

Company Report

FLASH NOTE
August 2012

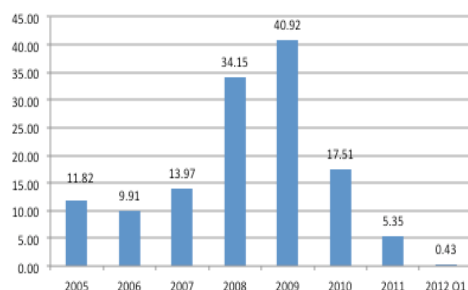
Valuation & Research Specialists (VRS)

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Share Price (2/8/2012)		€ 0.526	
Number of Shares (.000)	53,155		
Market Cap (in € mn)	27.95		
Average Daily Volume (p)	15,397		
Beta (vs. ASE G.I. – 1y, based on daily returns)	0.62		
Statistical Data			
	IASO	ASE (index)	
Max 52 week	1.08 €	1101.31	
Min 52 week	0.50 €	476.36	
1-M Rtn	-3.13%	-3.69%	
6-M Rtn	-21.49%	-25.20%	
12-M Rtn	-51.30%	-46.18%	
Shareholders' Structure			
Free Float	89.95%		
Euromedica SA	10.05%		

Source: The Company, Reuters, VRS.

Historic Capex (EUR million, consolidated)



Source: The Company.

Share Price Performance (1 year, in €)



IASO Group [Bloomberg Ticker: IASO:GA, Reuters Ticker: IASr.AT]

Sector: Consumer, Non-cyclical **Industry: Healthcare Services - Hospitals**

Business Profile – Growth Drivers

- IASO Private General Obstetric – Gynecological and Paediatrics Clinic – Diagnostic, Therapeutic and Research Center is a company engaged in the provision of healthcare services, including a range of hospital, diagnostic, therapeutic and research services. The company operates IASO maternity hospital, IASO Children hospital, IASO General hospital (subsidiary) and IASO Thessalias (subsidiary). It also operates one subsidiary, MedStem Services, a company operating CryoBanks services, in processing and storage of neonates' umbilical cord mesenchymal cells. Filoktitis SA, an affiliate of the Group, provides services of rehabilitation for people in need, following a serious illness, accident or severe burns. IASO Group is based in Greece, and is listed on the Athens Exchange.
- IASO SA has a capacity of 441 beds (IASO, IASO Children's hospital, Intensive care unit, neonatal intensive care unit) with the employed personnel standing at 843 persons as of 31/12/2011. IASO General has a capacity of 237 beds, with the total number of employed personnel standing at 530 persons. IASO Thessalias and Filoktitis have a capacity of 213 and 125 beds, employing 198 and 151 persons respectively.
- IASO SA and IASO General account for 92% of revenues, while the rest 8% comes from IASO Thessalias and Medstem Services. Inpatients account for 78.9% of cases, while outpatients for 21.1%. The Company has invested significantly in tangible and intangible capital. Aggregate capital expenditures since 2005 amount to EUR 134.05 million, with a downward trend since 2009.

Financial Highlights 2011 (Consolidated)

- 2011 was a challenging year for the Group, since it had to cut its pricing to become more competitive and retain its clientele. It had to implement also measures of payroll, consumables and other operational cost reductions and to adjust to the new pricing policies of the newly-founded National Organization for Purchasing Health Care Services (EOPYY).
- As of 31 December 2011, the Group's equity had settled at EUR 137.83 million, with retained losses of EUR 28.5 million (growth of 13.3% year-to-year), with its outstanding long-term and short-term bank debt at EUR 155.61 million. Cash and cash equivalents amounted to EUR 7.58 million. Net cash flows from operating activities stood at EUR 8.15 million at year-end 2011, compared to EUR 5 million in 2010.
- In 2011, the Group generated sales of EUR 124.37 million with a gross margin of 11.6% (12% in 2010). 2011 EBITDA grew by 4.38% on a yearly basis amounting to EUR 20.13 million. EBT and Net Income stood at EUR 1.22 and EUR -2.54 million respectively. [Source: IFRS based Financial Statements.]
- As of 2011, the Group's revenue breakdown had settled as following: IASO SA: 41.5% deliveries, 23% diagnostics, 15.8% surgical procedures, 10.4% special units, 6.7% pediatrics and 2.5% pre labor monitoring. IASO General: 55.3% surgical procedures, 29.4% pathological and 15.2% diagnostic. [Source: Corporate Presentation.]

First Quarter 2012 Results (Consolidated)

- In 1Q 2012, there was 3% decrease in sales as compared to 1Q 2011. Gross profit decreased to EUR 4.02 million (from EUR 4.12 in 1Q 2011), while net loss settled at EUR 0.43 million versus profit of EUR 1.16 million in 1Q 2011.
- As of 31 March 2012, the Group's equity accounted for EUR 137.39 million with its total long-term and short-term debt at EUR 154.76 million. Cash and cash equivalents amounted to EUR 8.16 million. Net cash flows from operating activities stood at EUR 4.59 million in 1Q 2012.
- As for the expectations on the remaining year, the Company expects a further reduction of patients' disposable income, as well as reduction of financing. In Q1 2012, the company proceeded in a significant restructuring of its bank debt, and converted approximately EUR 63 million of short-term (12-month) bank debt into long-term debt.

Important Note: IASO Group made a corporate presentation of its full year 2011 results on 30 May 2012, in Athens, Greece.

BASIC FINANCIAL INDICATORS

(in € mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT/EQUITY (x)	ROE %
2009	178.50	37.51	26.62	13.74	2.04	0.21	4.40	1.07	10.18%
2010	149.07	19.29	5.80	-1.87	n/c	0.21	9.51	1.16	-1.37%
2011	124.37	20.13	1.23	-2.54	n/c	0.20	8.99	1.13	-1.85%

Source: Official Consolidated Financial Statements (based on IFRS), VRS Calculations.

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Covered Company	Bloomberg	Reuters	Share Price Close	Date	Disclosure
IASO Group	IASO:GA	IASr.AT	€ 0.526	August 2, 2012	2, 3

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