



August 1st, 2007

New corporate structure for the Gerolymatos Group

Through organic growth, new licensing and distribution agreements, acquisitions and entry into new markets and geographies, we have significantly expanded the scope of our business over the last several years.

To enable us to more effectively focus on our core businesses and also provide a platform to manage various other business interests that belong to the Gerolymatos family, we have decided to reorganize the current corporate structure.

Until recently, the legal entity P.N.Gerolymatos S.A. used to serve both as the holding company and ultimate parent of the group's subsidiaries, in Greece and abroad, and as the operating company under which a multitude of business units operated.

As part of the reorganization, all our core businesses (Pharmaceuticals, Diagnostics, Cosmetics, OTC, Animal Health, Services and Exports) and subsidiaries (Gerolpharm, Santa Pharma and the international subsidiaries) have been transferred (effective from August 1st, 2007) from P. N. Gerolymatos S.A. to a separate company, **PNG Gerolymatos S.A.**, which is a wholly owned subsidiary of P. N. Gerolymatos S.A.

The new company, PNG Gerolymatos S.A., will continue to be led by Mr. Panagiotis Gerolymatos as President and Chief Executive Officer, and the entire management structure will remain unchanged. All personnel directly and indirectly engaged with the spin off business units have been transferred to the new company and all rights and obligations will be taken over by PNG Gerolymatos S.A..

In this manner, the continuation of the existing business under the new legal entity PNG Gerolymatos S.A. will be seamless for our clients and our suppliers.

To more accurately reflect the nature of its business, P.N.Gerolymatos S.A. will be renamed **Gerolymatos Holdings S.A.** and the shares of this company will continue to be controlled by Mr. Panagiotis Gerolymatos and his family.

Concurrently, we have decided to adopt a new corporate identity that communicates our values, our philosophy and our vision, and reflects our full range of activities in the health & beauty sector and our strong international presence. We are currently rolling out our new logo for PNG Gerolymatos Health | Beauty | Care with the slogan "We care".

We are confident that this corporate restructuring will prove to be beneficial for all parties and will fuel further growth of the business. In the longer term, we plan to list PNG Gerolymatos S.A. in the Athens Stock Exchange through an IPO, provided that market conditions are favorable.