9 Month Report 2004

Medicover Holding S.A.

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Highlights January –September 2004

- Revenue for the third quarter amounted to €10.9 million (€ 9.4 million) representing 16 percent (12 percent) revenue growth versus the corresponding period last year. Excluding acquisitions the revenue growth was 12 percent.
- Revenue for the first 9 months amounted to € 30.7 million (€ 27.1 million), a 13 percent revenue growth (4 percent) versus last year.
- Constant currency growth versus last year for the 9 months amounted to 18 percent, excluding acquisitions 14 percent.
- The robust membership growth continued in the third quarter with 5,800 new members (4,700) and 15,400 for the first 9 months (7,300). Total members by end of September increased 19 percent versus last year to 132,400.
- The third quarter was the first quarter with operating (EBIT) break-even (loss € 0.3 million). The operating loss for the 9 months amounted to € 0.3 million (€ 0.9 million).
- The operating profit before depreciation and amortization (EBITDA) amounted to € 0.8 million or 7.6 percent of revenue (€ 0.5 million or 4.8 percent of revenue) for the third quarter and to € 2.1 million or 6.9 percent of revenue (€ 1.4 million or 5.2 percent of revenue) for the 9 months.
- The loss after tax for the quarter amounted to € 0.1 million (€ 0.5 million) and € 0.8 million (€ 1.4 million) for the 9 months. The loss per share was € 0.009 for the quarter (€ 0.04) and a loss of € 0.067 per share (€ 0.118) for the 9 months.

Report for the first 9 months 2004

Dear Shareholders,

We are pleased to be able to report a continuing improvement in the member and revenue growth trends. This is also the first quarter with an operating break-even.

During the third quarter our member-base increased by 5,800 members and by 15,400 for the first 9 months, representing a 19 percent growth year-on-year, up from 8 percent last year. The important Polish market returned to a positive member growth during the third quarter after two successive quarters of flat growth.

Romania continued to perform well, adding 2,500 new members for the quarter, and 7,500 for the 9 months, representing a 67 percent increase versus last year. Hungary had a flat quarter of member growth but is, as previously reported, in the final stage of several larger contract closings.

Estonia added 300 members, bringing the total member base to 4,900 versus 2,700 last year. Czech Republic added 1,000 new members for the third quarter and reported a total member base of 11,800 versus 6,300 last year.

Revenue for the third quarter was € 10.9 million (€ 9.4 million) representing a 16 percent growth versus last year. Excluding acquisitions revenue growth was € 1.1 million or 12 percent. Revenue for the 9 months amounted to € 30.7 million (€ 27.1 million), a 13 percent increase versus the previous year. In constant currency, the revenue growth for the first 9 months versus prior year was 18 percent (14 percent excluding acquisitions).

The laboratory division continued to report robust revenue growth, with third quarter revenue of € 2.3 million (€ 1.5 million) up 55 percent versus prior year and 9 months revenue of € 6.0 million (€3.6 million) representing 67 percent growth versus last year. The strong revenue growth is driven by the two acquisitions (Nova Medical in July 2003 and Analco in July 2004) in the Polish market and also a strong organic growth in the Romanian market of 44 percent for the third quarter and 35 percent for the 9 months.

For the third quarter we report our first quarter with an operating break-even (EBIT) result and for the 9 months a loss of € 0.3 million (€ 0.9 million). Achieving operating break-even is an important milestone.

The operating profit before depreciation and amortization (EBITDA) for the third quarter amounted to € 0.8 million or 7.6 percent of revenue (€ 0.5 million or 4.8 percent of revenue) and for the 9 months to € 2.1 million or 6.9 percent of revenue (€ 1.4 million or 5.2 percent of revenue).

	3Q 2004	3Q 2003	9M 2004	9M 2003	Year 2003
Member Base	132,400	111,300	132,400	111,300	117,000
Revenue €000's	10,894	9,423	30,724	27,105	36,542
% of Revenue					
Medical costs	62.8%	63.0%	62.3%	62.2%	62.7%
Sales & Marketing	9.8%	10.8%	10.1%	11.8%	11.6%
Administration	19.8%	21.3%	20.6%	20.8%	20.3%
Depreciation & Amortization	7.5%	8.4%	7.8%	8.4%	8.3%
Operating EBITDA	7.6%	4.8%	6.9%	5.2%	5.4%
Operating EBIT	0.1%	-3.6%	-0.9%	-3.2%	-3.0%

Medical costs for the third quarter amounted to € 6.8 million (€ 5.9 million) or 62.8 percent of revenue (63.0 percent). Medical costs for the 9 months were € 19.2 million (€ 16.9 million) or 62.3 percent versus 62.2 percent last year. We remain above our important stated target of 60 percent medical cost ratio and continue our efforts to achieve efficiencies in the larger markets and achieve critical mass in the smaller markets.

Administrative costs for the third quarter were € 2.2 million (€ 2.0 million) or 19.8 percent (21.3 percent) of revenue and for the 9 months, € 6.3 million (€ 5.6 million) or 20.6 percent (20.8 percent) of revenue.

The increased administrative costs compared to last year are principally related to the acquisition of laboratory businesses in Poland and the development of a laboratory management structure to drive the laboratory development.

Sales and marketing costs for the third quarter amounted to € 1.1 million (€ 1.0 million) or 9.8 percent (10.8 percent) of revenue and for the first 9 months to € 3.1 million (€ 3.2 million) or 10.1 percent (11.8 percent) of revenue.

Depreciation and goodwill amortization for the third quarter were € 0.8 million (€ 0.8 million) and for the first 9 months € 2.4 million (€ 2.3 million), representing 7.8 percent (8.4 percent) of revenue.

Investment Activities

The remaining investment portfolio has been classified as discontinued. Equity shares provided a positive return of € 0.1 million and private equity funds continue to be liquidated. During the quarter dividend income of € 0.2 million was received. Over the first 9 months, € 1.2 million of investments have been liquidated.

Liquidity

Net debt increased by € 0.6 million in the quarter to €3.0 million and cash balance has been decreased by € 1.0 million reflecting the financing of the Polish Laboratory acquisitions, closed at the beginning of July 2004.

Cash-flow

Cashflow generated by operations before working capital changes and tax payments was € 0.9 million (positive € 0.5 million) for the quarter and € 2.1 million (positive € 1.5 million) for the 9 months. Working capital changes generated € 0.3 million cash (positive € 0.1 million) in the quarter and € 0.4 million cash (negative € 0.3 million) for the 9 months. € 0.2 million of tax payments were made (€ 0.2 million) in the quarter and € 0.3 million for the 9 months (€ 0.6 million). Net cashflow from operating activities was a positive € 1.0 million (positive € 0.4 million) for the quarter and € 2.1 million (positive € 0.6 million) for the 9 months.

Capital expenditures for the quarter amounted to € 1.5 million (€ 0.9 million), with the largest investments being in expansion of laboratory capacity in Romania to service new contracts and upgrading of clinics in Poland. Capital expenditures for the 9 months amounted to € 3.0 million.

Financial costs

Finance costs after foreign exchange gains and losses were € 0.2 million (€ 0.2 million) for the quarter and € 0.4 million (€ 0.7 million) for the 9 months.

European Union

The economies in Central and Eastern Europe (CEE), including EU applicant countries such as Romania and Bulgaria have been the fastest growing in the world since 1999 except for China. CEE economies represent just below 4 percent of global GDP.

Just after the ten new member countries joined on May 1st this year, a dispute over vote weighting in the new EU constitution rocked particularly Polish sentiment, as they sought to maintain the weighting given to Poland after the Nice-summit. Even though Prime Minister Belka accepted a compromise over the constitution, its ratification in Poland is likely to be subject to a referendum, most likely held together with presidential elections in late 2005. Polish public opinion today appears to be broadly in favour of the new constitution.

In 2002, Poland's GDP per head stood at 41 percent of EU average, while Hungary reached 53 percent and the Czech Republic 62 percent. The past few years' economic slowdown in Poland kept the income gap with the EU unchanged for Poland; it narrowed slightly in 2003 and has continued to narrow in 2004.

European Union funds are starting to flow into the new member countries. By end of 2004, Poland will have received an estimated net € 500 million. The funds inflow will increase significantly in all new member states as from 2007 when the major sources of funds become available. It should be noted however, that significant fiscal reforms are still required, particularly in Poland, to be able to take full advantage of future EU financial support.

An early positive achievement can be noted, whereby Polish farmers' receipt of EU agriculture support under a new registration system went live mid-October, two weeks prior to the set launch date. Polish farmers were a vocal critical voice ahead of May 1st but have enjoyed a much better than expected market after membership, exporting significantly more to Western Europe.

Operational review

Poland

The Polish economy has continued to demonstrate a strong rebound in 2004, with growth in the economy for the first half of the year of 5.4 percent and a full year estimate between 5 and 6 percent growth. The strengthening of the Polish currency which began during the spring has continued. As we write this report the Belka government has just narrowedly survived a confidence vote in parliament and is expected to stay in power through to general elections expected for May 2005. The financial markets seem, however, to price in a higher degree of stability within the present government and the better control over the budget deficit.

Medicover Poland reported revenue of € 6.1 million for the third quarter which is 10 percent above last year. Revenue for the first 9 months amounted to € 17.3 million, three percent above last year.

Underlying local currency growth for the first 9 months was 11 percent. Growth in the prepaid revenue, which accounts for 90 percent of Polish revenue, started to recover during the third quarter, with a 9 percent growth versus last year and the 9 months period up two percent versus last year.

We increased our member base by 2,000 during the third quarter to a total of 88,000, after two successive quarters of flat growth. New sales kept pace with prior quarters and we experienced a lower rate of terminations.

During the third quarter we relocated our clinic in Katowice, in the southern part of the country, to a larger clinic and in a better location. We expect to further build on a positive growth trend in this part of the country.

Romania

The Romanian economy has continued its strong performance with an estimate of around 6 percent growth for the full year 2004. The Romanian economy received an important positive assessment by the European Commission during the quarter, and was declared a "functioning market economy", a vital prerequisite for the country's ambition to qualify for EU-membership by 2007. Romania will have parliamentary elections in November 2004, where the current ruling PSR party will likely poll less support than in the last general election.

Medicover Romania continues its strong sales momentum for the fourth consecutive quarter, bringing in 2,500 new members during the third quarter. The total member base by end of the third quarter was 22,500, up 67 percent from last year.

Revenue for the third quarter amounted to € 1.1 million. Third quarter 2003 included an exceptional income item, related to early termination of a fixed term contract. Excluding this exceptional income in 2003, revenue growth year-on-year amounted to 30 percent (including 2003 exceptional income, 9 percent). Revenue for the 9 months amounted to € 3.0 million, representing a growth of 21 percent versus last year (14 percent including 2003 exceptional income).

The present strong growth stage for Medicover in Romania is a combination of several factors. Firstly, the continued improvement in the economy is increasing the demand for hiring and retaining quality staff, where a quality employee healthcare benefit is gaining importance. Secondly, the awareness of employer sponsored healthcare services and its benefits are spreading more widely, and thirdly, Medicover's brand awareness and service presence are becoming more apparent.

As previously reported, we will open a new larger clinic in Bucharest during November to accommodate the larger customer volumes.

We have continued our preparations for Medicover to participate in the new, likely significant, market growth opportunity related to the new private health insurance legislation. Medicover has signed an outline agreement with AVIVA's Romanian insurance company to launch an insured product covering hospitalization from the beginning of 2005.

Czech Republic

The Czech Republic continued to report a good 1,000 member growth for the third quarter, bringing total members to 11,800 versus 6,300 last year. Revenue for the third quarter amounted to € 0.5 million, a weak 5 percent above last year. Revenue for the 9 months was € 1.5 million, up 7 percent.

We continue our focus to build critical mass in the Brno operation which opened mid 2003, as well as enlarging our service presence in Prague.

Estonia

Medicover Estonia brought in 300 new members during the third quarter, bringing total members to 4,900 versus 2,700 last year.

Revenue for the third quarter amounted to € 0.3 million, 49 percent above last year and for the 9 months to € 1.1 million, representing 35 percent growth versus last year.

Medicover Estonia is still largely dependent on the cash paid occupational medicine service to employers, which traditionally slows down during the summer period. The growing prepaid services represent 33 percent of revenue during the third quarter and 28 percent for the 9 months, bringing less volatility to the revenue. We see that our stated strategy, to complement the employer cash paid occupational medicine services with prepaid benefits, is working well and, hence, expect the prepaid revenue component to continue to increase as a proportion of total revenue.

Hungary

Hungary had yet another quarter of flat member growth. As previously announced, we are expecting to close several important contracts during the second half of the year.

Revenue for the third quarter amounted to € 0.6 million a slight decrease versus last year explained by the consciously much lower cash paid fee-for-service business. Revenue for the 9 months amounted to € 1.8 million, a weak 6 percent up versus last year. The prepaid business which for the 9 months represented 87 percent of Hungarian revenue grew 18 percent versus last year.

Laboratory services

The laboratory division continued to show robust revenue growth, with third quarter consolidated revenue of € 2.3 million, representing an increase of 55 percent versus last year. Consolidated revenue for the 9 months amounted to € 6.0 million, or 67 percent growth versus last year.

The strong growth is largely driven by the acquisitions in Poland of Nova Medical mid 2003 and Analco mid 2004. However, the organic growth in the Romanian operation is strong and improving, reporting third quarter growth of 44 percent and 9 months growth of 35 percent versus the corresponding period last year.

The laboratory division is beginning to represent a material proportion of our overall revenue, amounting to 21 percent of third quarter revenue and 19 percent for the 9 months.

In the Polish market we have started to integrate the Analco acquisition to gain the synergy effects. We seek further organic growth principally in the hospital outsourcing field and are open to further acquisitions.

In the Romanian market we have continued to increase volumes within the new hospital contract in the northern part of the country and we reached full utilization by end of the third quarter.

Outlook

The markets where we operate have economic growth rates above the EU average and we expect this to continue for several years. The healthcare systems in Central and Eastern Europe, both regarding funding and provision of care, are increasingly more open to private participation. In the current year we have seen significant legislative initiatives in Romania and Slovakia, and we expect reforms in the same direction in Poland after parliamentary elections in May 2005. The growing economies and the consequential growing spend on healthcare, taken together with the increasing role of private healthcare participation, are forming a strong growth environment for Medicover for the coming years. Just as we see in the healthcare reforms in Romania and Slovakia this year, we expect future reforms to increase the role of the individual person in making decisions about where and how they are serviced. This may happen, for instance, by offering corporate or individual tax incentives for private healthcare contributions. We see this as a significant opportunity for an organization such as Medicover, which is designed to offer choice and service to customers. We expect the positive growth trend for both member and revenue growth to continue, largely driven by an improving environment on the Polish market but also continued good growth out of Romania.

In the laboratory business, we expect a continued favorable environment. Revenue growth will come both through continued and increasing cost pressure on hospitals, driving outsourcing for services such as laboratory, and further acquisitions. We will also actively evaluate further international expansion of the laboratory operation.

Fredrik Rågmark
November 2004

MEDICOVER

9 Month Report 2004

Consolidated Profit and Loss Account

Total consolidated

€'000	**Unaudited Quarter ended 30 Sep 2004**	Unaudited Quarter ended 30 Sep 2003	**Unautdited 9 month ended 30 Sep 2004**	Unaudited 9 month ended 30 Sep 2003
Revenue	**10,894**	9,423	**30,724**	27,105
Operating expenses				
Medical provision costs	**(6,836)**	(5,939)	**(19,156)**	(16,858)
Distribution, selling and marketing costs	**(1,073)**	(1,022)	**(3,115)**	(3,194)
Administrative costs	**(2,154)**	(2,008)	**(6,342)**	(5,632)
Depreciation & amortisation	**(821)**	(791)	**(2,391)**	(2,286)
Total operational costs	**(10,884)**	(9,760)	**(31,004)**	(27,970)
Operating profit / (loss)	**10**	(337)	**(280)**	(865)
Investment profit / (loss)	**249**	356	**290**	824
Investment management costs	**(11)**	(19)	**(26)**	(74)
Net investment profit / (loss)	**238**	337	**264**	750
Interest income	**9**	20	**27**	60
Interest expense	**(215)**	(154)	**(488)**	(520)
Foreign exchange gain / (loss)	**22**	(77)	**86**	(220)
Total financial expenses	**(184)**	(211)	**(375)**	(680)
Profit / (Loss) before tax	**64**	(211)	**(391)**	(795)
Income tax	**(172)**	(279)	**(428)**	(635)
Profit / (Loss) after taxation	**(108)**	(490)	**(819)**	(1,430)
Per ordinary share information				
Profit / (Loss) per share	**€(0.009)**	€(0.040)	**€(0.067)**	€(0.118)
Diluted profit / (loss) per share	**€(0.009)**	€(0.040)	**€(0.066)**	€(0.117)

Continuing Operations

€'000	**Unaudited Quarter ended 30 Sep 2004**	Unaudited Quarter ended 30 Sep 2003	**Unaudited 9 month ended 30 Sep 2004**	Unaudited 9 month ended 30 Sep 2003
Revenue	**10,894**	9,423	**30,724**	27,105
Operating expenses				
Medical provision costs	**(6,836)**	(5,939)	**(19,156)**	(16,858)
Distribution, selling and marketing costs	**(1,073)**	(1,022)	**(3,115)**	(3,194)
Administrative costs	**(2,154)**	(2,008)	**(6,342)**	(5,632)
Depreciation & amortisation	**(821)**	(791)	**(2,391)**	(2,286)
Total operational costs	**(10,884)**	(9,760)	**(31,004)**	(27,970)
Operating profit / (loss)	**10**	(337)	**(280)**	(865)
Interest income	**9**	20	**27**	60
Interest expense	**(215)**	(154)	**(488)**	(520)
Foreign exchange gain / (loss)	**18**	(57)	**65**	(103)
Total financial expenses	**(188)**	(191)	**(396)**	(563)
Profit / (Loss) before tax	**(178)**	(528)	**(676)**	(1,428)
Income tax	**(172)**	(279)	**(428)**	(577)
Profit / (Loss) after taxation	**(350)**	(807)	**(1,104)**	(2,005)
Per ordinary share information				
Profit / (Loss) per share	**€(0.028)**	€(0.066)	**€(0.090)**	€(0.165)
Diluted profit / (loss) per share	**€(0.028)**	€(0.066)	**€(0.089)**	€(0.164)

Discontinuing Operations

€'000	**Unaudited Quarter ended 30 Sep 2004**	Unaudited Quarter ended 30 Sep 2003	**Unaudited 9 month ended 30 Sep 2004**	Unaudited 9 month ended 30 Sep 2003
Investment profit / (loss)	**249**	356	**290**	824
Investment management costs	**(11)**	(19)	**(26)**	(74)
Net investment profit / (loss)	**238**	337	**264**	750
Interest income	**-**	-	**-**	-
Interest expense	**-**	-	**-**	-
Foreign exchange gain / (loss)	**4**	(20)	**21**	(117)
Total financial expenses	**4**	(20)	**21**	(117)
Profit / (Loss) before tax	**242**	317	**285**	633
Income tax	**-**	-	**-**	(58)
Profit / (Loss) after taxation	**242**	317	**285**	575
Per ordinary share information				
Profit / (Loss) per share	**€0.020**	€0.026	**€0.023**	€0.047
Diluted profit / (loss) per share	**€0.020**	€0.026	**€0.023**	€0.047

Consolidated Balance Sheet

As at	**Unaudited 30 September 2004 €'000**	Audited 31 December 2003 €'000
Non-current assets		
Purchased goodwill	**3,254**	2,421
Intangible fixed assets	**1,284**	1,411
Tangible fixed assets	**8,861**	7,527
Total fixed assets	**13,400**	11,359
Private equity funds	**1,251**	1,490
Deferred tax asset	**468**	475
Total non-current assets	**15,119**	13,324
Current assets		
Equity shares	**744**	1,240
Private equity funds	**399**	688
Inventories	**529**	362
Receivables	**4,613**	3,403
Cash and cash equivalents	**2,770**	2,186
Total current assets	**9,055**	7,879
Total assets	**24,174**	21,203
Share capital and reserves	**9,575**	9,937
Non-current liabilities		
Loans payable	**5,557**	4,530
Deferred tax liability	**241**	313
Total non-current liabilities	**5,798**	4,843
Current liabilities		
Loans payable	**226**	317
Trade and other payables	**8,575**	6,106
Total current liabilities	**8,801**	6,423
Total liabilities	**14,599**	11,266
Total shareholders' equity and liabilities	**24,174**	21,203

Consolidated Statement of Shareholders' Equity

€'000	Share Capital	Reserve for own shares	Additional Paid in Capital	Accumulated Losses	Translation Reserve	Total
Opening balance as at 1 January 2003	**66,366**	**(1,914)**	**27,068**	**(78,551)**	**(786)**	**12,183**
Movement on reserve for own shares		172	(143)			29
Loss for the period	-	-	-	(1,430)	-	(1,430)
Effect of exchange rate differences on translation	-	-	-	-	(350)	(350)
Closing balance as at 30 September 2003	**66,366**	**(1,742)**	**26,925**	**(79,981)**	**(1,136)**	**10,432**
Opening balance as at 1 January 2004	**66,366**	**(1,615)**	**26,815**	**(80,315)**	**(1,314)**	**9,937**
Movement on reserve for own shares		721	(595)			126
Loss for the period	-	-	-	(819)	-	(819)
Adjustment 2003	-	-	-	5	-	5
Effect of exchange rate differences on translation	-	-	-	-	326	326
Closing balance as at 30 September 2004	**66,366**	**(894)**	**26,220**	**(81,129)**	**(988)**	**9,575**

Consolidated Cash Flow Statement

€'000	Unaudited Quarter ended 30 Sep 2004	Unaudited Quarter ended 30 Sep 2003	Unaudited 9 month ended 30 Sep 2004	Unaudited 9 month ended 30 Sep 2003
Loss before tax	**64**	(211)	**(391)**	(795)
Adjustments for:				
Depreciation	**744**	716	**2,160**	2,075
Amortisation	**77**	75	**231**	211
(Gain) / loss on disposal of fixed assets	**(24)**	(38)	**(20)**	(40)
Investment portfolio (gain)/loss	**(98)**	(326)	**(139)**	(692)
Dividends received	**(152)**	-	**(152)**	-
Interest expense	**215**	154	**488**	520
Interest income	**(10)**	(20)	**(27)**	(60)
Unrealised foreign exchange gain / (loss)	**55**	134	**(84)**	300
Changes in operational assets and liabilities:				
Decrease/(Increase) in Receivables	**70**	(153)	**(753)**	(786)
Increase in Payables	**269**	260	**1,113**	477
Cash generated by operating activities	**1,210**	591	**2,426**	1,210
Income tax paid	**(164)**	(222)	**(341)**	(602)
Net cash flow from operating activities	**1,046**	369	**2,085**	608
Investing activities				
Loans investments repaid	**-**	-	**-**	286
Proceeds from sale of private equity funds	**199**	121	**528**	122
Acquisition of fixed assets	**(1,462)**	(911)	**(3,048)**	(2,461)
Proceeds from sale of tangible fixed assets	**37**	183	**168**	203
Proceeds from sale of listed equity shares	**321**	-	**656**	612
Acquisition of subsidiaries, net of cash acquired	**(994)**	-	**(994)**	(77)
Disposal of subsidiaries, net of cash sold	**-**	-	**-**	12,000
Interest received	**9**	21	**26**	60
Dividend received	**152**	-	**152**	-
Net cash flow from investing activities	**(1,738)**	(586)	**(2,512)**	10,745
Financing activities				
Proceeds from sale of own shares	**26**	-	**126**	29
Loans received	**-**	-	**1,000**	-
Loans repaid	**(19)**	89	**(105)**	(11,238)
Interest paid	**(15)**	(38)	**(103)**	(337)
Net cash flow from financing activities	**(8)**	51	**918**	(11,546)
Net effects of exchange gain/(loss) on cash balances	**32**	(52)	**93**	(310)
(Decrease) / Increase in cash and cash equivalents	**(668)**	(218)	**584**	(503)
Cash and cash equivalents				
Total cash balance as at the beginning of the period	**3,438**	2,597	**2,186**	2,882
Total cash balance as at end of the period	**2,770**	2,379	**2,770**	2,379
(Decrease) / Increase in cash and cash equivalents	**(668)**	(218)	**584**	(503)

Depreciation and Amortisation

€'000	**Quarter ended 30 Sep 2004**	Quarter ended 30 Sep 2003	**9 month ended 30 Sep 2004**	9 month ended 30 Sep 2003
Depreciation	**744**	716	**2,160**	2,075
Amortisation of goodwill	**77**	75	**231**	211
Depreciation & amortisation charge	**821**	791	**2,391**	2,286

Discontinuing Operations

In April 2002, the Board of Directors announced the intention to discontinue the Group's investment portfolio and to sell the assets.
The following assets represent the discontinuing activities, as revaluated:

€'000	**30 Sep 2004**	31 Dec 2003
Private equity funds	**1,650**	2,178
Equity shares	**744**	1,240
Total assets	**2,394**	3,418

The following cashflows were related to the discontinuing activities:

	9 month ended 30 Sep 2004	12month ended 31 Dec 2003
Cashflows Operating Activities	**(25)**	(94)
Cashflows Investment Activities	**1,336**	13,098
Total Cashflows	**1,311**	13,004

Share Capital

At September 30, 2004 12,306,657 (12,161,374 in September 2003) shares have been issued and fully paid, while the weighted average of shares for the 9 months amounts to 12,263,552 (12,146,820 in September 2003).

Acquisition

On 1 July 2004, Medicover acquired the Analco laboratory companies in Poland. The fair value of the assets acquired and liabilities assumed has been provisionally determined. Adjustments to these provisional values may arise and be recognized within twelve months of the acquisition date.

Basis of preparation

The accounting policies used in this report are the same as those used in the annual audited financial statements of Medicover Holding S.A. The provisional calculation of goodwill for the acquisition made in the period is in compliance with IFRS 3. The above figures are unaudited, except for full-year comparatives.

This interim statement is in compliance with International Accounting Standard 34, “Interim Financial Reporting”.

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