

Financial results

■ H1 2003 consolidated results

Lavipharm Group's steady performance continued during the second quarter of 2003, resulting in an increase of consolidated sales in the first half of 2003. Specifically, total consolidated sales, despite the non consolidation of the joint venture Lavicosmetica, reached Euro 156.790 million from Euro 152.036 million in the corresponding period of 2002.

Third party sales, which increased by 33.9% reaching Euro 56.8 million from Euro 42.4 million compared to 2002, contributed considerably to the increase of total consolidated sales. Own sales reached Euro 99.98 million from Euro 92.26 million (after subtracting the sales of the non consolidated joint venture Lavicosmetica for comparison purposes), presenting an increase of 8.4%.

The increase of depreciation charges and financial expenses compared to Lavipharm Group's results in the corresponding period of 2002, which included the extraordinary profits from the sale of the participation in Sanofi Synthelabo, contributed to the retention of profits before taxes and after minority interests at Euro 2 million. It is worth noting that Lavipharm Group's distribution expenses decreased, as a percentage of own sales, reaching 8.5% from 14.1% in the first half of 2002.

■ Lavipharm S.A. H1 2003 results

Regarding the listed company Lavipharm S.A., operating results increased significantly and reached Euro 10.5 million, while own sales reached Euro 13.1 million. Despite the difficult economic environment, the company reacted positively and retained administration and distribution expenses. Profits before taxes and after minority interests reached Euro 2.3 million, mainly due to the increase of depreciation charges and financial expenses. Gross margin of own sales reached 51.6% from 47% in the corresponding period of 2002.



■ Products

Lavilon - Effective Hair Loss Treatment by Castalia

Castalia Soins Dermocosmetiques, the dermocosmetics brand of Lavipharm Group, developed two new products that complete the dermatological line Lavilon for the hair loss treatment. The line includes a lotion, **Lotion Antichute** and a shampoo, **Shampooing Fortifiant**.



Specifically, the dermatological Lotion Antichute:

- Slows down hair loss due to the plant extract Saw Palmetto, which does not allow the hormones, responsible for hair loss, to act.
- Increases the number of hair during the growth phase, improves the microcirculation at the hair root and regulates the sebum secretion with the Capigen complex that combines three substances rich in sulfur.
- Stimulates the growth of hair due to the Glycosaminoglycans that protect, hydrate and strengthen the hair.

Moreover the vitamins and amino acids contained in Lotion Antichute nourish the hair and strengthen its growth (R.P.: 32,00 € - 100 ml).

For complete treatment the lotion may be combined with the Lavilon Shampooing Fortifiant that prepares the scalp to accept the special hair loss treatment, while strengthens and offers volume and shine to weak hair.

The shampoo is recommended for all types of hair loss and may be combined with any special treatments. It has excellent cosmetic properties and is suitable for daily use (R.P.: 9,00 € - 150 ml).

Based on the philosophy «with respect to the physiology of the skin», Castalia Soins Dermocosmetiques gives dermocosmetic solutions to the most important categories of skin problems the modern dermatological surgery faces. In addition, through its innovative and complete product lines, it offers answers to the daily consumer health needs, while it ensures proven effectiveness with maximum safety and cosmetic pleasure.

HELIODERM - Effective solar multiprotection for sensitive skin

Helioderm, of the Castalia dermocosmetique brand of the Lavipharm Group, is a complete product range providing effective solar protection for sensitive skin.

Helioderm products are designed so as to ensure the following:

1. Immediate photoprotection from solar radiation UVB – UVA – IR thanks to the modern and safe antisolar filter Tinosorb™ M and a complex of other special photo-steady filters.

➤ Tinosorb™ M is an innovative organic filter in micro-cells with double action absorbing and reflecting solar radiation. The filter also provides extensive protection both against UVB and UVA radius.

➤ The complex of photo-steady filters is a combination of special filters that enhance protection against UVB.

2. Long term anti-ageing or photo-ageing provision and promotion of sun care treatment in all levels of upper skin thanks to C and E vitamins.

➤ Active vitamin C 0.5% in fat-soluble form having anti-oxidant action 1.5% of water-soluble vitamin C.

➤ Combination of vitamin E and vegetative biotechnological extracts provides action against free roots and protection of upper skin cells.

Thus, Helioderm products provide complete protection in extreme sunlight conditions (high elevation or sea), light skin types (light phototypes, grog-blossom skins), skins after dermatological or plastic surgery and skins that present photosensitization, sun allergies or heat spots (e.g. during pregnancy or due to contraceptive treatment).

Helioderm products sun protection range from 20 and up to 90-sun block index and are sold exclusively in pharmacies in face-cream, body lotion and spray form for oily or tanned skins.



More specifically during the current year this product range was enriched with three new products: **Crème Ecran Total UVB 40 – UVA 40** and **Lait Ecran Total UVB 40 – UVA 40**, face-cream and body lotion respectively of total solar protection, as well as Lait Apres Soleil body lotion for after sun treatment.



In particular, Helioderm offers:

For extra sensitive, «non tolerant» skin type protection

» **Crème Protection Extreme Plus UVA 90 – UVB 55:** Extensive care face-cream. Retail price: 16.50 € (40 ml)

» **Crème Protection Extreme UVB 60 – UVA 50:** Extensive care face-cream. Retail price: 14 € (40 ml)

» **Lait Protection Extreme UVB 50 – UVA 50:** Extensive care body lotion. Retail price: 15 € (100 ml)

For sensitive skin type protection

» **Crème Ecran Total UVB 40 - UVA 40:** Total protection face-cream. Retail price: 13.50 € (40 ml)

» **Lait Ecran Total UVB 40 – UVA 40:** Total protection body lotion. Retail price: 14.50 € (100 ml)

» **Crème Ecran Total UVB 30 – UVA 30:** Total protection face-cream. Retail price: 13 € (40 ml)

» **Crème Teintee Ecran Total UVB 30 – UVA 30:** Total protection face-cream of natural color covering blotches and giving a mat look. Retail price: 13 € (40 ml)

For sensitive skin with special needs, infant and child treatment:

» **Lait Ecran Total Naturel UVB 30 – UVA 30:** Face and body lotion of total protection for infants, children and skin types non tolerant to chemical filters, having 100% natural photo-reflex compounds, odor and chemical filter free plus water resistant. Retail price: 13 € (100 ml)

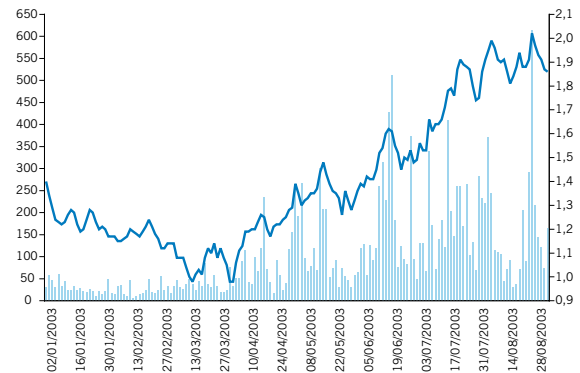
» **Spray Ecran Total UVB 20 – UVA 20:** Oil free Spray, for face and body care having easy and operable application. It is advisable for people with oil sensitivity, for tanned skin and medium sunlight conditions. Retail price: 14.50 € (125 ml)

After-sun treatment:

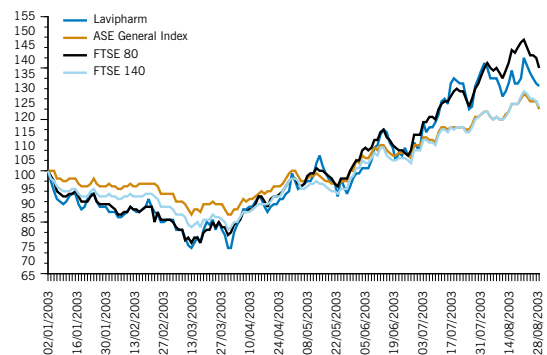
» **Lait Apres Soleil:** Body lotion for immediate moisture and relief of dehydrated skins, sun burns and restoration of skin balance. Retail price: 11.50 € (150 ml)

» The **CASTALIA** brand, with «Respect to the physiology of the skin», having an innovative and integrated product range responds to the daily consumer needs for safe health care and beauty.

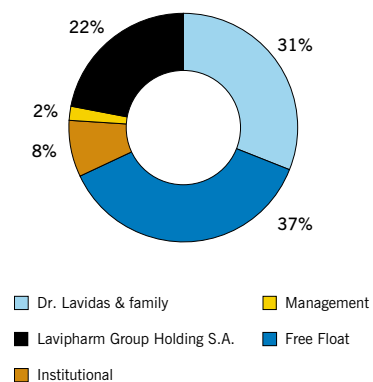
■ **Lavipharm Value Traded (Euro '000) & Share Price (Euro) (January - August)**



■ **Lavipharm S.A. - ASE General Index - FTSE 80 - Wholesale Index - FTSE 140 (January - August)**



■ **Lavipharm Shareholders (August '03)**



LAVIPHARM S.A. (amounts in EURO)

I. BALANCE SHEET for the period:	01/01-30/06/2003	01/01-30/06/2002
ASSETS	€	€
Establishment Expenses (Net Book value)	1.197.520,67	1.837.986,03
Fixed Assets	65.137.484,23	40.410.064,03
Less : Depreciation	-27.794.001,27	-23.995.870,61
Participations & other Long-term financial assets	70.250.029,78	71.384.337,12
Inventories	3.611.748,10	3.288.029,02
Customers	54.079.860,77	58.208.359,27
Other Receivables	47.315.904,82	47.470.036,66
Securities	2.536.434,07	2.758.882,77
Liquid Assets	17.359.970,33	14.489.680,16
Transitory Assets	188.753,51	252.680,34
TOTAL ASSETS	233.883.705,01	216.104.184,79
MEMORY ACCOUNTS-ASSETS	796.852,29	1.039.018,61

II. PROFIT & LOSS STATEMENT as of :	01/01-30/06/2003	01/01-30/06/2002
REVENUES	€	€
Sales	77.951.123,72	83.635.088,65
Own sales	13.109.177,80	14.581.353,59
Sales for third parties	64.841.945,92	69.053.735,06
Less: Cost of goods sold	71.187.666,06	76.780.944,51
Less: Cost of goods sold-own sales	6.345.720,14	7.727.209,45
Less: Cost of goods sold-third parties sales	64.841.945,92	69.053.735,06
Plus: Other Operating Income	3.721.838,90	264.331,62
TOTAL	10.485.296,56	7.118.475,76
Less: General & Administrative Expenses	4.533.975,39	4.297.588,31
R/D Expenses	1.077.630,06	427.995,90
Distribution Expenses	652.519,32	687.773,29
Interest & similar income / expenses	536.173,10	-8.536.722,60
TOTAL	6.800.297,87	-3.123.365,10
TOTAL OPERATING RESULTS	3.684.998,69	10.241.840,86
Plus: Extraordinary income / profit	213.718,09	58.913,20
Less: Extraordinary expenses / loss	1.634.094,49	6.913.597,52
TOTAL NET RESULTS BEFORE TAX	2.264.622,29	3.387.156,54
Less :Total depreciation of fixed assets	2.345.519,69	1.757.875,34
Less:Depreciation included in costs of sales	-2.345.519,69	-1.757.875,34
TOTAL NET RESULTS BEFORE TAX	2.264.622,29	3.387.156,54

I. BALANCE SHEET for the period:	01/01-36/06/2003	01/01-30/06/2002
LIABILITIES	€	€
Share Capital	39.293.100,00	39.293.100,00
Reserves & Other Shareholders' equity accounts	70.127.709,31	70.127.709,31
Profit/(Loss) for the period	2.264.622,29	3.387.156,54
Previous years' results c/f	-616,64	1.961.824,85
Open balance of own share's account	-2.313.885,55	-2.313.885,55
Sundry provisions	2.965.666,06	5.915.587,29
Long Term Obligations	15.742.567,85	3.173.147,83
Short Term Obligations	105.078.930,79	93.927.917,02
Transitory Liabilities	725.610,90	631.627,50
TOTAL LIABILITIES	233.883.705,01	216.104.184,79
MEMORY ACCOUNTS-LIABILITIES	796.852,29	1.039.018,61

NOTES:

1) The Company's management values the current value of its participations, in terms of acquisition cost, due to the technological structure of the above mentioned companies and their significant prospects. 2) The generally accepted Accounting Principles were used for the preparation of the financial statements of the first six months of the fiscal year 2003. 3) The inventories have been counted based on an accounting record and not on a physical count. 4) The Company's headcount on 30/6/2003 was 259 people. 5) On the fixed assets there is a mortgage of 17,312,987 € as a security for short term loans. 6) During Q4 2002 the use of € 61,500,572.00, proceeds from the share capital increase of LAVIPHARM S.A., which was completed in December 1999, was finally completed. The relevant Auditor's Report was published, with the Company's financial statements, in the newspapers KATHIMERINI and IMERISIA on February 28, 2003 and the local newspaper PARON on March 2, 2003. 7) Certain accounts have been reformed for comparability reasons.

Peania, July 31, 2003

PRESIDENT & CEO	COMMISSIONED MEMBER	FINANCE DIRECTOR	ACCOUNTING MANAGER
ATHANASE LAVIDAS	HANS REICHE	YIANNIS ALEXIADIS	PANAYIOTIS A. PAYLOU

LAVIPHARM GROUP OF COMPANIES (amounts in EURO)

I. BALANCE SHEET for the period:	01/01-36/06/2003	01/01-30/06/2002
ASSETS	€	€
Establishment Expenses (Net Book value)	2.229.074,09	3.061.687,89
Fixed Assets	74.773.672,91	50.258.999,11
Less : Depreciation	-31.922.191,43	-28.370.969,83
Participations & other Long-term financial assets	51.116.712,37	55.646.035,80
Inventories	26.286.924,43	25.266.935,50
Customers	75.078.879,97	75.186.352,87
Other Receivables	68.822.412,17	77.157.880,83
Securities	2.536.434,07	2.758.882,77
Liquid Assets	24.397.278,29	17.600.580,32
Transitory Assets	569.184,61	1.118.412,62
TOTAL ASSETS	293.888.381,48	279.684.797,88
MEMORY ACCOUNTS-ASSETS	796.852,29	1.239.018,61

II. PROFIT & LOSS STATEMENT as of :	01/01-36/06/2003	01/01-30/06/2002
REVENUES	€	€
Sales	156.790.336,32	152.036.420,32
Own sales	99.984.789,97	109.618.080,72
Sales for third parties	56.805.546,35	42.418.339,60
Less: Cost of goods sold	139.174.971,09	122.652.754,87
Less: Cost of goods sold-own sales	82.369.424,74	80.234.415,27
Less: Cost of goods sold-third parties sales	56.805.546,35	42.418.339,60
Plus: Other Operating Income	4.129.059,74	654.368,03
TOTAL	21.744.424,97	30.038.033,48
Less: General & Administrative Expenses	7.236.528,12	7.375.094,53
R/D Expenses	1.077.630,06	427.995,90
Distribution Expenses	8.475.892,20	15.407.322,47
Interest & similar income / expenses	1.674.632,79	-6.704.371,42
TOTAL	18.464.683,17	16.506.041,48
TOTAL OPERATING RESULTS	3.279.741,80	13.531.992,00
Plus: Extraordinary income / profit	1.455.497,56	278.075,73
Less: Extraordinary expenses / loss	2.932.179,65	7.407.285,05
TOTAL NET RESULTS BEFORE TAX	1.803.059,71	6.402.782,68
Less: Total depreciation of fixed assets	3.035.280,47	2.457.806,95
Less: Depreciation included in costs of sales	-3.035.280,47	-2.457.806,95
TOTAL NET RESULTS BEFORE TAX	1.803.059,71	6.402.782,68
Less: Minority interest	-173.321,31	2.155.454,30
NET CONSOLIDATED GROUP PROFIT	1.976.381,02	4.247.328,38

I. BALANCE SHEET for the period:	01/01-36/06/2003	01/01-30/06/2002
LIABILITIES	€	€
Share Capital	39.293.100,00	39.293.100,00
Reserves & Other Shareholders' equity accounts	70.241.254,43	70.317.592,22
Profit/(Loss) for the period	1.803.059,71	6.402.782,68
Previous years' results c/f	-15.578.353,67	-3.891.122,74
Differences in consolidation	-4.048.552,64	-1.014.887,98
Minorities interest	2.109.602,47	4.199.980,18
Open balance of own share's account	-2.313.885,55	-2.313.885,55
Sundry provisions	4.525.989,00	8.711.375,88
Long Term Obligations	22.343.847,54	3.817.590,61
Short Term Obligations	173.954.476,03	152.226.863,04
Transitory Liabilities	1.557.844,16	1.935.409,54
TOTAL LIABILITIES	293.888.381,48	279.684.797,88
MEMORY ACCOUNTS-LIABILITIES	796.852,29	1.239.018,61

NOTES:

1) The consolidated financial statements of the previous fiscal year includes the financial results of LAVICOSMETICA. In 2003 LAVICOSMETICA is not included in the consolidated financial statements of LAVIPHARM since the reasons for consolidation (under the Law 2190/1920) are not satisfied any more. 2) The Company's management values the current value of its participations, in terms of acquisition cost, due to the technological structure of the above mentioned companies and their significant prospects. 3) The generally accepted Accounting Principles were used for the preparation of the financial statements of the first six months of the fiscal year. 4) The inventories have been counted based on an accounting record and not on a physical count. 5) The Company's headcount on 30/6/2003 was 739 people. 6) On the fixed assets there is a mortgage of 17,312,987 € as a security for short term loans. 7) The consolidated financial statements include the companies: LAVIPHARM S.A., LAVIPHARM HELLAS S.A., LAVIPHARM ALLIANCE SANTE GROUP S.A., LAVICO S.A., PHARMA PLUS Pharmacy Services S.A., PHARMA LOGISTICS GROUP S.A. and LAVIPHARM PHARMACEUTICAL SERVICES GROUP LTD. 8) Certain accounts have been reformed for comparability reasons.

Peania, July 31, 2003

PRESIDENT & CEO	COMMISSIONED MEMBER	FINANCE DIRECTOR	ACCOUNTING MANAGER
ATHANASE LAVIDAS	HANS REICHE	YIANNIS ALEXIADIS	PANAYIOTIS A. PAYLOU