



9 month Report 2006

Highlights January –September 2006

- Revenue for the nine months amounted to € 54.4 (€ 42.4 million), representing 28 percent growth versus last year. Excluding the acquisition effect, the revenue growth was 23 percent.
- Revenue for the third quarter amounted to € 18.4 million (€ 15.0 million), representing 22 percent revenue growth versus the corresponding period last year. Excluding the acquisition effect, the revenue growth was 20 percent.
- Constant currency growth versus last year for the 9 months amounted to 25 percent (excluding acquisition effects 20 percent) and for the third quarter to 21 percent (excluding acquisition effects 19 percent).
- Member growth for the 9 months amounted to 40,200, which was 19 percent above last year's 33,900 new members for the same period. During the third quarter we increased our member base by 12,800 new members versus 8,500 for the same period last year. Our total member base by end of the third quarter was 230,900, representing member growth of 33 percent versus last year.
- The operating profit (EBIT) for the first nine months reached € 1.9 million (€ 1.5 million) and for the third quarter € 0.8 million (€ 0.6 million).
- The operating profit before depreciation and amortization (EBITDA) for the nine months amounted to €5.3 million (€ 4.1 million) or 9.8 percent of revenue (9.6 percent of revenue) and for the third quarter to € 2.0 million (€ 1.6 million) or 10.8 percent of revenue (10.7 percent of revenue).
- Net cash inflow from operating activities after tax payments was € 3.2 million (inflow € 2.3 million) for the nine months and € 2.2 million (inflow € 0.6 million) for the third quarter.
- The profit after tax for the nine months amounted to € 2.2 million (€ 0.5 million) equivalent to a profit per share of € 0.153 (€ 0.040) and the diluted profit per share was € 0.151 (€ 0.040). The third quarter profit after tax was € 1.1 million (€ 0.4 million) equivalent to a profit per share of € 0.080 (€ 0.031) and the diluted profit per share was € 0.078 (€ 0.031).
- During the Extraordinary General Meeting of the shareholders, held on November 9th 2006, the shareholders resolved to de-list Medicover from the Stockholm Stock Exchange.

Dear Shareholders,

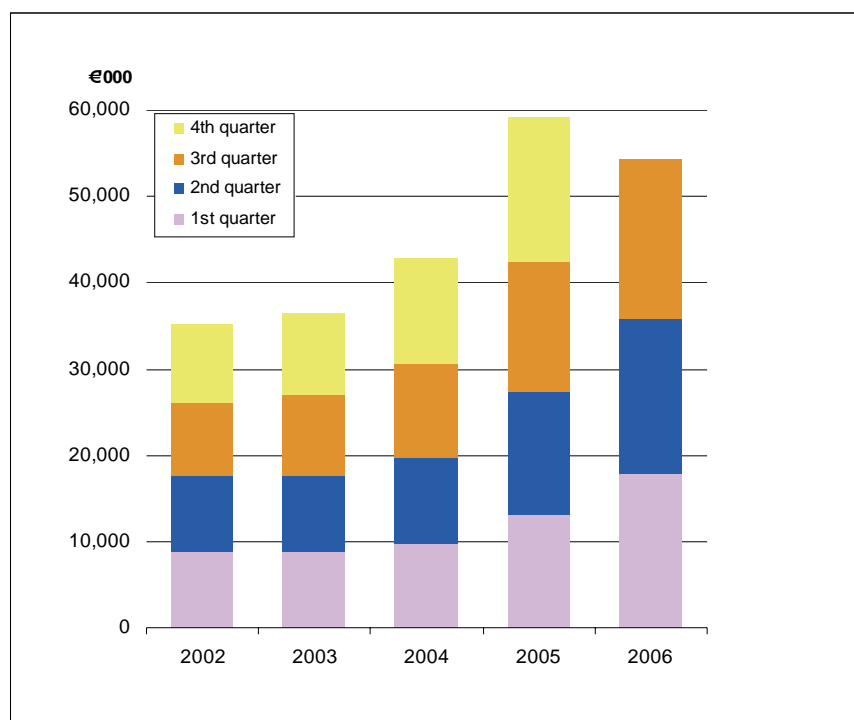
We are pleased to be able to report another quarter with continued healthy revenue growth and improving operating results. Both within our Clinics and Laboratory businesses we continue to experience strong demand for our services in the important main Polish market as well as in the fast growing Romanian market.

Revenue for the nine months was € 54.4 million, representing 28 percent growth versus the corresponding period last year, of which organic growth was 23 percent. Constant currency growth versus last year for the 9 months amounted to 25 percent (excluding acquisition effects 20 percent) and for the third quarter to 21 percent (excluding acquisition effects 19 percent).

Revenue for the third quarter amounted to € 18.4 million (€ 15.0 million), representing 22 percent revenue growth versus last year, excluding acquisitions the growth was 20 percent.

We are pleased to see the robust revenue growth trend continuing and interpret this as both a sign of the continued positive economic development in our region as well as the strength in the Medicover business model, service quality and brand name.

Member growth for the 9 months amounted to 40,200, some 19 percent above last year's 33,900 new members for the same period. During the third quarter we increased our member base by 12,800 members versus 8,500 for the same period last year. Our total member base by end of the third quarter was 230,900, representing member growth of 33 percent versus last year.



Our Clinics business, which represented 77 percent of 9 month consolidated revenue, reported revenue of € 42.1 million for the 9-month period, an increase of 25 percent versus the prior year, and € 14.3 million for the third quarter, representing 21 percent increase versus the prior year.

The Laboratory business, which represented 23 percent of first 9 month consolidated revenue, reported external lab revenue of € 12.2 million for the 9 months, an increase of 40 percent versus the prior year, and € 4.1 million for the third quarter, up 29 percent versus last year.

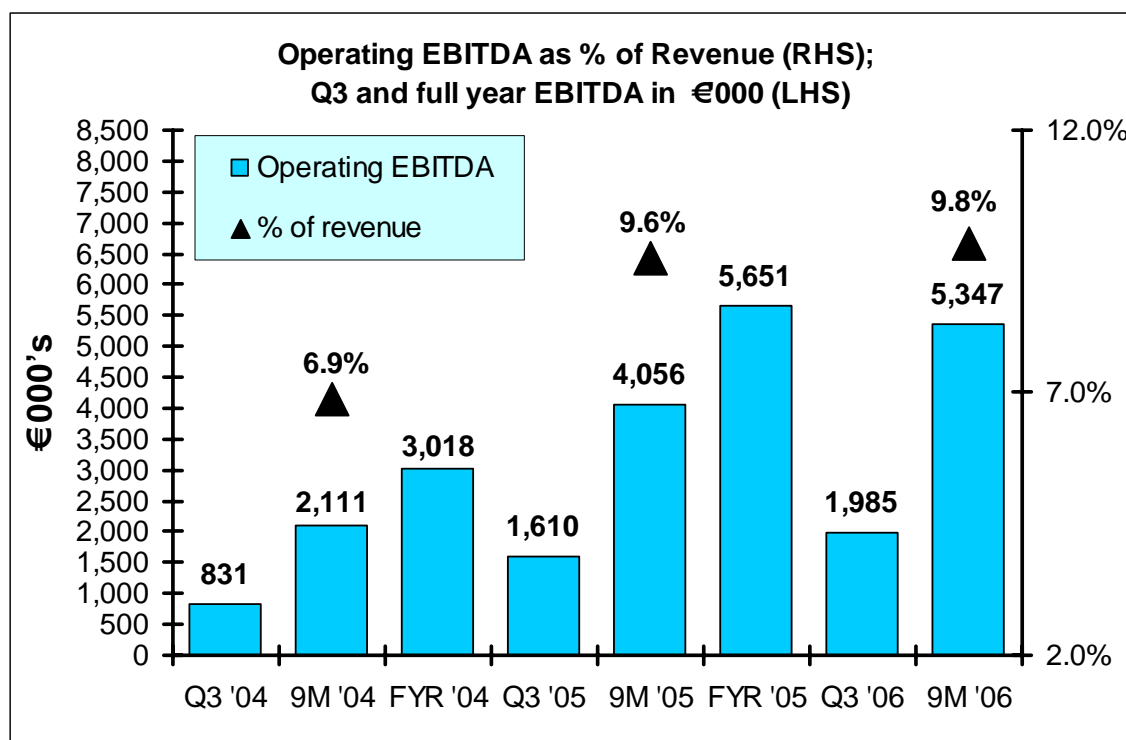
The operating profit for the 9 months (EBIT) reached € 1.9 million or 3.6 percent of revenue versus last year's € 1.5 million (3.5 percent), and for the third quarter € 0.8 million or 4.4 percent of revenue (€ 0.6 million or 4.1 percent).

The operating profit is after a non cash amortization charge for the 9 months of € 265,000 (2005: € 41,000) and € 87,000 for the third quarter (2005: € 41,000), arising from application of the international standard for acquisition accounting, which is similar to goodwill amortization, as well as a non cash charge of € 62,000 (€ 38,000) for the 9 months and € 21,000 (€ 13,000) for the third quarter arising from expensing share options issued under the employee incentivisation plan.

The operating profit before depreciation and amortization (EBITDA) for the nine months amounted to € 5.3 million or 9.8 percent of revenue (€ 4.1 million or 9.6 percent of revenue) and to € 2.0 million for the third quarter or 10.8 percent of revenue (€ 1.6 million or 10.7 percent of revenue).

Net cash inflow from operating activities after tax payments was € 3.2 million for the nine months (inflow € 2.3 million) and € 2.2 million for the third quarter (inflow € 0.6 million).

The profit after tax for the nine months amounted to € 2.2 million versus last year's € 0.5 million and to € 1.1 million for the third quarter versus € 0.4 million in the prior year.



The depreciation and amortization expense included in the medical provision costs for the nine months is € 2.4 million (€ 1.7 million) or 4.4 percent (4.1 percent) of revenue and for the third quarter € 0.8 million (€ 0.7 million) or 4.4 percent (4.6 percent) of revenue.

Medical costs including depreciation, for the nine-month period amounted to € 37.1 million (€ 27.7 million) or 68.2 percent (65.2 percent) of revenue and for the third quarter € 12.4 million (€ 9.9 million) or 67.4 percent (66.1 percent) of revenue.

Sales and marketing costs for the nine months amounted to € 4.3 million (€ 3.8 million) or 8.0 percent (8.9 percent) of revenue and for the third quarter to € 1.4 million (€ 1.2 million) or 7.9 percent (8.1 percent) of revenue.

Administrative costs for the nine months amounted to € 11.0 million (€ 9.5 million) or 20.2 percent (22.4 percent) of revenue and to € 3.7 million for the third quarter (€ 3.3 million) or 20.3 percent (21.7 percent) of revenue.

Key Operating Ratios

	3Q 2006	3Q 2005	9M 2006	9M 2005	Year 2005
Member Base	230,900	173,800	230,900	173,800	190,700
Revenue €000's	18,369	15,045	54,361	42,429	59,236
% of Revenue					
Medical costs	67.4%	66.1%	68.2%	65.2%	65.9%
Sales & Marketing	7.9%	8.1%	8.0%	8.9%	8.9%
Administration	20.3%	21.7%	20.2%	22.4%	21.8%
Operating EBITDA	10.8%	10.7%	9.8%	9.6%	9.5%
Operating EBIT	4.4%	4.1%	3.6%	3.5%	3.4%

Investment activities

The investment result amounted to € 0.7 million for the 9 months and to € 0.7 million for the third quarter principally relating to revaluation of equity shares. During the nine months, € 0.4 million has been received from private equity fund liquidations.

Liquidity

Cash net of short term debt amounted to € 7.2 million, a decrease of € 0.9 million for the nine months and an increase of € 0.9 million for the third quarter.

Cash flow

Cash inflow generated by operations before working capital changes and tax payments was € 5.5 million (inflow € 4.0 million) for the 9 months and € 2.0 million for the third quarter (inflow € 1.5 million). Working capital movements amounted to € 1.7 million cash outflow (outflow € 0.7 million) for the 9 months and 0.4 million cash inflow (outflow € 0.4 million) for the quarter. € 0.6 million of tax payments were made (€ 1.0 million) in the nine months and € 0.2 million (€ 0.4 million) in the third quarter. Net cash inflow from operating activities after tax payments was € 3.2 million (inflow € 2.3 million) for the 9 months and € 2.2 million (inflow € 0.6 million) for the third quarter.

Cash outflows for capital expenditure for the 9-month period were € 4.3 million (outflow € 2.8 million), and for the third quarter € 1.3 million (€ 1.2 million), reflecting the increase in medical fixed capacity in both Polish and Romanian markets.

Financial costs

Finance income after foreign exchange costs was € 0.5 million (€ 0.6 million costs) for the nine months and nil for the third quarter (€ 0.2 million costs).

Operational review
Poland

The strength in the Polish economy has continued during the summer and autumn months with latest expectation of full year 2006 GDP growth of around 5 percent and a similar expectation for 2007. Industrial production growth continues to be a driver of the economy, with a 12.5 percent growth versus last year by the end of the third quarter. Unemployment is still high but has come down to 15.7 percent, helped by significant labor migration.

The political situation has remained turbulent, with the coalition breaking up during September and the potential of early elections looming on the horizon. Contrary to most expectations the leading PiS party managed to bring back the previous coalition and this way, at least for now, avoid early elections. The

financial markets have reacted calmly to the developments with the currency even strengthening somewhat versus the Euro.

Medicover Poland continued to report strong member growth numbers, reaching 27,200 new members for the nine months versus 25,400 for the prior year period and 7,300 new members for the third quarter. The prior year period included a particularly large contract signed with a financial services institution, covering almost half of the nine months member growth total, whereas this year no such single large contract is influencing the numbers, illustrating the robust underlying sales pipeline. The total member-base of 153,500 is up 29 percent versus the prior year.

Revenue for the nine months amounted to € 30.4 million (€ 24.0 million) which was up 27 percent versus the previous year. Poland reported revenue of € 10.4 million (€ 8.6 million) for the third quarter, representing growth of 21 percent versus the prior year. Constant currency revenue growth was 22 percent for the nine months and 19 percent for the third quarter.

We continue to progress on the hospital project in Warsaw, with a maintained expectation to be able to commence construction during the spring of 2007.

Romania

The economy has continued to show strong growth with first half 2006 with GDP growth of 4.6 percent and full year estimates of around 5.2 percent. Inflation continues to reduce, currently running at 6.5 percent.

Member growth for the nine month period was 6,600 versus 5,400 for the same period last year, bringing the total member-base to 41,400, an increase of 40 percent on last year (29,500). Medicover Romania reported robust member growth for the third quarter of 4,400 new members versus 400 in the same quarter last year.

Revenue for the nine month period was € 6.2 million (€ 4.7 million), up 33 percent on the prior year period, while the third quarter amounted to € 2.2 million (€ 1.7 million), representing 31 percent revenue growth.

Hungary

The Hungarian political situation has been prime news across the entire European Union, following the revelations by the Prime Minister that he had misrepresented the state of the economy. Following several weeks of turmoil with street riots and demonstrations, the situation has calmed down somewhat. The Hungarian economy remains vulnerable due to the exceedingly large budget deficit, with an austerity program overdue. The currency has lost 9 percent of its value to the Euro since the beginning of the year.

Member growth for the nine month period amounted to 4,600 new members (400), bringing the total member-base to 12,600 or an increase of 125 percent on last year. Member growth in Hungary for the third quarter was 400 new members versus 100 for the same quarter last year.

Revenue reached € 2.4 million (€ 2.3 million) for the nine months and € 0.7 million (€ 0.8 million) for the third quarter, which is in line with the prior year periods. Medicover Hungary will open a new service site on the Buda side of Budapest during the first quarter 2007, catering to the growing number of members.

Czech Republic

Czech member growth for the nine months was 1,100 (1,600) and 700 new members (700) were added for the third quarter. The total member-base of 15,900 is up 14 percent on last year.

Revenue for the nine month period amounted to € 1.6 million (€ 1.5 million), which represented a modest growth of 9 percent versus last year, while third quarter amounted to € 0.6 million (€ 0.4 million) some 25 percent above last year.

Estonia

The Estonian member-base increased with 700 new members for the nine months (1,100) and was flat for the third quarter (100). The member-base of 7,500 is up 21 percent on last year.

Revenue for the nine month period was € 1.5 million (€ 1.3 million), some 22 percent above the prior year. Revenue for the third quarter amounted to € 0.5 million (€ 0.4 million), 25 percent above last year.

Laboratory services

Our laboratory activities, which trade under the name "Synevo- Medicover laboratory Services" reported revenue for the nine months of € 13.7 million (including € 1.5 million inter-segment), representing 39 percent growth versus the previous year, of which 15 percent was organic growth. Revenue for the third quarter reached € 4.6 million (including € 0.5 million inter-segment) which represented 29 percent revenue growth, of which 20 percent was organic growth.

Synevo Romania reached revenue of € 6.3 million for the 9 months (including € 0.5 million inter-segment), representing organic growth of 5 percent and to € 2.1 million for the third quarter (including € 0.2 million inter-segment) representing organic growth of 4 percent.

Synevo Poland had revenue of € 6.6 million for the nine months (including € 1.0 million inter-segment), which was a 94 percent increase on the previous year, of which 23 percent was organic growth. Third quarter revenue was € 2.2 million (including € 0.3 million inter-segment), representing 50 percent growth of which 29 percent was organic.

Clinical Trials revenue for the nine months amounted to € 0.8 million and to € 0.3 million for the third quarter (€ 0.4 million and € 0.1 million respectively).

Outlook

We remain optimistic as to the future revenue- and earnings growth potential for Medicover. We continue to believe that Central and Eastern Europe will produce above average economic growth and more and more consumers will consider private healthcare as an attractive and affordable complement to the public system.

Medicover will benefit from our market leading position and strong customer base. We will develop new and attractive services, such as our private hospital development in Warsaw as well as our focus and efforts on further improving our customer service abilities. In our Synevo laboratory business we will continue to seek both organic- and acquisition growth opportunities, within our two current markets and in new territories.

During the Extraordinary General Meeting of shareholders in Medicover, which took place on November 9th 2006, the shareholders decided to seek a de-listing of Medicover from the Stockholm Stock Exchange. As a consequence this 9-month report will be the last public reporting for Medicover. I would like to take this opportunity to thank all our current and historic shareholders for their positive support during the ten years that we have been listed on the Stockholm Stock Exchange.

The last trading day at the stock exchange will be 7th December 2006.

Fredrik Rågmark
Chief Executive Officer
November 2006

Consolidated Income Statement

€'000	Unaudited Quarter ended 30 September 2006	Unaudited Quarter ended 30 September 2005	Unaudited 9 month ended 30 September 2006	Unaudited 9 month ended 30 September 2005
Revenue	18,369	15,045	54,361	42,429
Operating expenses				
Medical provision costs	(12,389)	(9,938)	(37,100)	(27,667)
Distribution, selling and marketing costs	(1,446)	(1,222)	(4,341)	(3,773)
Administrative costs	(3,725)	(3,268)	(10,983)	(9,512)
Total operational expenses	(17,560)	(14,428)	(52,424)	(40,952)
Operating profit	809	617	1,937	1,477
Investment profit	668	432	738	581
Net investment profit	668	432	738	581
Interest income	66	66	159	120
Interest expense	(83)	(239)	327	(647)
Foreign exchange gain / (loss)	17	(53)	(5)	(50)
Total financial expenses	-	(226)	481	(577)
Profit before tax	1,477	823	3,156	1,481
Income tax	(343)	(382)	(979)	(963)
Profit for the period	1,134	441	2,177	518
<i>Per ordinary share information</i>				
Profit per share	€0.080	€0.031	€0.153	€0.040
Diluted profit per share	€0.078	€0.031	€0.151	€0.040

Consolidated Balance sheet

€'000	Unaudited Quarter ended 30 September 2006	Audited Year ended 31 December 2005
Non-current assets		
Purchased goodwill	4,132	4,167
Intangible fixed assets	3,358	3,425
Tangible fixed assets	11,803	11,077
Total fixed assets	19,293	18,669
Private equity funds	996	996
Deferred tax asset	777	542
Investment in associates	2,366	2,253
Total non-current assets	23,432	22,460
Current assets		
Equity shares	2,026	1,295
Private equity funds	85	359
Inventories	941	974
Receivables	9,407	6,271
Cash and cash equivalents	7,795	9,247
Total current assets	20,254	18,146
Total assets	43,686	40,606
Share capital and reserves	26,195	23,549
Non-current liabilities		
Loans payable	4,538	4,812
Deferred tax liability	285	346
Total non-current liabilities	4,823	5,158
Current liabilities		
Loans payable	583	1,101
Provision for unearned premiums	2,076	1,915
Trade and other payables	10,009	8,883
Total current liabilities	12,668	11,899
Total liabilities	17,491	17,057
Total shareholders' equity and liabilities	43,686	40,606

Consolidated Statement of Changes in Shareholders' Equity

€'000	Share Capital	Reserve for own shares	Additional Paid in Capital	Accumulated Losses	Other Reserves	Translation Reserve	Total
Opening balance as at 1 January 2005	66,366	(566)	26,021	(81,249)	(343)	(808)	9,421
Movement on reserve for own shares		331	(108)				223
Rights Issue	9,994	-	1,320	-	-	-	11,314
Net profit for the period	-	-	-	518	-	-	518
Employee share compensation costs	-	-	-	-	37	-	37
Effect of exchange rate differences on translation	-	-	-	-	-	892	892
Closing balance as at 30 September 2005	76,360	(235)	27,233	(80,731)	(306)	84	22,405
Opening balance as at 1 January 2006	76,360	(193)	27,216	(79,847)	15	(2)	23,549
Movement on reserve for own shares	1,515	(939)	(235)				341
Rights issue			(10)				(10)
Net profit for the period				2,177			2,177
Private Equity Funds valuation movements					104		104
Employee share compensation costs					62		62
Effect of exchange rate differences on translation			14	(13)		(29)	(28)
Closing balance as at 30 September 2006	77,875	(1,132)	26,985	(77,683)	181	(31)	26,195

Consolidated Cash Flow Statement

€'000	Unaudited Quarter ended 30 September 2006	Unaudited Quarter ended 30 September 2005	Unaudited 9 month ended 30 September 2006	Unaudited 9 month ended 30 September 2005
Profit before tax	1,477	823	3,156	1,481
Adjustments for:				
Depreciation and amortization	1,176	993	3,410	2,579
(Gain)/loss on disposal of fixed assets	(10)	5	(11)	(21)
Investment portfolio gain	(669)	(444)	(740)	(581)
Dividends received	(18)	-	(18)	(12)
Interest expense	83	239	(327)	646
Interest income	(66)	(66)	(159)	(120)
Unrealised foreign exchange gain	30	(91)	162	54
Cash flow from operations before working capital changes and tax payments	2,003	1,459	5,473	4,026
Changes in operational assets and liabilities:				
Increase/(decrease) in receivables	(445)	598	(3,325)	(931)
Increase/(decrease) in payables	827	(1,025)	1,647	258
Cash generated from operating activities before tax payments	2,385	1,032	3,795	3,353
Income tax paid	(162)	(430)	(584)	(1,037)
Net cash flow from operating activities after tax payments	2,223	602	3,211	2,316
Investing activities				
Proceeds from disposal of private equity funds	-	43	368	414
Acquisition of fixed assets	(1,341)	(1,240)	(4,265)	(2,832)
Proceeds from disposal of fixed assets	32	10	67	54
Proceeds from disposal of equity shares	-	-	-	64
Investment in associates	(108)	-	(181)	-
Acquisition of subsidiaries, net of cash acquired	-	(2,192)	(4)	(2,250)
Interest received	66	66	159	120
Dividends received	17	-	18	12
Net cash flow from investing activities	(1,334)	(3,313)	(3,838)	(4,418)
Financing activities				
Proceeds from the share capital issue	-	(85)	-	11,314
Purchase of own shares	(27)	-	(27)	-
Sale of treasury shares to fulfil employee share options	285	54	358	223
Loans repaid	(1,914)	(53)	(2,308)	(178)
Loans received	207	-	1,545	-
Interest paid	(266)	(20)	(409)	(208)
Net cash flow from financing activities	(1,715)	(104)	(841)	11,151
Net effects of exchange gain on cash balances	25	88	16	150
Increase/(decrease) in cash and cash equivalents	(801)	(2,727)	(1,452)	9,199
Cash and cash equivalents				
Total cash balance as at the beginning of the period	8,596	15,127	9,247	3,201
Total cash balance as at end of the period	7,795	12,400	7,795	12,400
Increase/(decrease) in cash and cash equivalents	(801)	(2,727)	(1,452)	9,199

Basis of preparation

The accounting policies used in this report are the same as those used in the 2005 consolidated annual audited financial statements of Medicover Holding S.A.

Revenue

Following is an analysis of the Group's revenues:

€'000		Unaudited Quarter ended 30 September 2006	Unaudited Quarter ended 30 September 2005	Unaudited 9 month ended 30 September 2006	Unaudited 9 month ended 30 September 2005
Clinics - Medicover	Poland	10,395	8,603	30,415	24,004
	Romania	2,207	1,683	6,217	4,662
	Hungary	729	787	2,401	2,255
	Estonia	455	364	1,525	1,253
	Czech Republic	558	448	1,628	1,500
Subtotal Clinics - Medicover		14,344	11,885	42,186	33,674
Laboratory -Synevo	Poland	2,193	1,462	6,634	3,422
	Romania	2,071	1,999	6,334	6,025
	Clinical Trials	295	83	765	428
Subtotal Laboratory- Synevo		4,559	3,544	13,733	9,875
	Other Inter-group services	8 (542)	44 (428)	114 (1,672)	130 (1,250)
Total revenue		18,369	15,045	54,361	42,429

Depreciation and amortization

€'000		Unaudited Quarter ended 30 September 2006	Unaudited Quarter ended 30 September 2005	Unaudited 9 month ended 30 September 2006	Unaudited 9 month ended 30 September 2005
Depreciation		1,089	952	3,145	2,538
Amortization of customer relationships and contracts		87	41	265	41
Depreciation & amortization expense		1,176	993	3,410	2,579

Depreciation and amortization expense, previously reported on a separate line in the income statement, is allocated directly to the functional cost lines from 2006, to reflect the complete cost of each function.

The effect of this is summarized below as follows on each functional line:

€'000 Quarter ended	Before dep'n 30 Sep 2006	Dep'n & Amort 30 Sep 2006	As reported 30 Sep 2006	Before dep'n 30 Sep 2005	Dep'n & Amort 30 Sep 2005	As reported 30 Sep 2005
Medical provision costs	11,574	815	12,389	9,247	691	9,938
Distribution, selling and marketing costs	1,405	41	1,446	1,182	40	1,222
Administrative costs	3,405	320	3,725	3,006	262	3,268
Depreciation & amortization	1,176	(1,176)	-	993	(993)	-
Total costs	17,560	-	17,560	14,428	-	14,428

€'000 9 month ended	Before dep'n 30 Sep 2006	Dep'n & Amort 30 Sep 2006	As reported 30 Sep 2006	Before dep'n 30 Sep 2005	Dep'n & Amort 30 Sep 2005	As reported 30 Sep 2005
Medical provision costs	34,724	2,376	37,100	25,927	1,740	27,667
Distribution, selling and marketing costs	4,213	128	4,341	3,663	110	3,773
Administrative costs	10,077	906	10,983	8,783	729	9,512
Depreciation & amortization	3,410	(3,410)	-	2,579	(2,579)	-
Total costs	52,424	-	52,424	40,952	-	40,952

Share capital and reserves

At September 30, 2006 14,314,093 (at September 30, 2005 14,204,095) shares have been issued and fully paid, while the weighted average of shares for the nine months amounts to 14,236,287 (12,899,701 in September 2005). The dilutive effect has been calculated as the equivalent of an additional 221,770 shares in issue during the quarter (212,000). The charge to the income statement for share options according to IFRS 2 "Share-based payment" is €21,000 (€13,000) for the quarter and €62,000 (€38,000) for the nine months 2006.

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