received	2,456,095	17,280	3,206,095	517,280
Acquisition of subsidiary (minus subsidiary's cash & cash equivalents)	(31,277,339)	0	(31,588,492)	0
Acquisition of stake in associate companies	(28,933,845)	0	(28,943,845)	0
Sales of stake in associate companies	0	0	0	0
Interest received	140,284	108,168	129,347	104,413
Net cash flows from investment activities	**(59,387,631)**	**(2,532,535)**	**(58,946,615)**	**(1,910,477)**
Cash flows from financing activities				
Issuance of common shares	59,736,143	0	59,736,143	0
Dividends paid to the parent's shareholders	(239,000)	(7,253,361)	0	(7,253,361)
Repayment of Share Capital to Shareholders	0	0	0	0
(Repaid)/Received loans	(2,171,118)	5,503,358	(2,154,199)	5,446,538
Payment of leasing capital	(627,665)	(1,148,719)	(606,545)	(1,123,263)
Net Cash flows from financing activities	**56,698,360**	**(2,898,722)**	**56,975,399**	**(2,930,086)**
Net (decrease)/ increase in cash and cash equivalents	**3,413,843**	**1,325,883**	**2,710,902**	**952,789**
Cash and cash equivalents at the beginning of the period	1,880,658	554,775	1,395,839	443,050
Cash and cash equivalents at the end of the period	**5,294,501**	**1,880,658**	**4,106,741**	**1,395,839**

1. General information

HYGEIA S.A. is currently one of the most modern private health institutions operating in Greece. It was established in 1970 by doctors, most of which were professors at the University of Athens and since then operates in the provision of first and second degree health care. The Company's accommodations are located in a self-owned building on 4 Erythrou Stavrou & Kifisias Avenue in Marousi. Throughout the past, the building has been renovated accordingly. Its electronic address is www.hygeia.gr and its shares are listed on the Athens Exchange.
HYGEIA S.A. has expanded its presence in the private health sector by broadening the scope of offered diagnostic services through the creation of new diagnostic departments, laboratories and clinics. The Company offers its services to private individuals as well as to patients that seek diagnostic services through their social and private security funds.

Specifically, HYGEIA S.A. includes:

- 11 Pathology Clinics
- 22 Surgical Clinics
- 6 Diagnostic Laboratories
- 8 Imaging Laboratories, etc.
- 16 surgery rooms
- 10 Outpatient Departments
- Quality assurance department

Moreover, the Company also owns five fully equipped ambulances.

The Company's total hospital beds in operation amount to 254 beds, 21 of which belong to the Intensive Care Unit and are located in two areas, while two belong to the Fluid Organ Transplant Unit.

Apart from the permanent staff, the Company also employs a team of scientific partners, which consists mainly of doctors. These doctors are heads of the different diagnostic departments the Company has created during the past years.
On 31.12.2006 HYGEIA S.A. employed 1,038 individuals, while the Group employed 1,073.

2. Basis for preparation of financial statements

The consolidated financial statements of **HYGEIA S.A.** as at December 31st 2006 covering the entire 2006 fiscal year, have been compiled based on the historic cost principle as is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The compilation of financial statements according to IFRS requires the use of accounting estimations and judgments by management during the application of the Group's accounting principles. Significant assumptions made by the management for the application of the company's accounting methods have been highlighted where deemed necessary.

In 2003 and 2004, the International Accounting Standards Board (IASB) issued a series of new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS), which are applied in connection with the non-revised International Accounting Standards (IAS), issued by the International Accounting standards Committee, predecessor of IASB. The aforementioned series of standards are referred to as the «IFRS Stable Platform 2005». The Group applies the IFRS Stable Platform 2005 from January 1st 2005. January 1st 2004 constitutes the transition date for the Group.

3. Basic accounting principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies systematically are consistent with those applied in the previous period except for the following cases:

3.1 New accounting principles and interpretations of IFRIC in effect from 2006, which relate to the Group's activities

- **IAS 19 (amendment) – Employee benefits (mandatory application from 1/1/2006)**

The amendment introduces an alternative option for the recognition of actuarial profit and losses. Due to the fact that the Group does not intend to change the followed accounting policy as regards to the recognition of actuarial profit and losses and it does not participate in pension plans with participation of multiple employers, the adoption of this amendment will only affect the presentation and extent of disclosures presented in the financial statements.

- **IAS 39 (Amendment), The fair value option**

This amendment limits the classification of financial instruments as financial instruments valued at fair value through the results. The Group is not expected to be affected by the adoption of the amendment as it does not hold financial instruments classified as valued at Fair Value through the results.

- **IFRIC 4, Determining whether a receivable includes a lease**

This interpretation sets the criteria in order to assess whether a lease is included in an agreement that does not have the legal form of a lease. Each agreement that gives the right to use a specific asset in exchange for payments will be considered as a lease. The Management considers that Interpretation 4 is not expected to change the accounting of any of the Group's existing contracts.

- **IFRIC 10, Interim financial statements and impairment**

This interpretation states that the specific requirements of IAS 36 (regarding goodwill) and IAS 39 (regarding financial assets available for sale) precede general requirements of IAS 34 and thus impairment losses that are recognized for such items in the interim period cannot be reversed in subsequent periods. The Group was not affected by the adoption of the interpretation as it has not gone forward with reversing impairment losses.

- **IFRIC 8, Scope of IFRS 2**

This interpretation requires the implementation of IFRS 2 during the treatment of all transactions relating to issuing participating titles, where the recognizable price collected is less than the fair value of participating titles issued. The Group was not affected by the adoption of the interpretation.

- **IAS 39 and IFRS 4 (amendment), Financial guarantee contracts**

Financial guarantee contracts are presented by the issuer as financial instruments. Their initial recognition takes place at fair values the day the guarantee was provided and their subsequent calculation is made at the higher value between, (a) the initial value, minus calculated depreciations, in order to recognize the income from commissions that is accrued during the contract (IAS 18) with the straight line method in the income statement and (b) the best possible estimation of the required expense for the settlement of a possible financial liability during the Balance Sheet date (IAS 37). If the issuer considers that such contracts constitute insurance contracts, then he must choose whether to apply IAS 39 "Financial instruments: recognition and measurement" or IFRS 4 "Insurance contracts". The Management has examined this amendment of IAS 39 and has concluded that it is not relevant to the Group.

3.2 Standards, amendments and interpretations with mandatory application from 2006 that are not related to the Group's activities

- Amendment of IAS 21 – changes in foreign exchange rates (mandatory application from 1/1/2006)
- IAS 39 (Amendment), Hedging of cash flows to expected intra-company transactions
- IFRS 1 (Amendment), First adoption of IFRS
- IFRS 6 Exploration and evaluation of mineral resources
- IFRS 6 (Amendment), Exploration and evaluation of mineral resources
- IFRIC 5 Rights from investment in decommissioning, restoration and environmental rehabilitation funds.
- IFRIC 6 Liabilities arising from activities in specific sectors – management of electrical and electronic waste.
- IFRIC 7 Implementation of restatement method in hyper inflationary economies.
- IFRIC 9 Re-evaluation of embedded derivatives

3.3 Standards, amendments and interpretations in existing standards with a subsequent implementation date (for which the group has not gone forward with optional implementation).

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretations, which are not mandatory for the accounting periods beginning on January 1st 2006.

The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

- IAS 1 (amendment) Capital disclosures

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The group will apply the amendments of IAS 1 from 1/1/2007.

-IFRS 7, Disclosures of Financial Instruments

IFRS 7 requires, apart from IAS 32, disclosures for all financial instruments (except those that fall under other standards – i.e. IAS 27, 28, 31). IFRS 7 requires the disclosure of the importance of financial instruments for the company's performance and financial status. Also, qualitative and quantitative information regarding the risks emanating from the use of the financial instruments. The Group will apply IFRS 7 from 1/1/2007.

-IFRS 8. Operating Sectors

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 1/1/2009 and is expected to be adopted by the Group then.

IFRIC 11 IFRS 2- Transactions in participating titles of the same company or companies of the same group

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. IFRIC 11 is effective from 1/1/2007 and is not expected to affect the Group's financial statements.

IFRIC 12 Service Concession Agreements

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements. IFRIC 12 is effective from 1/1/2008 and is not expected to affect the Group's financial statements.

3.4 Important accounting decisions, estimations and assumptions by management

The estimation and judgments made by the management are reviewed on a constant basis and are based on historic data and expectations on future events, which are considered reasonable according to the current circumstances.

The Group goes forward with estimations and assumptions as regards to the development of future events. Estimations and assumptions that involve significant risk to induce substantial adjustments on the book values of assets and liabilities in the next 12 months are as follows:

a) An estimation is required by the Group for the calculation of the provision for income tax. There are many transactions and calculations for which the final definition of tax is uncertain. If the final tax differs from the initially recognized tax, the difference will affect the income tax and the provision for deferred taxation of the period.

b) The Group recognizes a provision for judicial cases based on information from the Group's Legal Service.

c) The Group recognizes a provision for doubtful receivables, based on the degree of recoverability that is estimated for each receivable case.

3.5 Segment reporting

A business segment is defined as a group of assets and activities that provide goods and services, that are subject to different risks and returns than other business segments. A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions. The Group is active in only one business segment and specifically in the provision of health services and specifically the provision of diagnostic and therapeutic health services, in only one geographic segment, Greece. Therefore, the presentation of relevant financial information is not deemed necessary.

3.6 Consolidation

(a) Subsidiaries

Subsidiaries are companies in which control is exercised by the parent. The existence of potential voting rights that are exercisable by the parent at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The used accounting method for the consolidation is the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is directly booked to the results.

Inter-company transactions – Inter-company balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

In the financial statements of the parent, investments in subsidiaries are presented at acquisition cost less any possible impairment loss. At each balance sheet date, the Company considers whether there are objective indications that lead to the conclusion that the investments have suffered impairment. If impairment has been established, the loss that is the difference between acquisition cost and fair value, is transferred to the results.

(b) Associates

Associates are companies on which the Group can exert significant influence (not control), with participation between 20% and 50% of a company's voting rights. Investments in associates are initially recognized at cost and are subsequently accounted for using the equity method.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than its participation in the associate, the Group does not recognize any further losses, unless it has covered further liabilities on behalf of the associate.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized losses are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

In the financial statements of the parent, investments in associates are presented at acquisition cost less any possible impairment loss. At each balance sheet date, the Company considers whether there are objective indications that lead to the conclusion that the investments have suffered impairment. If impairment has been established, the loss that is the difference between acquisition cost and fair value, is transferred to the results.

As regards to the acquisition goodwill, it decreases the participation value by burdening the period's results, when its value decreases.

The Group's share in the profits or losses of affiliate companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in affiliate companies. When the Group's share in the losses of an associate is equal or larger than its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized losses are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

3.7 Group Structure

The Group companies included in the consolidated financial statements are as follows:

Company Name	Domicile	Activity	Participation Percentage	Consolidation Method	Participation Relationship	Tax un-audited fiscal years
HYGEIA	Greece	Health Services	Parent			2003-2006
ALAN MEDICAL S.A.	Greece	Trade of Medical Items	100%	Full	Direct	2003-2006
MAGNETIC HEALTH DIAGNOSTIC PRESENTATIONS S.A.	Greece		20%	Equity	Direct	2003-2006
ANIZ S.A.	Greece	Exploitation of cafeterias - restaurants	70%	Full	Direct	2003-2006
MITERA HOLDINGS S.A.	Greece	Participation in company MITERA S.A.	100%	Full	Indirect	2003-2006
MITERA S.A.	Greece	Health Services	25%	Equity	Indirect	2004-2006
LITO S.A.	Greece	Health Services	18%	Equity	Indirect	2006
LITO HOLDINGS S.A.	Greece	Participation in company LITO S.A.	18%	Equity	Indirect	2004-2005
ALPHA-LAB	Greece	Health Services	18%	Equity	Indirect	2004-2006
LITO-LAB	Greece	Health Services	18%	Equity	Indirect	2006

A) During the presented period and specifically on 26/4/2006, the acquisition of 12.21% of the share capital of "MITERA PRIVATE MATERNITY AND SURGICAL CLINIC SOCIETE ANONYME" (hereinafter MITERA S.A.), a non-listed company, was concluded as well as the acquisition of

100% of the non-listed company "SOCIETE ANONYME OF HEALTH AND INVESTMENT SERVICES HOLDINGS S.A." (hereinafter MITERA HOLDINGS S.A.), thus acquiring indirectly approximately 12.62% of MITERA S.A.'s shares owned by MITERA HOLDINGS. Consequently, through the above acquisitions, HYGEIA S.A. directly and indirectly owns a stake of approximately 24.83% in MITERA S.A.

B) At the end of March, the company acquired 70% of the shares of ANIZ S.A. – Cafeteria and restaurant exploitation enterprises.

3.8 Foreign currency conversion

(a) Operating currency and reporting currency.

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company.

(b) Transactions and balances

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions. Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results.

3.9 Tangible assets

Tangible fixed assets and investment property are reported in the financial statements at acquisition cost less accumulated depreciations and any impairment suffered by the assets, plus the capitalized interest created during the construction periods. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequent expenditure realized in relation to tangible fixed assets is capitalized only if it is probable that future economic benefits will flow to the Group from the exploitation of the fixed assets and their cost can be accurately measured.

The repair and maintenance cost is booked in the results as an expense when such is realized.

Land plots are not depreciated. Depreciation of other tangible fixed assets burdens the results and is calculated using the straight line method over their useful lives, as follows:

Buildings	30-40 years
Building facilities and equipment	15-20 years
Machinery and mechanical equipment	10-15 years
Vehicles	5-8 years
Furniture and Other equipment	3-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date.

When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

3.10 Intangible assets

Software: Software concerns the acquisition cost as well as any expenses realized during the software's development, in order for such to be rendered operational. Expenses that reinforce or expand the software's performance beyond its initial specifications, are recognized as a capital expense and are added to the software's initial cost. Software is valued at acquisition cost minus depreciations. Depreciations are calculated with the straight line method during the useful economic life of the assets, which ranges from 3 to 5 years, except for the ERP system, which is depreciated through 10 years.

Expenses required for software maintenance are recognized as expenses when such are realized.

Goodwill: Such is the difference between the asset's acquisition cost and fair value and the equity & liability of the subsidiary / associate company as at the acquisition date. During the acquisition date, the company recognizes the goodwill that emerged from the acquisition, as an asset item and presents it in the cost. This cost is equal to the amount by which the consolidation cost exceeds the company's share in the assets' items, the liabilities and contingent liabilities of the acquired company.

After the initial recognition, the goodwill is valued at cost less the accumulated losses from the decrease in its cost. The goodwill is not depreciated, but is reviewed on an annual basis for possible decrease in its value, if there are events that indicate such a loss according to IAS 36.

In the case where the acquisition cost is less than the company's participation in the acquired company's equity, then the former recalculates the acquisition cost, valuates the assets, liabilities and contingent liabilities of the acquired company and directly recognizes in the results (as a profit), any difference that persists after the recalculation.

During the transition date, the exemption of IFRS 1 was used and as a result no goodwill emerging from the consolidation of companies, which were realized before the transition date to IFRS, was recognized.

In case the resulting goodwill is negative, then a re-evaluation of the subsidiary's equity takes place and if the goodwill continues to be negative, then such is booked as income in the results.

Intangible assets (apart from goodwill): Intangible assets are valued at their acquisition cost less depreciations. Depreciations are conducted with the straight-line method over their useful lives, which ranges from 1 to 5 years.

3.11 Impairment of Assets

Tangible fixed assets and depreciated intangible assets are subject to an impairment review when some events suggest that the book value may not be recoverable. The recoverable value is the greater of the net sales value and the value in use. For the estimation of impairment losses, assets are included in the smallest possible cash flow generating units. Impairment losses are recognized as an expense in the results when such are realized.

3.12 Financial instruments

The Group's investments are classified in the following categories according to the purpose for which they were purchased. The Management decides on the appropriate classification of the investment during the time such was realized and reviews the classification on each presentation date.

(a) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets and which are not intended for sale. Such are included in current assets, except those with a maturity date that is farther than 12 months from the balance sheet date. The latter are included in the non-current assets.

(b) Financial assets at fair value through the Income Statement

This category includes three sub-categories: financial assets held for trading, those defined initially in this category and derivatives. Assets of this category are classified in current assets if held for trading or if expected to be sold within 12 months from the balance sheet date. The Group did not hold assets of this category.

(c) Investments held until maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends and has the ability to hold until their maturity. The Group did not hold investments of this category.

(d) Financial assets available for sale.

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories. Such are included in non-current assets given that the Management does not intend to liquidate such within 12 months from the Balance Sheet date.

The purchases and sales of investments are recognized during the transaction data, which is also the date the Group commits to purchase or sell the item. Investments are written off when the right to cash flows from such investments expires or is transferred and the Group has essentially transferred all the risks and awards that emerge from ownership.

Investments are initially recognized at fair value plus the directly attributable to the transaction expenses.

The financial assets at fair value through the Results and financial assets available for sale are subsequently presented at fair value.

Realized and unrealized profit or losses that emerge from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period such incur.

Unrealized profit or losses that emerge from changes in the fair value of financial assets classified as available for sale are recognized in the investment re-evaluation reserves. In case of sale or impairment of financial assets available for sale, the accumulated fair value readjustments are transferred to the Results.

The fair values of financial assets that are traded in active markets are defined by the current bid prices. If the purchase for a financial asset is not active and for non traded items, the Group estimates the fair values by the use of valuation techniques. Valuation techniques include the use of recent transactions, comparable traded items and discounted cash flows, adjusted in order to reflect the issuer's specific conditions.

At each balance sheet date the Group assesses whether there are objective indications which conclude that the financial assets have suffered impairment. For shares of companies that have been classified as financial assets available for sale, such indication consists of the significant or extended decrease in fair value in comparison to acquisition cost. If impairment is concluded, the accumulated loss, which is the difference between acquisition cost and current fair value, minus any impairment loss previously recognized in the Results, is transferred to the investment re-adjustment reserve in the Results. Losses of participating titles booked in the Results are no reversed through the Results.

3.12 Inventories

Inventories are valued at the lower of acquisition cost and net realizable value. The cost for sanitary materials and medicines is defined with the weighted average method. The borrowing cost is not included in the acquisition cost of inventories. The net realizable value is estimated based on the current sales price of inventories during the normal course of the company's business less any relevant sales expenses.

3.13 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. The impairment losses (losses from doubtful receivables) are recognized after taking into account the balance's time-length, the customer's financial ability to make payment and the effectiveness of the efforts to receive payment. The provision amount is the difference between the book value of receivables and the present value of expected future cash flows, discounted with the real interest rate method. The adequacy of the provision is frequently reviewed in conjunction with the historic percentages of receiving payment and other financial factors that affect the recoverability of receivables. The amount of the impairment loss is registered as an expense in the results..

3.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, site deposits and short-term highly liquid low risk investments with a maturity up to 3 months.

3.15 Non current assets classified as intended for sale

The assets intended for sale also include other assets (including goodwill) and tangible fixed assets that the Group intends to sell within one year from the date such are classified as "intended for sale".

The assets classified as "intended for sale" are valued at the lowest value between their book value immediately prior to their classification as intended for sale, and their fair value less the sale cost. Assets classified as "intended for sale" are not subject to depreciation. The profit or loss that results from the sale and reassessment of assets "intended for sale" is included in "other income" and "other expenses" respectively, in the income statement.

The Group has not classified non-current assets as intended for sale.

3.16 Share capital

Common shares are registered in equity. Direct expenses incurred for the issuance of shares reduce the proceeds from the issue. Direct expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

3.17 Loans

Loans are initially booked at fair value, less any direct expenses for the execution of the transaction. Subsequently loans are valued at net book value based on the real interest rate method. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the duration of the borrowing based on the real interest rate method.

Loans are registered in short-term liabilities except if the Group implicitly reserves the right to transfer the settlement of the liability at least 12 months following the closing date of the Financial statements.

3.18 Factoring

Factoring with recourse is initially booked at fair value as a liability towards the factoring company. Subsequently such liabilities are valued at net book value based on the real interest rate method. Any difference between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the duration of the borrowing based on the real interest rate method.

The amounts that have been pre-collected by factoring companies, without recourse, decrease receivables from customers.

3.19 Income tax & deferred tax

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax is defined based on the tax rates and laws that are in effect during the balance sheet date and which are expected to be in effect during the period in which the asset or liability will be settled.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Income tax is calculated according to the tax legislation and the tax rates in effect in the country where the Group's activities take place and is booked as an expense during the period that income is realized.

3.18 Employee benefits

(a) Short-term benefits

Short-term employee benefits, monetary and in kind are recognized as an expense when they accrue.

(b) Post-employment benefits

Post-employment benefits include both defined contribution and defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense in the period it concerns.
The liability that is reported in the balance sheet with respect to defined benefits schemes is the present value of the liability for the defined benefit less the fair value of the scheme's assets and the changes that arise from any non-recognized actuarial profit or loss. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.
The actuarial profit and losses that emerge from adjustments based on historical data and are over or under the 10% margin of the accumulated liability, are booked in the results in the expected average insurance time of the scheme's participants. The cost for the service time with the company is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is registered in the results with the straight line method within the maturity period.

(c) Benefits for employment termination

The benefits due to termination of the employment relationship are paid when employees depart before their retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed program for which there is no departure possibility, or when it provides such benefits as an incentive for voluntary departure. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted at present value.

In the case of employment termination where there is an inability to asses the number of employees that will use such benefits, they are not accounted for but are disclosed as a contingent liability.

3.20 Provisions

Provisions are created when:

- There is a present legal or constructive obligation as a result of past events,
- An outflow of resources is probable for the settlement of the liability,
- The exact amount of the obligation can be reliably estimated.

Provisions are reviewed at the end of each financial period and are adjusted in order to reflect the best possible estimations.

Provisions are calculated at the fair value of expenses, which based on the management's best estimation, are required to cover the present liability as at the balance sheet date. The discount rate used to calculate the present value reflects the current market estimations for the time value of money and increases that concern the specific liability.

3.21 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of value added tax, discounts and returns. Inter-company revenue within the Group is eliminated completely. The recognition of income takes place as follows:

(a) Provision of services

The Company provides its services to both private patients-customers and to patients-customers that are covered by their social security and insurance organizations. Specifically, the main insurance funds with which the Company cooperates with are IKA (Greek Social Insurance Institute), the Greek State and OGA (Greek Agricultural Insurance Organization). It is worth noting that the Company has signed agreements with the aforementioned funds, through which patients are fully covered as regards to their expenses (predefined fee) concerning open heart procedures, computerized (CT-scan) and magnetic tomography, arthroplasty, lithotrity, as well as artificial kidney sessions. The Social Security Funds the Company cooperates with, concern domestic and also foreign insurance companies. Specifically, from 01.08.2003 the Company once again began its cooperation with the Hellenic Association of Insurance Companies (with a three year contract), which had been interrupted from 01.07.2002 until 31.07.2003, while at the same time it has entered into partnerships with insurance organizations in the United Kingdom (BUPA, PPP), the United States of America (BLUE CROSS BLUE SHIELD CHAMPUS) and with international insurance organizations such as "SOS Doctors". Hygeia provides specific discounts to the aforementioned organizations. Furthermore, special agreements have been made with specific companies-banks.

Income is accounted for based on the stage of completion of the service rendered at the net amount expected to be received per category.

(b) Sale of goods

Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.

(c) Income Interest

Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

(d) Dividends

Dividends are accounted for as revenue when the right to receive payment is established, namely during the approval date of their distribution by the General Meeting of each company.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

3.22 Financial instruments

The Group's basic financial instruments are cash, bank deposits and short-term receivables and liabilities. Given the primarily short-term nature of the aforementioned instruments, the Group's management considers that their fair value essentially coincides with the value presented in the Group's accounting books. Moreover, the management considers that interest paid in relation to received loans is equivalent to the current reasonable interest rates in the market and thus there are no conditions for any adjustment to the value presented for such liabilities. The Group does not use financial derivatives.

3.23 Leases

The Company as a lessee:

(a) Operating leases

Lease agreements where essentially all the risks and benefits of ownership are reserved by the lessor (owner) are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognized in the income statement proportionately throughout the term of the lease.

(b) Financial leases

Leases of fixed assets where essentially all the risks and benefits related with ownership of an asset are transferred to the Group are classified as financial leases. These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the liability and the financial expenses so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are presented in Loans. Interest is recognized in the results during the period of the lease. Fixed assets acquired through financial leases are depreciated over the shorter of their useful lives and the lease term, in case where the fixed asset's ownerships is not transferred.

The Company as a lessor:

Operating leases

Assets that are leased to third parties through operating leasing contracts are included in non-current assets, in the category of tangible fixed assets and investment property. Such fixed assets are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease is recognized in income during the period such refer to according to the relevant lease contract.

3.24 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

3.25 Comparative data and rounding

Several comparable accounts were re-classified for comparability reasons with the relevant accounts of the current period. Differences presented between amounts stated in the financial statements and the respective amounts in the notes, are due to rounding.

4. Risk Management

The Company is exposed to several financial risks, such as market risk, rates of interest, credit risk and liquidity risk. Through this risk management, the Company aims to control and restrict this danger by systematically monitoring any factors affecting it. The financial risk management policy is implemented by the Financial Department.

Risks related to the Company's Business Activities

i. Partial covering of the issue of Bond Loan

The Extraordinary Shareholders General Assembly which took place on 07/02/2007 decided on issuing a Convertible Bond Loan for an amount of € 300,015,000 in favor of the old shareholders at an issue price of EUR 4.5. Details of the issue shall be communicated over the next period. The issue result shall reinforce considerably the Company in achieving its strategy for the growth of its activities in Greece and abroad.

In case this issue is partially covered, the Company shall seek, in case it is deemed necessary, alternative complementary means of financing its investment plans, such as share capital increase or raising its credit ceiling in banks.

ii. Credit Risk

The Company realizes sales with Insurance Funds, Insurance Organizations, Insurance Agencies and private customers. Sales to Insurance Funds and Insurance Companies have a minimum loss risk. Potential credit risk is mainly related to private customers without any insurance or to insured patients for the amount not covered by their insurance policy. However, this risk has been significantly reduced through methods and practices laid down by the Company. Apart from that, no customer exceeds 10% of sales and therefore, the aforementioned risk is reduced through its distribution to a large number of customers.

iii. Liquidity risk

The maximization of the interval between the time of payment of the Company's claims by its customers and the time of payment of the Company's obligations to its suppliers may initiate liquidity problems within the Company. However, aware of the aforementioned risk and the effects on the Company's functioning, HYGEIA S.A. seeks to regularly monitor its claims so as the time of payment of the claims by the customers does not exceed the time of payment of its obligations to suppliers. Already in 2006, the Company reduced significantly its long term claims. Finally, it is emphasized that the Company has sufficient credit limits with the designated Banks so as to be able to cope with eventual unforeseeable events.

iv. Cash flow risk and adjusted fair value risk due to changes in interest rates

The Company's operating income and cash flow are independent of changes in the interest rates values. Moreover, it does not include major interest earning assets. The risk of changes in interest rates results from loans incurred. Variable interest rate loans expose the Company to cash flow risk. Nevertheless the majority of the Company's loans are of short-term duration, which makes them less susceptible to later changes in interest rates.

v. Dependence on contracts with insurance companies

The Company signed a contract with Mednet Hellas S.A. which manages hospital coverage insurance programs for some of the major insurance companies in Greece. The term of the agreement is 3 years. Signing this agreement reduces to a large extent the Company's exposure to the particular risk.

vi. Unchecked tax years

The Company as well as its subsidiaries ALAN MEDICAL S.A. and ANIZ S.A. have been audited by the tax authorities until the fiscal year 2002, the company MITERA S.A. until the fiscal year 2003, whereas the company MITERA HOLDINGS S.A. has not been tax audited since its formation, namely 08.08.2003. During this period, the Company is tax audited for the fiscal years 2003, 2004 and 2005, whereas in the first months of 2006, the regular tax audit for the years 2003 and 2004 for the company MAGNITIKI IGIA DIAGNOSTIKES APIKONISIS S.A. has been concluded. The Group acknowledges expected tax liabilities due to audit, on the basis on assessments from previous audits. If the audit's final outcome varies from that initially acknowledged, the difference shall burden the revenue tax of assessed period.

vii. Presidential Decree 235/2000

In accordance with the provisions of Article 18 of the Presidential Decree No 235/2000, the affiliation and operation of independent Private Primary Health Care Providers in Private Clinics is prohibited under the article 13 of Law 2071/1992 (Greek Government Gazette issue No 123/A/92) as it is in force after its replacement by the article 4 of Law 2256/94 (Greek Government Gazette issue No. 196/A/94). Regarding the Clinics, in which these Providers operate, this provision shall take effect two (2) years after its publication in the present Presidential Decree (Greek Government Gazette issue No. 199/14.09.2000). It is emphasized that according to Law 3204/2003/A-296, the enforcement of the provision of the second subparagraph of paragraph 1 of the article 18 of Presidential Decree 235/2000 begins on 01.01.2007.

Taking into consideration the above, the company that is exempt from the prohibition contained in article 18 of Presidential Decree 235/2000 and consequently, it cannot be included and operate within the HYGEIA S.A. premises after the expiry of the above set deadline is the company "MAGNITIKI IGIA DIAGNOSTIKES APIKONISIS S.A.", which provides exclusively diagnostic services.

Moreover, there is also the company "IGIA – DIATROFI S.A." which, except from providing diagnostic services, is also a therapeutic center, creating conflict regarding whether it should be made subject to the provisions of Presidential Decree 235/2000.

The main activity of Diagnostic and Therapeutic Centers which operate within the Company premises is the operation of particular diagnostic and therapeutic equipment. The permits to operate the above diagnostic or/and therapeutic equipment have been issued by the pertinent authorities in the name of HYGEIA S.A. As a consequence, regarding the prohibition of article 18 of Presidential Decree 235/2000 as regards the inclusion and operation of similar Diagnostic and Therapeutic Centers within private clinics, the Company can provide separately the same diagnostic or/and therapeutic services, operating the aforementioned equipment in its name and on its own behalf, using the same and already issued permits, which is already being examined.

In addition, it is noted that the Company acknowledges fully the prohibitions set in article 18 of Presidential Decree 235/2000 and is committed by obtaining all legal permits, which have been issued in its name, to provide separately the same diagnostic or/and therapeutic services even after the exemption of the companies which are subject to the prohibition according to the relevant article, and as a result, cannot operate within its premises after the expiry of the set deadline.

It should be noted that coming into force, the aforementioned Presidential Decree may affect the Company's operation as regards the services provided by the above companies that operate within its premises, meaning that the company examines alternative solutions and may proceed to their incorporation, by either purchasing or leasing the equipment operating within the companies being discussed. In any case, the above event is not expected to affect significantly the Company's operation, other than a probable delay in completing the above actions, as well as investing in the purchase of equipment owned by the companies being discussed may be necessary.

viii. Assets insurance cover

HYGEIA S.A. has transacted insurance business on its tangible assets and its premises with the Insurance Organization "ALLIANZ Insurance Company S.A." with the following expiry dates: Fire Insurance 31/12/2007, Group Employees 31/12/2007, Public Liability 31/3/2007 and motor vehicles 30/6/2007. It should be noted that as of 31.12.2006, the undepreciated value of Company buildings, equipment and furniture amounted to € thousand. Consequently, the insurance cover percentage of the undepreciated value based on data of 31.12.2006 amounts to almost 82%, which can have a negative effect on the Company in case of total destruction of both facilities and equipment. However, the Company's management considers the likelihood of total destruction of all HYGEIA S.A. premises minimum while it is emphasized that it proceeds to insure all its new assets.

ix. Investments in which HYGEIA S.A. intends to make

HYGEIA S.A. within the framework of its investment strategy, has lately proceeded to conclude agreements concerning the use of large investments both within Greece and abroad. In particular, on 19.10.2006, HYGEIA S.A. announced an agreement with the Hellenic Red Cross (hereinafter H.R.C.) aiming mainly at modernizing and expanding the health services provided in the Voula area, while on 23.10.2006, it announced the signature of an agreement with Mr. S. Duraku and the company Eurodrini sh. A. aiming mainly to establish and operate the first private hospital in Albania. As regards the agreements in question, it is noted that the contracting parties should also agree on a series of topics (i.e. legal, land-use, project specifications etc) which may vary and differ in any case. Since the settlement of the issues in question within the agreed time limits, relies on exogenous factors which cannot be foreseen, any specificities or and delays may expose to risks as regards the implementation or not of the contracts in question and consequently, of the intended investments.

Risks related to the Sector in which the Company is operating

i. The situation in the Health Sector

HYGEIA S.A. operates in the sector of the Hellenic primary and secondary medical care providing complete health services. The sector of private heath service providers in Greece presents certain specificities which arise from the dominant position in the provision of health services traditionally occupied by the public sector. However, the public sector's failure to cover the constantly increasing demand but also to provide quality health services lead to the significant advance of private clinics. With a sector's growth rate of 12% in 2005, it is clear that the private health care sector in Greece presents a particular dynamic and potential, with which the companies participating are called to cope. The outcome and the growth of HYGEIA S.A. are directly affected by the Company's operation, vis-à-vis the constant development of the heath sector and the use of its potential for further growth. Failure of HYGEIA S.A. to meet the new situation could have negative effect on its economic circumstances and its operational results.

ii. Competition Risk

Over the last few years, the private heath sector has been expanding, with the 20 largest companies of the sector accumulating 66% of its total earnings, which brings to light the intense competition among the largest companies of the sector. This competition aims consequentially to improve the services provided and the response time to the patient, by expanding the existing facilities in order to house new departments. Furthermore, it is noteworthy that many private clinics include from obstetrics and gynecology clinics until diagnostic centers in order to cover a wider range of services. Another area of competition observed in the private health sector is the increased cooperation between private units and insurance companies and the conclusion of contracts with insurance funds to cover hospitalization expenses of a larger population. HYGEIA S.A. has today an important share in the Hellenic private heath sector and with the continuous improvement of its services, its aims not only at maintaining this position but also, at pioneering in the sector by providing new services. Nevertheless, in case the Company suspends its development and investment policy and does not develop new partnerships, its competitive position may be significantly affected.

iii. Tendency for accumulation in the health sector

Lately, a tendency for accumulation is observed in the Hellenic private health sector which is marked by acquisitions of smaller local clinics and large private centers founding clinics and diagnostic centers in provincial towns. This tendency, not surprisingly, provides for greater competition since private clinics that do not grow and expand may become their competition's target in their effort to monopolize the private heath market. HYGEIA S.A. in the course of this tendency has acquired a percentage (directly and indirectly) of almost 24.83% of the renown clinic MITERA S.A. so as to promote its further development but also to benefit from synergies that may arise by providing the customer – patient almost all health services available at the same time. Additionally, it is worth mentioning that MITERA S.A. owns directly and indirectly 71.34% of the share capital of "LETO Obstetrics, Gynecology and Surgical Center S.A."

iv. Risk related to Technological Developments

The fastest developments in technology and the detection of the need for constant reorganization have a significant effect on health services. All private clinics proceed to costly investment programs aiming at renewing and purchasing state-of-the-art medical equipment in order to provide new and improved services. HYGEIA S.A. has already managed to regularly renew its technological equipment and is able to operate two exclusive devices for the situation in Greece, namely the Gamma Knife (a specialized device to treat brain disorders) and PET / CT (Positron Emission Tomography – Computerized Tomography system). HYGEIA S.A. aims at investing constantly in the latest medical and technological developments and in the constant training of its employees so as to be up to date with all international developments in the health sector. However, should HYGEIA S.A. ceases to follow the constant medical and technological developments, its competitive position may be affected.

Risks related to the Company's Stock

i. Risks that may affect the stock price

Investors should know that the course of ATHEX and the transaction price of the Company's shares may be subject to high fluctuations which can be attributed to exogenous factors and circumstances that are not always directly related to the Company's activity and financial situation. Some of the factors that can influence the Company's share price are for example, the following:

§ Fluctuations in the Company's financial figures,
§ The course of international money and capital markets,
§ Investing public's psychology,
§ Political upheaval, terrorist threats or potential warfare in Greece or abroad,
§ Political, financial or social changes that may affect Greece,
§ The situation of the Greek Economy,
§ The ATHEX course,
§ Positive or negative articles regarding the Company and its health department.

In addition to the abovementioned, it should also be taken into consideration that ATHEX has lower liquidity as compared to other major international markets, which may cause difficulties in the effort to sell the shares, particularly in large blocks. The clean price of the Company's common shares may be negatively affected by the sale of a large number of the Company's common shares or by the belief that such a sale can take place. Future sales of a large number of the Company's shares through the stock market by a major shareholder or a group of shareholders, or even the belief that such a sale may take place, could affect the clean price of the Company's common shares.

5. Notes on the Financial Statements

5.1 Tangible fixed assets

Tangible fixed assets (land-plots, buildings, machinery, other equipment) are registered at historic cost minus accumulated depreciations and minus any possible impairment.

No collateral has been written on the Group's fixed assets.

The area which the Company's land-plot and real estate are located in has not been integrated in the real estate objective evaluation system.

GROUP

	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	22,132,275	56,339,364	33,656,197	866,562	12,483,947	172,937	125,651,282
Accumulated depreciation and/or value impairment	-	(2,892,606)	(14,280,995)	(607,461)	(9,810,745)	-	(27,591,807)
Book value as at January 1st 2005	**22,132,275**	**53,446,758**	**19,375,202**	**259,101**	**2,673,202**	**172,937**	**98,059,475**
Gross Book value	22,132,275	57,030,877	34,447,039	865,601	13,146,147	178,953	127,800,892
Accumulated depreciation and/or value impairment	-	(5,473,459)	(16,845,799)	(529,310)	(10,989,543)	-	(33,838,111)
Book value as at December 31st 2005	**22,132,275**	**51,557,418**	**17,601,240**	**336,291**	**2,156,604**	**178,953**	**93,962,781**
Gross Book value	22,132,275	57,615,494	34,893,962	795,892	13,850,347	11,947	129,299,917
Accumulated depreciation and/or value impairment	-	(7,494,630)	(19,396,675)	(485,039)	(12,063,776)	-	(39,440,120)
Book value as at December 31st 2006	**22,132,275**	**50,120,864**	**15,497,287**	**310,853**	**1,786,571**	**11,947**	**89,859,798**

	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2005	22,132,275	53,446,758	19,375,202	259,101	2,673,202	172,937	**98,059,475**
Additions from acquisition of subsidiaries	-	-	-	-	-	-	-
Additions	-	673,257	790,843	252,483	662,950	24,272	2,403,805
Transfers	-	18,256	-	-	-	(18,256)	-
Sales	-	-	-	(253,444)	(750)	-	(254,194)
Accumulated depreciations of sold items	-	-	-	206,798	750	-	207,548
Depreciations for the period	-	(2,580,853)	(2,564,805)	(128,647)	(1,179,548)	-	(6,453,853)
Net foreign exchange differences	-	-	-	-	-	-	-
Book value as at December 31st 2005	**22,132,275**	**51,557,418**	**17,601,240**	**336,291**	**2,156,604**	**178,953**	**93,962,781**
Additions from acquisition of subsidiaries	-	-	-	80,433	11,992	-	92,425
Additions	-	111,518	446,923	119,446	594,213	651,385	1,923,485
Transfers	-	612,036	-	-	28,646	(818,391)	(177,709)
Sales	-	(138,937)	-	(278,524)	-	-	(417,461)
Accumulated depreciations of sold items	-	138,937	-	149,593	-	-	288,530
Depreciations for the period	-	(2,160,108)	(2,550,876)	(96,385)	(1,004,885)	-	(5,812,252)
Net foreign exchange differences	-	-	-	-	-	-	-
Book value as at December 31st 2006	**22,132,275**	**50,120,864**	**15,497,287**	**310,853**	**1,786,571**	**11,947**	**89,859,798**

COMPANY

	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
Gross Book value	22,132,275	56,336,850	33,577,573	702,422	12,433,485	172,937	125,355,542
Accumulated depreciation and/or value impairment	-	(2,891,113)	(14,206,014)	(489,176)	(9,768,105)	-	(27,354,408)
Book value as at January 1st 2005	**22,132,275**	**53,445,737**	**19,371,559**	**213,246**	**2,665,380**	**172,937**	**98,001,134**
Gross Book value	22,132,275	57,024,140	34,354,415	725,472	13,037,710	178,953	127,452,965
Accumulated depreciation and/or value impairment	-	(5,470,099)	(16,769,307)	(462,901)	(10,934,126)	-	(33,636,433)
Book value as at December 31st 2005	**22,132,275**	**51,554,041**	**17,585,108**	**262,571**	**2,103,584**	**178,953**	**93,816,532**
Gross Book value	22,132,275	57,608,757	34,801,338	580,393	13,637,464	11,947	128,772,174
Accumulated depreciation and/or value impairment	-	(7,490,364)	(19,316,747)	-388,561	-11,919,843 -		(39,115,515)
Book value as at December 31st 2006	**22,132,275**	**50,118,393**	**15,484,591**	**191,832**	**1,717,621**	**11,947**	**89,656,659**

	Land Plots	Buildings	Mechanical equipment	Vehicles	Furniture and other equipment	Tangible assets under construction	Total
Book value as at January 1st 2005	22,132,275	53,445,737	19,371,559	213,246	2,665,380	172,937	**98,001,134**
Additions from acquisition of subsidiaries	-	-	-	-	-	-	-
Additions	-	669,034	776,843	163,169	604,975	24,272	2,238,293
Transfers	-	18,256	-	-	-	(18,256)	-
Sales	-	-	-	(140,119)	(750)	-	(140,869)
Accumulated depreciations of sold items	-	-	-	136,487	750	-	137,237
Depreciations for the period	-	(2,578,986)	(2,563,294)	(110,212)	(1,166,771)	-	(6,419,263)
Net foreign exchange differences	-	-	-	-	-	-	-
Book value as at December 31st 2005	**22,132,275**	**51,554,041**	**17,585,108**	**262,571**	**2,103,584**	**178,953**	**93,816,532**
Additions from acquisition of subsidiaries	-	-	-	-	-	-	-
Additions	-	111,518	446,923	119,446	571,108	651,385	1,900,379
Transfers	-	612,036	-	-	28,646	(818,391)	(177,709)
Sales	-	(138,937)	-	(264,524)	-	-	(403,461)
Accumulated depreciations of sold items	-	138,937	-	135,593	-	-	274,530
Depreciations for the period		(2,159,202)	(2,547,440)	(61,253)	(985,717)	-	(5,753,611)
Net foreign exchange differences	-	-	-	-	-	-	-
Book value as at December 31st 2006	**22,132,275**	**50,118,393**	**15,484,591**	**191,832**	**1,717,621**	**11,947**	**89,656,659**

Tangible fixed assets include the following amounts, which the Group/Company own as a lessee according to financial lease contracts:

Fixed assets through financial leasing	**GROUP**		**COMPANY**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Capitalization cost of financial leases	14,550,864	2,144,727	14,494,044	2,073,907
Accumulated depreciations	(1,147,591)	(541,967)	(1,131,492)	(524,449)
Net book value	**13,403,273**	**1,602,760**	**13,362,552**	**1,549,458**

5.2 Investment property

Group/Company

	Land Plots	Buildings	Total
Gross Book value	1,898,019	102,767	2,000,786
Accumulated depreciation and/or value impairment	-	(2,569)	(2,569)
Book value as at January 1st 2005	**1,898,019**	**100,198**	**1,998,217**
Gross Book value	1,898,019	102,767	2,000,786
Accumulated depreciation and/or value impairment	-	(5,138)	(5,138)
Book value as at December 31st 2005	**1,898,019**	**97,629**	**1,995,648**
Gross Book value	1,898,019	102,767	2,000,786
Accumulated depreciation and/or value impairment	-	(7,708)	(7,708)
Book value as at December 31st 2006	**1,898,019**	**95,059**	**1,993,078**

Investment property includes a 79.2 sq.m. store at the Municipality of Halandri and a land-plot with a total area of 1,300 sq.m., which are held for long-term leases and are not self-utilized by the Group. Investment property is valued according to the cost method.

5.3 Company goodwill

Goodwill is presented at book value minus any possible impairment and is analyzed as follows:

Group Goodwill	
Book value as at December 31st 2005	**0**
Gross Book value	7,221,830
Accumulated loss from impairment	0
Book value as at December 31st 2006	**7,221,830**

The recognized goodwill as at 31.12.2006, concerns the company MITERA HOLDINGS S.A. (detailed presentation in included in par. 5.6.2). The Group reviews goodwill for possible impairment on an annual basis.

5.4 Intangible fixed assets

Software programs mainly concern the installation of ERP SAP R/3 in the Company with the software operational from 01.01.2004.

The intangible fixed assets as at 31/12/2006 are analyzed as follows:

	SOFTWARE	
	GROUP	**COMPANY**
Gross Book value	6,156,717	6,124,774
Accumulated depreciation and/or value impairment	(929,110)	(915,055)
Book value as at January 1st 2005	**5,227,607**	**5,209,719**
Gross Book value	6,520,284	6,483,241
Accumulated depreciation and/or value impairment	(1,571,530)	(1,548,809)
Book value as at December 31st 2005	**4,948,754**	**4,934,432**
Gross Book value	6,669,320	6,630,265
Accumulated depreciation and/or value impairment	(2,262,338)	(2,229,016)
Book value as at December 31st 2006	**4,406,982**	**4,401,250**

CHANGES	**GROUP**	**COMPANY**
Book value as at January 1st 2005	5,227,607	5,209,719
Additions from acquisition of subsidiaries	-	-
Additions	363,567	358,467
Transfers	-	-
Sales	-	-
Accumulated depreciations of sold items	-	-
Depreciations for the period	(642,420)	(633,754)
Net foreign exchange differences	-	-
Book value as at December 31st 2005	**4,948,754**	**4,934,432**
Additions from acquisition of subsidiaries	2,012	-
Additions	147,025	147,025
Transfers	-	-
Sales	-	-
Accumulated depreciations of sold items	(2,012)	-
Depreciations for the period	(688,796)	(680,206)
Net foreign exchange differences	-	-
Book value as at December 31st 2006	**4,406,982**	**4,401,250**

5.5 Financial assets available for sale

	Group/ Company
Balance as at 31/12/2005	11,739
Balance as at 31/12/2006	11,739

The Group's financial assets available for sale include an investment in 10% of the company HYGEIA NUTRITION S.A., whose business objective is the research, prevention, diagnosis and therapy of metabolic and endocrinologic diseases related to nutrition.

5.6 Investments in affiliate companies

5.6.1 Investments in associate companies

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Balance at beginning of period	**104,860**	**158,677**	**58,694**	**112,694**
Acquisition of Associate	59,132,393	-	28,943,845	-
Sales/write-offs	-	(49,596)	-	(49,596)
Dividends received that concern the period prior to the participation's acquisition	(1,281,920)	-	(1,281,920)	-
Reversal of received dividends	(10,000)	(10,680)	-	-
Impairment	-	(4,404)	-	(4,404)
Share of profit/loss (after tax and minority interest)	2,411,206	10,863	-	-
Balance at end of period	**60,356,540**	**104,860**	**27,720,619**	**58,694**

Name	Domicile	Assets	Liabilities	Income	Profit/Loss	Participation percentage
31/12/2005						
Magnetic Health S.A.	Greece	1,035,739	511,437	2,020,515	54,316	20%
		1,035,739	**511,437**	**2,020,515**	**54,316**	
31/12/2006						
MITERA S.A.	Greece	94,261,814	46,151,062	68,793,797	12,716,064	24.84%
Magnetic Health S.A.	Greece	1,407,425	843,325	2,272,598	394,158	20%
		95,669,239	**46,994,387**	**71,066,395**	**13,110,222**	

During the period and specifically on 26/4/2006, the acquisition of 12.21% of the shares of MITERA PRIVATE MATERNITY AND SURGICAL CLINIC SOCIETE ANONYME (MITERA S.A.) was completed.

The total price for the acquisition of 12.21% of MITERA S.A.'s paid-up Share Capital, namely 4,135,225 common registered shares, amounted to € 28,943,845.
It is noted that on 2/5/2006, a dividend amounting to € 1,281,920 was received by MITERA S.A., which concerned net profit prior to the acquisition of the participation and thus according to IAS 18, the acquisition cost for the participation was reduced accordingly.

The share of profit from associate companies for 2006, concerns the period for which the Group owned a share in such. The profit amounting to 2,411,206 concerns by € 2,355,236 the share from the Participation in the company MITERA S.A. (for the period from 26/4 to 31/12/2006) and by € 55,970.38 the share from the participation in the company MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A. (for the period from 1/1 – 31/12/2006).

5.6.2 Investments in subsidiary companies

	COMPANY 31/12/2006
Balance at beginning of period	**886,364**
Changes for the period	
Acquisition of Associate	31,588,492
Dividends received that concern the period prior to the participation's acquisition	(1,156,575)
Balance at end of period	**31,318,281**

a) During the period and specifically on 26/4/2006, the acquisition of 100% of the shares of SOCIETE ANONYME HEALTH SERVICES AND INVESTMENTS HOLDINGS COMPANY (MITERA HOLDINGS S.A.) was completed.

The total price for the acquisition of 100% of MITERA HOLDINGS S.A.'s paid-up Share Capital, namely 3,304,500 common registered shares, amounted to € 31,524,930.

It is noted that on 29/12/2006, a dividend amounting to € 1,156,575 was received by MITERA HOLDINGS S.A., which concerned net profit prior to the acquisition of the participation and thus according to IAS 18, the acquisition cost for the participation was reduced accordingly.

The acquisition of MITERA HOLDINGS S.A., was registered in the financial statements by applying the purchase method.

The allocation of acquisition cost to the net assets of MITERA HOLDINGS S.A., as well as the goodwill that emerged during the acquisition date is as follows:

Acquisition date	26/04/2006
Acquired stake	100%
Purchase of Shares:	3,304,500
Acquisition Price (€ per share)	9.54
Cash Paid	**31,524,930**
Minus Dividends received	**(1,325,158)**
Minus fair value of Assets & Liabilities	**(22,977,942)**
Initial Recognized Goodwill	**7,221,830**

	Book Value	Fair Value
Tangible Fixed Assets	3,150.00	3,150.00
Participations in associate companies	1,000,465.00	30,191,240.00
Cash & cash equivalents	9,878.00	9,878.00
Deferred tax liabilities		-7,221,830.00
Suppliers and other liabilities	-1,805.00	-1,805.00
Total Company equity	1,011,688.00	22,980,633.00
Participation Percentage		100%
Fair Value		22,977,942.00

It is noted that the allocation of acquisition cost was finalized during the fourth quarter, after taking into account final estimations and subsequent events that altered the acquisition cost (dividend distribution from reserves that were created prior to the acquisition).

b) At the end of March, the Company acquired 70% of the company shares of ANIZ S.A. – Cafeteria and restaurant exploitation enterprises, for a price of € 63,561.70. The transaction was registered in the financial statements by applying the purchase method.

The net assets of ANIZ S.A., during the acquisition were as follows:

	Book Value	Fair Value
Tangible Fixed Assets	7,925	85,309
Deferred Income Tax	-	9,544
Inventories	5,931	5,931
Customers & other Receivables	70,079	19,333
Cash & Cash Equivalents	301,275	301,275
Loans	-	(70,561)
Provisions for employee benefits	-	(45,000)
Provisions for liabilities & Expenses	-	(42,300)
Suppliers & other Liabilities	(61,194)	(71,425)
Current Income Tax	(117,662)	(55,101)
Net Assets	206,354	137,005
Minority Interest (30%)		(41,101)
Net Assets acquired		95,904
Negative Goodwill		(32,342)
Total Price paid in cash		63,562
Net cash result from acquisition		(63,562)
Paid Price (including Expenses)		301,275
Cash & Cash Equivalents of Subsidiary		237,713

5.7 Other long-term receivables

The Group's and Company's other long-term receivables mainly concern given guarantees (rentals of spaces towards utility companies).

5.8 Inventories

The Group's and Company's inventories are analyzed as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Raw and auxiliary materials - consumables	2,478,087	2,160,943	2,745,087	2,427,943
Merchandise	381,232	581,876	-	-
Total	**2,859,319**	**2,742,819**	**2,745,087**	**2,427,943**

5.9 Customers and other trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers	30,445,164	29,183,847	30,007,377	29,094,189
Checks Receivable	1,497,289	652,385	1,497,289	652,385
Notes receivable	3,616,677	1,826,892	3,616,677	1,826,892
Notes overdue	1,427,553	1,331,226	1,427,553	1,331,226
Impairment provisions	(12,544,282)	(9,024,669)	(12,500,000)	(9,000,000)
Receivables from affiliated parties	0	0	186,842	250,000
Prepayments / Withheld income tax	1,019,973	563,012	1,019,973	563,012
Accrued income	1,110,235	717,533	1,110,235	717,533
Deferred expenses	277,532	161,710	277,532	161,710
Other receivables	531,232	151,930	526,662	151,929
Total	**27,381,373**	**25,563,865**	**27,170,139**	**25,748,875**

5.10 Cash & cash equivalents

The real weighted average interest rates for bank deposits was 4.65% (4.05% in 2005). The cash & cash equivalents, for the purposes of the cash flow statement, include the following:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash in hand	133,250	119,189	94,424	63,004
Short-term deposits	5,161,251	1,761,470	4,012,317	1,332,835
Total	**5,294,501**	**1,880,659**	**4,106,741**	**1,395,839**

5.11 Equity

i) Share capital

On December 31st 2006 the total issued common shares amounted to 64,200,000 common registered shares, with a nominal value of 0.41 Euro each. All issued shares are fully paid and are listed on the Athens Exchange.

		No. of shares (common shares)	Share Capital	Above par	Total
Balances	**01/01/2005**	**42,800,000**	**17,548,000**	**17,093,551**	**34,641,551**
Balances	**31/12/2005**	**42,800,000**	**17,548,000**	**17,093,551**	**34,641,551**
Issuance of new shares		21,400,000	8,774,000	51,146,000	**59,920,000**
Issuance expenses				(183,857)	
Balances	**31/12/2006**	**64,200,000**	**26,322,000**	**68,055,694**	**94,377,694**

On 18.07.2006 the Company's Ordinary General Shareholders' Meeting decided on the increase of the Company's share capital through cash and with a right of preference in favor of existing shareholders, by 8,774,000 euro with the issuance of 21,400,000 new registered shares with a nominal value of 0.41 euro each, which were issued at a price of 2.80 euro per share. Furthermore, the Ordinary General Meeting authorized the BoD, in case the new shares were not covered by existing shareholders, to distribute any possible indisposed shares at their discretion according to article 13 par. 5 verse c' of C.L. 2190/1920 at the same price.

From the indisposed shares, 253,180 shares were granted to BoD members, company executives and doctors as benefits. The value of the benefit was valued based on the price of the right during its last trading date, namely 0.68 €.

The burden for the results of 2006 amounted to € 172,162.40.

ii) Other Reserves

The Group's other reserves are analyzed as follows:

		GROUP					COMPANY				
		Ordinary reserve	Difference from value readjustment	Tax-exempt reserves	Reserv of granted shares	Total	Ordinary reserve	Difference from value readjustment	Tax-exempt reserves	Reserv of granted shares	Total
Balances	**01/01/2005**	**2,526,465**	**27,045**	**593,966**	**-**	**3,147,476**	**2,526,465**	**27,045**	**593,966**	**-**	**3,147,476**
Balances	**31/12/2005**	**2,526,465**	**27,045**	**593,966**	**-**	**3,147,476**	**2,526,465**	**27,045**	**593,966**	**-**	**3,147,476**
Transfer from earnings		-	-	-	**-**	**-**	-	-	-	**-**	**-**
Other changes for the period		-	-	-	172,163	**172,163**	-	-	-	172,163	**172,163**
Balances	**31/12/2006**	**2,526,465**	**27,045**	**593,966**	**172,163**	**3,319,639**	**2,526,465**	**27,045**	**593,966**	**172,163**	**3,319,639**

It is noted that the account "Other Reserves" in the individual and consolidated Balance Sheet also include the amount of "Above par", which has been analyzed in the "Share Capital" table.

5.12 Loan liabilities

The Group's loans and the relevant maturity dates are analyzed as follows:

	GROUP		COMPANY	
Long-term loans	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Bank loans	20,000,000	20,000,000	20,000,000	20,000,000
Leasing liabilities	120,199	268,039	75,517	241,027
Total	**20,120,199**	**20,268,039**	**20,075,517**	**20,241,027**
Short-term loans				
Bank loans	23,476,280	25,684,293	23,458,619	25,684,293
Leasing liabilities	226,379	598,748	213,959	583,585
Total	**23,702,659**	**26,283,041**	**23,672,578**	**26,267,878**
Total loans	**43,822,858**	**46,551,080**	**43,748,095**	**46,508,905**

	GROUP		COMPANY	
The maturity of loans is as follows:	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Up to 1 year	23,702,232	26,283,041	23,672,578	26,267,878
From 1 to 5 years	20,120,626	20,268,039	20,075,517	20,240,961
Over 5 years	-	-	-	-
	43,822,858	**46,551,080**	**43,748,095**	**46,508,839**

Leasing liabilities	GROUP		COMPANY	
Minimum lease payments:	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Up to 1 year	20,243,612	26,283,041	20,213,959	26,267,878
From 1 to 5 years	23,579,245	20,268,039	23,534,136	20,240,961
Over 5 years	-	-	-	-
	43,822,858	**46,551,080**	**43,748,095**	**46,508,839**

	GROUP		COMPANY	
Present value of leasing liabilities	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Up to 1 year	226,379	598,748	213,959	583,585
From 1 to 5 years	120,199	268,039	75,517	240,961
Over 5 years	-	-	-	-
	346,578	**866,787**	**289,476**	**824,546**

The real average weighted interest rates for the Group's loans as at the balance sheet date, are as follows:

	GROUP	COMPANY
	EUR	EUR
Bank debt (short-term)	5.03%	5.03%
Bank debt (long-term)	4.66%	4.66%

5.13 Deferred tax

The deferred tax receivables / liabilities, as such emerge from the relevant temporary tax differences, are as follows:

	GROUP				COMPANY			
	31/12/2006		31/12/2005		31/12/2006		31/12/2005	
	Receivable	**Liability**	**Receivable**	**Liability**	**Receivable**	**Liability**	**Receivable**	**Liability**
Intangible Assets	307,497	-	61,629	-	307,497	-	61,629	-
Tangible Assets	-	(6,383,251)	-	(5,355,150)	-	(6,383,251)	-	(5,355,150)
Tangible fixed assets through financial leasing	-	(1,638,018)	-	(1,266,729)	-	(1,633,034)	-	(1,263,975)
Participations	609,624	(7,221,830)	-	-	609,624	-	-	-
Employee Benefits	2,821,389	-	2,417,388	-	2,799,213	-	2,404,901	-
Provisions	-	-	978,000	-	-	-	978,000	-
Offsetting	**(3,738,510)**	**3,738,510**	**(3,457,017)**	**3,457,017**	**(3,716,334)**	**3,716,334**	**(3,444,530)**	**3,444,530**
Balance	**0**	**(11,504,590)**	**-**	**(3,164,862)**	**(0)**	**(4,299,952)**	**-**	**(3,174,595)**

The effective income tax rate to which the Group will be subject to for 2007 is equal to 25%.

The offset of deferred tax receivables and liabilities takes place when there is, from the company's perspective, an applicable legal right for such and when the deferred income taxes refer to the same tax authority.

5.14 Liabilities for employee benefits

	GROUP		COMPANY	
Liabilities for:	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Retirement benefits of L.2112/20	4,261,673	4,176,440	4,173,971	4,126,492
Retirement benefits of group pension plan 1697	6,209,802	5,682,756	6,209,802	5,682,756
Total	**10,471,475**	**9,859,196**	**10,383,773**	**9,809,248**

	GROUP		COMPANY	
Charges in the results for:	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Retirement benefits of L.2112/20	62,736	505,481	47,478	500,569
Retirement benefits of group pension plan 1697	527,046	808,436	527,046	808,436
Total	**589,782**	**1,313,917**	**574,524**	**1,309,005**

Retirement benefits of L.2112/20

The amounts registered in the Balance Sheet have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Present value of accumulated liability	4,790,635	5,074,717	4,697,733	5,020,139
Non-recognized actuarial losses	(528,962)	(898,277)	(523,762)	(893,647)
Total	**4,261,673**	**4,176,440**	**4,173,971**	**4,126,492**

The amounts registered in the Results have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Cost of current employment	327,264	281,919	314,502	279,175
Financial cost	189,355	189,417	186,859	187,249
Cost of settlements/termination of service	330,276	27,174	330,276	27,174
Depreciation of non-recognized actuarial losses	32,474	6,971	32,474	6,971
Normal expense in income statement	**879,369**	**505,481**	**864,111**	**500,569**

The movements of the liability that appears in the balance sheet are as follows:

	GROUP	COMPANY
Balance as at 1/1/2005	3,997,832	3,952,796
Total debit / (credit) to the results	505,481	500,569
Paid indemnities	(326,873)	(326,873)
Balance as at 31/12/2005	**4,176,440**	**4,126,492**
Total debit / (credit) to the results	15,258	864,111
Paid indemnities	(816,632)	(816,632)
Balance as at 31/12/2006	**3,375,066**	**4,173,971**

The main actuarial assumptions used are as follows:

	31/12/2006	**31/12/2005**
Discount rate	4.20%	4.00%
Future wage increases	4.00%	4.00%
Expected remaining working life	11.26	12.06

Retirement benefits of group pension plan 1697

The amounts registered in the Balance Sheet have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Present value of accumulated liability	8,884,748	9,237,372	8,884,748	9,237,372
Fair value of plan's assets	(1,765,981)	(1,892,885)	(1,765,981)	(1,892,885)
Non-recognized actuarial losses	(908,965)	(1,661,731)	(908,965)	(1,661,731)
Total	**6,209,802**	**5,682,756**	**6,209,802**	**5,682,756**

The amounts registered in the Results have been defined as follows:

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Cost of current employment	557,946	523,216	557,946	523,216
Financial cost	344,100	348,149	344,100	348,149
Expected return of plan's assets	(50,321)	(70,355)	(50,321)	(70,355)
Depreciation of non-recognized actuarial losses	64,623	7,426	64,623	7,426
Total, included in employee benefits	**916,348**	**808,436**	**916,348**	**808,436**

The movements of the liability that appears in the balance sheet are as follows:

	GROUP	COMPANY
Balance as at 1/1/2005	5,255,881	5,255,881
Total debit / (credit) to the results	808,436	808,436
Paid contributions	(381,561)	(381,561)
Balance as at 31/12/2005	**5,682,756**	**5,682,756**
Total debit / (credit) to the results	-	916,348
Paid contributions	-	(389,302)
Balance as at 31/12/2006	**5,682,756**	**6,209,802**

The main actuarial assumptions used are as follows:

	31/12/2006	**31/12/2005**
Discount rate	4.20%	4.00%
Expected return of plan's assets	4.20%	4.00%
Future wage increases	4.00%	4.00%
Expected remaining working life	11.95	11.42

5.15 Provisions for liabilities and expenses

The provisions that concern the Group and Company are recognized when there are present legal or constructive liabilities as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the liability can be reliably estimated. Contingent receivables are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

	GROUP			COMPANY		
Long-term provisions	**Pending judicial cases**	**Other provisions**	**Total**	**Pending judicial cases**	**Other provisions**	**Total**
Book value as at January 1st 2005	-	35,000	**35,000**	-	-	**0**
Additional provisions	1,500,000	20,000	1,520,000	0	0	0
Book value as at December 31st 2005	**1,500,000**	**55,000**	**1,555,000**	**1,500,000**	**0**	**1,500,000**
Additions from acquisition of subsidiaries	-	40,000	40,000	-	-	0
Additional provisions	500,000	430,000	930,000	500,000	410,000	910,000
Reclassification of account	0	490,000	490,000	-	490,000	490,000
Book value as at December 31st 2006	**2,000,000**	**1,015,000**	**3,015,000**	**2,000,000**	**900,000**	**2,900,000**

	GROUP			COMPANY		
Short-term provisions	**Pending judicial cases**	**Other provisions**	**Total**	**Pending judicial cases**	**Other provisions**	**Total**
Book value as at January 1st 2005	-	-	**0**	-	-	**0**
Additional provisions	-	133,000	133,000	-	133,000.00	133,000
Book value as at December 31st 2005	**0**	**133,000**	**133,000**	**0**	**133,000**	**133,000**
Additions from acquisition of subsidiaries	-	-	0	-	-	0
Additional provisions	-	156,000	156,000	-	156,000	156,000
Transfers to the results	-	(133,000)	(133,000)	-	(133,000)	(133,000)
Book value as at December 31st 2006	**0**	**156,000**	**156,000**	**0**	**156,000**	**156,000**
Total provisions	**2,000,000**	**1,171,000**	**3,171,000**	**2,000,000**	**1,056,000**	**3,056,000**

5.16 Suppliers and other liabilities

The analysis of balances for the Group's and Company's suppliers and other related liabilities is as follows:

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Suppliers	23,516,432	26,190,625	23,258,570	26,822,394
Checks payable	1,163,179	39,536	1,163,179	39,536
Social Security Funds and other taxes payable	2,893,038	2,494,224	2,846,909	2,477,075
Accrued expenses	1,950,475	1,197,448	1,826,423	1,197,448
Total	**29,523,123**	**29,921,833**	**29,095,080**	**30,536,453**

5.17 Cost of sales

The cost of sales is analyzed as follows:

Cost of sales	**GROUP**		**COMPANY**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Employee remuneration and expense	25,562,880	24,592,879	25,331,506	24,387,903
Third party remuneration and expen	9,742,176	10,408,853	9,736,766	10,397,595
Third party benefits	6,809,316	6,350,512	6,796,194	6,335,257
Materials used	29,586,751	25,833,437	30,529,325	27,916,056
Taxes - dues	380	1,507	380	1,507
Sundry expenses	1,318,701	2,416,392	1,243,247	2,256,246
Interest and related expenses	-	-	-	-
Depreciations	5,986,840	6,574,365	5,947,853	6,537,165
Operating provisions	361,502	504,196	361,502	504,196
Total	**79,368,544**	**76,682,141**	**79,946,773**	**78,335,925**

5.18 Administrative / distribution expenses

Administrative expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Employee remuneration and expenses	5,861,255	4,248,530	5,821,510	4,227,079
Third party remuneration and expenses	542,263	345,867	520,788	344,689
Third party benefits	1,340,191	1,105,104	1,336,411	1,103,508
Materials used	284,111	287,796	-	-
Taxes - dues	311,822	51,859	309,677	51,859
Sundry expenses	408,024	506,253	372,717	489,493
Interest and related expenses	-	-	-	-
Depreciations	456,829	508,038	437,066	504,145
Operating provisions	29,333	5,122	15,063	5,122
Total	**9,233,827**	**7,058,570**	**8,813,230**	**6,725,895**

Distribution expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Employee remuneration and expenses	508,570	269,486	250,243	257,569
Third party remuneration and expenses	9,835	37,795	9,520	37,140
Third party benefits	86,310	184,028	50,224	183,141
Materials used	157,839	159,887	-	-
Taxes - dues	-	-	-	-
Sundry expenses	312,822	345,894	272,737	336,583
Interest and related expenses	-	-	0	-
Depreciations	53,699	16,440	49,183	14,277
Operating provisions	19,612	-	-	-
Total	**1,148,687**	**1,013,528**	**631,907**	**828,709**

5.19 Other operating income / expenses

The other operating income and expenses for 2006 and 2005 are as follows:

Other operating income	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income from concessions	3,266,581	2,061,246	3,305,391	2,061,246
Income from special grants	341,060	257,583	341,060	257,583
Income from provision of services	716,256	579,813	716,256	579,813
Other income	179,525	243,755	156,057	234,045
Total	**4,503,422**	**3,142,397**	**4,518,764**	**3,132,687**

Other operating expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Provisions for Doubtful Receivables and other cases	4,019,612	2,157,669	4,000,000	2,133,000
Other expenses	213,458	80,522	213,208	80,522
Total	**4,233,070**	**2,238,191**	**4,213,208**	**2,213,522**

5.20 Financial income / expenses

Financial expenses	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Interest expenses of bank loans	4,446,460	1,762,322	4,446,460	1,762,298
Financial expenses from leasing contracts	29,663	41,560	22,285	39,775
Factoring interest and expenses	220,682	237,306	220,682	237,306
Other financial expenses	22,011	33,250	19,420	29,595
Minus: Loan interest of construction period	-	(1,376)	-	(1,376)
Total	**4,718,816**	**2,073,062**	**4,708,847**	**2,067,598**

Financial income	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Interest income	139,781	108,168	129,346.95	104,413
Total	**139,781**	**108,168**	**129,347**	**104,413**

5.21 Other financial results

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Income from dividends	8,102	6,600	767,600	767,280
Total	**8,102**	**6,600**	**767,600**	**767,280**

5.22 Income tax

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Current tax	(175,604)	(412,575)	-	-
Deferred tax	(1,772,819)	305,213	(1,771,011)	307,108
Total	**(1,948,423)**	**(107,362)**	**(1,771,011)**	**307,108**

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profit/(loss) before taxes	585,053	(2,239,257)	-	(2,714,133)
Taxes calculated with current tax rate and end of respective period in earnings	(169,665)	716,562	-	868,523
Income not subject to tax	-	5,589	-	(742,986)
Expenses non-recognized for tax purposes	(8,846)	(746,014)	-	245,530
Effect from the use of different income tax rates	-	16,527	-	16,067
Offsetting of fixed assets goodwill according to GAAP	-	-	-	-
Other	2,907	(100,026)	-	(80,026)
Total	**(175,604)**	**(107,362)**	**0**	**307,108**

5.23 Earnings per share

The basic earnings per share emerge from the division of the earnings corresponding to the parent's shareholders (after taxes), with the Company's weighted average number of common shares during the period. The diluted earnings per share coincide with the basic.

	GROUP		COMPANY	
Basic earnings per share	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Earnings corresponding to the parent's shareholders	1,036,863	(2,346,618)	(1,030,291)	(2,407,025)
Weighted average number of shares	43,562,192	50,329,633	43,562,192	50,329,633
Basic earnings per share (Euro per share)	**0.024**	**(0.05)**	**(0.024)**	**(0.05)**

5.24 Cash flows from operating activities

	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Earnings for the period	**1,036,863**	**(2,346,618)**	**(1,030,291)**	**(2,407,025)**
Adjustments for:				
Tax	1,948,424	107,362	1,771,011	(307,108)
Depreciations of tangible fixed assets	5,810,856	6,456,422	5,756,181	6,421,832
Depreciations of investment property	0	642,420	0	0
Depreciations of intangible assets	688,796	0	680,206	633,754
Provisions for staff indemnities	589,783	605,483	574,525	600,571
Provisions for doubtful receivables	3,519,613	524,669	3,500,000	500,000
Other provisions	500,000	1,633,000	500,000	1,633,000
(Profit)/loss from sale of tangible fixed assets	8,958	(62,744)	8,958	(60,958)
(Profit)/loss from purchase of company stake	(32,342)	0	0	0
(Profit)/loss from associate companies	0	0	0	4,404
Dividend income	(17,600)	(6,600)	(767,600)	(767,280)
Share of result in affiliate companies	(2,411,206)	(6,459)	0	0
Interest income	(140,284)	(108,168)	(129,347)	(104,413)
Interest expenses	4,717,824	2,073,062	4,707,626	2,067,598
Foreign exchange profit/(loss)	0	0	0	0
Other	110,877	0	110,877	0
	16,330,561	**9,511,829**	**15,682,147**	**8,214,375**
Changes in Working Capital				
(Increase)/decrease of long-term receivables	49,696	(6,875)	48,748	
(Increase)/decrease of inventories	(110,569)	(343,089)	(317,143)	(174,207)
(Increase)/decrease of receivables	(5,317,787)	(4,231,656)	(4,921,264)	(4,066,202)
Increase/(decrease) of liabilities	(901,983)	4,656,582	(2,190,267)	4,261,468
Increase/(decrease) of provisions	510,700	0	513,000	0
Increase/(decrease) of liability for staff retirement indemnities	552,021	0	574,525	(4,050)
	(5,217,921)	**74,962**	**(6,292,402)**	**17,009**
Net cash flows from operating activities	**11,112,640**	**9,586,791**	**9,389,745**	**8,231,384**

5.25 Obligations

Operating lease obligations – of the Company and Group as lessee.

The Group leases offices and storage spaces with operating leases that include several terms, readjustment provisions and renewal rights. The future minimum payable total leases according to the operating lease contracts, are as follows:

GROUP	**31/12/2006**
Up to 1 year	243,194
From 1 - 5 years	3,433,225
Over 5 years	3,455,510
Total	**7,131,929**

COMPANY	**31/12/2006**
Up to 1 year	195,624
From 1 - 5 years	3,314,078
Over 5 years	3,399,092
Total	**6,908,794**

5.26 Contingent receivables – liabilities

Information regarding contingent liabilities

The Group has contingent liabilities from issues that arise in the context of its normal activity. No substantial charges are expected to emerge from the contingent liabilities, apart from the provisions already created. In detail:

a) Letters of guarantee

On December 31st 2006 and 2005, ALPHA BANK S.A. had issued letters of guarantee in favor of the Company amounting to 1,591,115 Euro and 1,592,912 Euro respectively. This amount also includes the letter of guarantee towards the Health Servants Pension and Self-insurance Fund (T.S.A.Y.)

b) Significant pending judicial cases

I. Claims against HYGEIA S.A.

Cases that have been concluded and at the 2nd jurisdiction degree (finalized)

1) **<u>Imposition of Special Environmental and Traffic Application Duty by the Municipality of Amarousio</u>**

The Municipality of Amarousio imputed to Hygeia a Special Environmental and Traffic Application Duty amounting to **EURO 159,354.00**. It is noted that 40% of the aforementioned amount, namely **63,742 €** has been settled and is paid in installments (L. 1080/80 concerning tax differences between Municipalities and Tax Payers) and such are paid regularly and promptly.

2) <u>Imposition of Special Hospital and Medical Units Duty by the Municipality of Amarousio</u>

The Municipality of Amarousio confirmed through the Financial Department, against our Company, a Special Hospital and Medical Units Duty, amounting to **EURO 318,709.00.**

3) <u>G. Tolis Case</u>

The cardio-surgeon G. Tolis filed a suit, before the Athens Unilateral Court of First Instance, against the company, according to which he claimed the amount of **EURO 555,541.00,** interest bearing, for differences between the paid by the company remuneration towards him and the real remuneration owed as defined by the Greek State and the Social Security Funds.

II. <u>Pending Judicial Cases of "HYGEIA S.A."</u>

1) <u>Cases not covered by Mal-Practice</u>

The total amount of judicial claims not covered by Mal-practice, amounts to 460,351. The outcome of most judicial cases is considered positive for the Company and is estimated not to have a significant effect on its financial status.

2) Imposition of Fine by T.S.A.Y.

T.S.A.Y. had asserted for the period from October 1989 until March 1993, based on a decision by its Board of Directors, a claim against the Company concerning employer contributions on doctors fees amounting to 810 thousand Euro approximately, plus surcharges. Following, the Company took recourse action through the Administrative Athens Court of First Instance where with the Decision No. 2244/1997 was cleared. T.S.A.Y. filed an appeal against this decision to the Administrative Athens Court of Appeals, which was rejected with the Decision No. 4888/2000. With a new decision by its Board of Directors, T.S.A.Y. asserted for roughly the same period the amount of € 1,507,909 Euro. An equal letter of guarantee was given to T.S.A.Y., which regularly issues pension slips.

III. Claims of patients or successors of patients against HYGEIA S.A. (MAL PRACTICE cases)

Patients or successors of patients, judicially claim amounts from Doctors and the Company as indemnity of their loss and/or monetary compensation for moral injury or mental anguish, from claimed medical errors of doctors working with the Clinic. The amount of claims is approximately 40 million Euro. The outcome of most judicial cases is foreseen positive for the Company and is considered not to have a significant effect on its financial status as the specific judicial claims refer to claims of patients against doctors for monetary compensation for moral injury and are secondarily against the Company, considering the doctors are Company employees. It is noted that such doctors are independent partners and thus there is no guidance from the Company towards them, neither as regards to the time, nor as regards to the manner of their work. Finally, it is noted that even if the Court wished to adjudge an amount against the Company, this amount would be paid by the doctor's insurance company, given that the doctors working with the Company, of all specializations, are obliged to such insurance.

c) Presidential Decree 235/2000

According to the provisions of article 18 of P.D. 235/2000, the submission and operation in Private Clinics is prohibited for independent entities (that belong to other Physical of Legal Entities) of Private Entities of article 13 of L. 2071/1992 (Gov. Gazette 123/A/92), as is in effect following its replacement by article 4 of L. 2256/94 (G.G. 196/A/94). For Clinics, where such Entities operate, the effect of this provision commences two (2) months following the publication of the present presidential decree (G.G. 199/14.09.2000). It is noted that according to L. 3204/2003/A-296[1] the effect of the provision of verse 2, par. 1 of article 18 of P.D. 235/2000 commences from 01.01.2007.

d) Un-audited tax fiscal years

The parent company as well as the companies ALAN MEDICAL S.A. and ANIZ S.A. have been audited by the tax authorities until the fiscal year 2002 included. From February 2007 the parent company is undergoing the ordinary tax audit procedure for fiscal years 2003, 2004 & 2005, while an application has been submitted to the tax authorities to also include fiscal year 2006 in the audit, with the approval pending. Moreover, the subsidiary company ALAN MEDICAL S.A. is undergoing the ordinary tax audit procedure for fiscal years 2003, 2004 & 2005. The associate company MITERA S.A. has been audited by the tax authorities until the fiscal year 2003 included, while the company MITERA HOLDINGS S.A. has not been tax audited since its establishment.

[1] L. 3204/2003/A-296: «Amendments and completion of Legislation for National Health System – and regulations of other issues applying to the Ministry of Health and Welfare».

During the first months of 2005, the ordinary tax audit for fiscal years 2003 and 2004 was concluded for the company MAGNETIC HEALTH DIAGNOSTIC IMAGING S.A.

For the un-audited tax fiscal years stated above, there is a possibility that additional taxes and surcharges may be imposed during the time such are audited and finalized. The Group annually reviews the contingent liabilities that are expected to emerge from the audit of previous years, taking into account the respective provisions when deemed necessary. The management considers that apart from the created provisions, any possible taxes likely to arise will not have a significant effect on the Group's net position, the results and the cash flows.

5.27 Transactions with affiliated parties

Intra-company transactions

The following transactions and balances constitutes the transactions of the Group's subsidiaries. Such transactions, between companies included in the Group's consolidated Financial statements, are written-off during the full consolidation procedure.

INTRA-COMPANY RECEIVABLES - LIABILITIES 31/12/2006

		LIABILITY				
		HYGEIA S.A.	ALAN MEDICAL S.A.	ANIZ S.A.	MITERA HOLDINGS S.A.	TOTAL
RECEIVABLE	HYGEIA S.A.		175,000.00	11,842.00		186,842
	ALAN MEDICAL S.A.	893,536.00				893,536
	ANIZ S.A.	15,502.00				15,502
	MITERA HOLDINGS S.A.					0
	TOTAL	909,038	175,000	11,842	0	1,095,880

INTRA-COMPANY SALES PURCHASES 1/1 - 31/12/2006

		BUYER				
		HYGEIA S.A.	ALAN MEDICAL S.A.	ANIZ S.A.	MITERA HOLDINGS S.A.	TOTAL
SELLER	HYGEIA S.A.		10,981	39,479	0	50,460
	ALAN MEDICAL S.A.	3,839,926				3,839,926
	ANIZ S.A.	25,685				25,685
	MITERA HOLDINGS S.A.	0				0
	TOTAL	3,865,611	10,981	39,479	0	3,916,071

Transactions with affiliated parties

Sale of merch./services	GROUP 31.12.2006	COMPANY 31.12.2006
Subsidiaries		10,359
Associates	17,604	17,604
Other affiliated parties	3,010	3,010
Total	**20,614**	**30,973**

Other income	GROUP 31.12.2006	COMPANY 31.12.2006
Subsidiaries		785,213
Associates	1,533,683	2,700,258
Other affiliated parties	54,276	59,164
Total	**1,587,959**	**3,544,635**

Purchases of merchandise	GROUP 31.12.2006	COMPANY 31.12.2006
Subsidiaries		4,486,557
Associates	36,000	36,000
Other affiliated parties		
Total	**36,000**	**4,522,557**

Other expenses	GROUP 31.12.2006	COMPANY 31.12.2006
Subsidiaries		29,807
Associates	926,927	926,927
Other affiliated parties	455,040	455,040
Total	**1,381,967**	**1,411,774**

Receivables	GROUP 31.12.2006	COMPANY 31.12.2006
Subsidiaries		186,842
Associates		
Other affiliated parties	2,846,074	2,316,663
Total	**2,846,074**	**2,503,505**

Liabilities	GROUP 31.12.2006	COMPANY 31.12.2006
Subsidiaries		909,038
Associates	582,070	582,070
Other affiliated parties	11,587,120	11,587,120
Total	**12,169,190**	**13,078,228**

Benefits towards basic management executives

CATEGORY	DESCRIPTION	GROUP 2006	GROUP 2005	COMPANY 2006	COMPANY 2005
BoD	WAGES	605,659	360,325	605,659	360,325
	SOCIAL SECURITY COST	24,908	16,817	24,908	16,817
	BONUS	0	0		
	OTHER REMUNERATION	259,088	10,352	259,088	10,352
	STOCK OPTIONS	81,500	0	81,500	
SENIOR EXECUTIVES	WAGES	829,526	655,302	750,534	582,500
	SOCIAL SECURITY COST	73,215	126,252	73,215	53,450
	BONUS	25,395	84,642	25,395	11,840
	OTHER REMUNERATION	165,609	85,678	165,609	12,876
	STOCK OPTIONS	39,197	72,802	39,197	
TOTAL		**2,104,097**	**1,412,171**	**2,025,105**	**1,048,161**

No loans have been provided to the Group’s BoD members or senior executives (and their families).

5.28 Revision of accounts

Reclassifications of accounts took place in the Company’s and Group’s results accounts for 2005, in order to render such comparable with the respective accounts of the current period and to present the performance analysis in a more proper manner. The reclassifications did not impose any change in the Company’s and Group’s results.

The differences in the secondary accounts are presented below:

	GROUP	COMPANY	GROUP	COMPANY
	AS HAD BEEN PUBLISHED	AS HAD BEEN PUBLISHED	AS EMERGED AFTER RESTATEMENT	AS EMERGED AFTER RESTATEMENT
Sales	83,558,207	83,453,136	83,558,207	83,453,136
Cost of sales	(80,674,208)	(82,310,465)	(76,682,141)	(78,335,925)
Gross profit	**2,883,999**	**1,142,671**	**6,876,066**	**5,117,211**
Other operating income	3,023,120	3,770,335	3,142,397	3,132,687
Administrative expenses	(5,738,547)	(5,555,137)	(7,058,570)	(6,725,895)
Distribution expenses	(341,225)	0	(1,013,528)	(828,709)
Other operating expenses	0	0	(2,238,191)	(2,213,522)
Financial income	0	0	108,168	104,413
Financial expenses	(2,073,062)	(2,067,598)	(2,073,062)	(2,067,598)
Other financial results	0	0	6,600	767,280
Profit from acquisition of companies	0	0	0	-
Profit/(loss) from associates	6,459	(4,404)	10,863	-
Net profit/(loss) for the period before taxes	**(2,239,256)**	**(2,714,133)**	**(2,239,257)**	**(1,195,905)**
Income tax	(107,362)	307,108	(107,362)	307,108
Net profit/(loss) for the period after taxes	**(2,346,618)**	**(2,407,025)**	**(2,346,619)**	**(888,797)**

	31/12/2005		31/12/2005	
	Ο ΟΜΙΛΟΣ	**Η ΕΤΑΙΡΙΑ**	**Ο ΟΜΙΛΟΣ**	**Η ΕΤΑΙΡΙΑ**
	ΟΠΩΣ ΕΙΧΕ ΔΗΜΟΣΙΕΥΘΕΙ	**ΟΠΩΣ ΕΙΧΕ ΔΗΜΟΣΙΕΥΘΕΙ**	**ΟΠΩΣ ΠΡΟΕΚΥΨΕ ΜΕΤΑ ΤΗΝ ΑΝΑΚΑΤΑΤΑΞΗ**	**ΟΠΩΣ ΠΡΟΕΚΥΨΕ ΜΕΤΑ ΤΗΝ ΑΝΑΚΑΤΑΤΑΞΗ**
Πωλήσεις	83.558.207	83.453.136	83.558.207	83.453.136
Κόστος πωληθέντων	(80.674.208)	(82.310.465)	(76.682.141)	(78.335.925)
Μικτό κέρδος	**2.883.999**	**1.142.671**	**6.876.066**	**5.117.211**
Λοιπά λειτουργικά έσοδα	3.023.120	3.770.335	3.142.397	3.132.687
Έξοδα διοίκησης	(5.738.547)	(5.555.137)	(7.058.570)	(6.725.895)
Έξοδα διάθεσης	(341.225)	0	(1.013.528)	(828.709)
Λοιπά λειτουργικά έξοδα	0	0	(2.238.191)	(2.213.522)
Χρηματοοικονομικά έσοδα	0	0	108.168	104.413
Χρηματοοικονομικά έξοδα	(2.073.062)	(2.067.598)	(2.073.062)	(2.067.598)
Λοιπά χρηματοοικονομικά αποτελέσματα	0	0	6.600	767.280
Κέρδος από απόκτηση εταιριών	0	0	0	0
Κέρδη/ (ζημίες) από συγγενείς	6.459	(4.404)	10.863	0
Καθαρά κέρδη/(ζημίες) περιόδου προ φόρων	**(2.239.256)**	**(2.714.133)**	**(2.239.256)**	**(2.714.133)**
Φόρος εισοδήματος	(107.362)	307.108	(107.362)	307.108
Καθαρά κέρδη/ (ζημίες) περιόδου μετά φόρων	**(2.346.618)**	**(2.407.025)**	**(2.346.618)**	**(2.407.025)**

5.29 Change in accounting policy

During 2006, the Company changes the accounting policy for handling income/consumables from medicines and special materials. In the current financial statements the relevant accounts are included in the income statements (sales and cost of sales respectively).

The change in the aforementioned policy has no effect on earnings before taxes, equity of previous periods and earnings per share , given that the specific items are charged to patients without a profit margin.

The aforementioned differentiation imposed an equal change in turnover and in cost of sales for 2005, for the company by € 20,589,691 and for the group by € 20,226,193.

5.30 Events after the balance sheet date

On 07/02/2007, the Extraordinary General Shareholders Meeting decided on amending the Company's Articles of Association in order to render the Company able to acquire or establish subsidiaries abroad. This amendment was necessary given that foreign investments constitute one of its basic strategy priorities. In the same line, the same G.M. decided to renew its instruction towards the Board of Directors in order for the Company to issue a Convertible Bond Loan amounting to € 300,015,000, to finance the aforementioned investments.

With the above decisions, the procedures to establish the company that will manage the Private Medical Institution in Albania in cooperation with the company Eurodrini ShA, commenced. The Hospital, which is expected to be completed in 2008, has a capacity of 150 beds and will be located at a central point in Tirana.

The Company is expecting the completion of negotiations between the Hellenic Red Cross and the Greek State in order to go forward with the completion of its agreement with the Red Cross for the construction and operation of a Maternity clinic in the area of the hospital Asklipio Voula.

During the first quarter of 2007, the company also went forward with renting a storage area of 3,500 sq.m. in Lykovrysi Attica. Initially the central warehouses will be transferred to the aforementioned area and following the laundry and ironing, in order for such to operate serving all the partner hospitals with the lowest cost. The areas thus released in the Hygeia central building will be accordingly utilized, in order to further develop the company's medical services.

THE BoD VICE-CHAIRMAN	THE CHIEF EXECUTIVE OFFICER	THE HEAD ACCOUNTANT
THEM. HARAMIS ID No. K912654	PASCH. BOUCHORIS ID No. AA019554	MICHAEL S. MANOUSAKIS ID No. AB669445