EUROMEDICA S.A.

SPECIAL REPORT OF THE BOARD OF DIRECTORS OF EUROMEDICA S.A. IN ACCORDANCE WITH ARTICLE 289 OF THE A.S.E. REGULATION TO THE GENERAL ASSEMBLY OF SHAREHOLDERS CALLED FOR 30 JUNE 2007

In accordance with article 289 of the A.S.E. Regulation, the Board of Directors of the Company provides the following information:

1. Investment Plan

The Board of Directors of the Company will propose to the General Assembly the funding capital of the proposed increase of capital stock of an amount of 60 million €, after subtracting the issuing expenses, to be spent for increase of the market share of the Company and its further development in markets that it is already active in as well as in new sectors of medical services. By case, the Company, following detailed evaluation of data, will implement its development plan through its instrumental expansion and/or through the buy-outs and holdings in other companies of its sector, including direct competitors. In this manner, the Company intends on taking full advantage of the strategic advantages it has acquired until now.

The Company forecasts that the completion of the implementation of its above development plan will be completed within 2008. In the interim the Company will use the liquidity that will result from the increase of its capital stock for the by case reduction of its liabilities and the supplementation of its operating capital.

In any case, the Company will update its shareholders and the investing public in a timely manner, as provided by the Regulation of the A.S.E. - article 289 paragraph 4, on every one of its actions.

It is underlined that factors outside the control of the Company, such as the general market conditions as well as specific investment opportunities, may change the above plan entirely.

2. Announcement of Commitment of Basic Shareholders

Respective to the maintenance or not of the percentage they will own during the date of the General Assembly

(a) during the time period until the completion of the increase of capital stock and the entrance of new shareholders toward negotiation in the A.S.E.

and

(b) during the time period of six (6) months that will follow the start date of negotiations of new shareholders,

the basic shareholders of the Company AXON Holdings S.A. and SONAK S.A. are expected to announce their intentions to the General Assembly that will decide the said increase.

3. Selling Price

The Board of Directors has proposed the increase of the capital stock with the deposit of cash, with a partial removal of the preferential right of old shareholders, of a total amount of € 60 million with the issue of 7,500,000 new shares and sale price of € 8 per share. Healthcare Investors (Greece) LLC and Axon Holdings S.A. have agreed to participate in the said increase of capital stock with € 50 million and €10 million respectively.

The Board of Directors will also propose to the General Assembly, for the said price to be higher than the exchange value of the share of the Company during the crucial time period.