



**Socrates D. Constantinou and Son S.A.**  
**BALANCE SHEET AT DECEMBER 31, 1998**  
**26th FISCAL YEAR ( JANUARY 1, 1998 - DECEMBER 31, 1998)**  
**AMOUNTS IN GrD**

**ASSETS**

	Year ended 1998			Year ended 1997		
	Acquisition Value	Accumulated Depreciation	Net Value	Acquisition Value	Accumulated Depreciation	Net Value
<b>C. FIXED ASSETS</b>						
<b>II. Tangible Assets</b>						
1.Fields-Lots	178.317.781	-	178.317.781	178.317.781	-	178.317.781
3.Buildings & Technical works	764.478.370	474.719.983	289.758.387	683.767.565	436.932.328	246.835.237
4.Machinery-technical installations-other mechanical equipment	72.151.694	42.416.891	29.734.803	54.383.390	35.891.042	18.492.348
5.Transportation means	84.122.708	39.988.442	44.134.266	59.368.371	28.306.335	31.062.036
6.Furniture & other equipment	323.295.173	192.088.464	131.206.709	268.631.255	147.545.678	121.085.577
Total Tangible Assets (CI)	<u>1.422.365.726</u>	<u>749.213.780</u>	<u>673.151.946</u>	<u>1.244.468.362</u>	<u>648.675.383</u>	<u>595.792.979</u>
<b>III.Participations and other long term financial receivables</b>						
1.Investments in subsidiaries			834.397.395			533.768.500
7.Other long term receivables			2.687.188			5.062.328
			<u>837.084.583</u>			<u>538.830.828</u>
<b>Total Fixed Assets (CI+CII+CIII)</b>			<u><b>1.510.236.529</b></u>			<u><b>1.134.623.807</b></u>
<b>D. CURRENT ASSETS</b>						
<b>I. Inventories</b>						
1.Merchandise			1.790.771.807			2.114.869.349
5.Down payment for inventory purchases			14.639.832			3.378.169
			<u>1.805.411.639</u>			<u>2.118.247.518</u>
<b>II.Receivables</b>						
1.Receivables from clients			1.789.664.711			1.888.674.029
2.Bills receivable						
Bills receivable on hand		2.240.000			6.654.090	
Bills receivable on banks for collection		135.825.918	138.065.918		122.811.365	129.465.455
3.Bill receivable overdue			87.856.706			84.388.960
3a.Checques receivable			1.416.658.201			1.449.183.294
3b.Checques receivables overdue			143.561.003			119.856.088
5. Short term receivables from subsidiaries			143.248			143.248
10.Doubtfull-disputed customers and debtors			49.673.608			48.415.495
11.Sundry Debtors			149.046.677			179.980.666
12.Advances and credits control account			10.829.931			5.915.187
			<u>3.785.500.003</u>			<u>3.906.022.422</u>
<b>III. Securities</b>						
1.Shares			13.500.000			13.500.000
<b>IV.Cash and banks</b>						
1.Cash			17.624.074			16.208.789
3.Sight & time deposits			25.013.673			33.990.222
			<u>42.637.747</u>			<u>50.199.011</u>
<b>Total Current Assets (DI+DII+DIII+DIV)</b>			<u><b>5.647.049.389</b></u>			<u><b>6.087.968.951</b></u>
<b>E. TRANSITORY ACCOUNTS</b>						
1.Prepaid expenses			-			189.822
2.Noncurrent receivables from currently earned income			13.801.405			14.204.473
3. Other transitory accounts			2.168.784			1.483.068
			<u>15.970.189</u>			<u>15.877.363</u>
<b>TOTAL ASSETS (B+C+D+E)</b>			<u><b>7.173.256.107</b></u>			<u><b>7.238.470.121</b></u>
<b>ASSET MEMO ACCOUNTS</b>						
2.Debit accounts of guarantees and colateral security			84.716.322			307.348.534

**LIABILITIES & SHARE CAPITAL**

	Year ended 1998	Year ended 1997
<b>A. OWNERS EQUITY</b>		
<b>I. Share Capital</b> (2,562,000 shares x 200 GrD per share)		
1.Paid in	<u>512.400.000</u>	<u>512.400.000</u>
<b>II. Paid in capital in excess of par</b>	<u>462.000.000</u>	<u>462.000.000</u>
<b>III. Revaluation reserves - Investment grants and subsidies</b>		
1.Securities and participations value adjustments	996.000	996.000
2. Other assets value adjustments	<u>9.974.422</u>	<u>9.974.422</u>
	<u>10.970.422</u>	<u>10.970.422</u>
<b>IV. Reserves</b>		
1.Statutory reserve	120.000.000	105.000.000
4.Extraordinary reserves	<u>281.707.300</u>	<u>281.707.300</u>
	<u>401.707.300</u>	<u>386.707.300</u>
<b>V. Retained earnings</b>		
Retained earnings for the period	<u>1.181.524.510</u>	<u>1.031.233.301</u>
<b>Total capital and reserves (AI+All+AIII+AIV+AV)</b>	<u><b>2.568.602.232</b></u>	<u><b>2.403.311.023</b></u>
<b>B. PROVISIONS</b>		
2.Other provisions	<u>151.901.752</u>	<u>136.902.530</u>
<b>C. LIABILITIES</b>		
<b>I. Long term liabilities</b>		
Debenture Loans	<u>703.143.962</u>	<u>-</u>
<b>II. Current liabilities</b>		
1.Suppliers	545.652.227	593.967.660
2.Bills payable	537.642.081	795.387.518
2a.Checks payable	40.000.000	-
3.Short term bank loans	2.148.047.969	2.516.759.222
4.Clients down payments	28.518.017	36.302.054
5.Taxes and duties payable	182.950.854	435.142.304
6.Dues to insurance organizations	35.243.739	32.505.766
10.Dividends payable	204.729.450	238.009.000
11.Syndry creditors	<u>17.805.977</u>	<u>39.122.903</u>
<b>Total liabilities (CII)</b>	<u>3.740.590.314</u>	<u>4.687.196.427</u>
<b>Total liabilities (CI+CII)</b>	<u>4.443.734.276</u>	<u>4.687.196.427</u>
<b>D. TRANSITORY ACCOUNTS</b>		
2.Accrued expenses	8.687.910	11.060.141
3.Other transitory liability accounts	<u>329.937</u>	<u>-</u>
<b>Total (D)</b>	<u>9.017.847</u>	<u>11.060.141</u>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY (A+B+C+D)</b>	<u><b>7.173.256.107</b></u>	<u><b>7.238.470.121</b></u>
<b>LIABILITY MEMO ACCOUNTS</b>		
2.Credit accounts of guarantees and colateral security	<u>84.716.322</u>	<u>307.348.534</u>

**APPROPRIATION OF INCOME**

	Year ended 1998	Year ended 1997
Net income before taxes	417.786.332	754.364.475
(+) Balance broufht forward (profit)	<u>1.031.233.301</u>	<u>758.535.695</u>
<b>Total</b>	<b>1.449.019.633</b>	<b>1.512.900.170</b>
<b>LESS:</b>		
1. Income tax	146.799.534	263.562.291
2. Other non-operating taxes	<u>3.215.589</u> <u>150.015.123</u>	<u>11.705.722</u> <u>275.268.013</u>
Profit available for distribution	<u><b>1.299.004.510</b></u>	<u><b>1.222.763.301</b></u>

**PROFITS APPROPRIATION**

1. Statutory Reserves	15.000.000	25.000.000
2. First dividend	102.480.000	166.530.000
8. Profit carried forward	<u>1.181.524.510</u>	<u>1.031.233.301</u>
	<u><b>1.299.004.510</b></u>	<u><b>1.222.763.301</b></u>

INCOME STATEMENT AS OF DECEMBER 31, 1998

	Year ended 1998		Year ended 1997	
<b>I. OPERATING RESULTS</b>				
Company's turnover		7.328.039.941		8.013.739.788
LESS: Cost of sales		<u>4.840.062.007</u>		<u>5.511.513.672</u>
<b>GROSS INCOME</b>		2.487.977.934		2.502.226.116
<b>PLUS:</b> Other operating income		<u>38.129.427</u>		<u>52.363.324</u>
Total		2.526.107.361		2.554.589.440
<b>LESS:</b> 1. Administrative expenses	413.224.675		377.909.544	
3. Selling expenses	<u>1.231.831.546</u>	<u>1.645.056.221</u>	<u>1.143.997.268</u>	<u>1.521.906.812</u>
OPERATING RESULTS BEFORE FINANCIAL TRANSACTIONS		881.051.140		1.032.682.628
<b>LESS:</b> 2. Income from securities	291.972			
4. Interest & related income	<u>5.974.849</u>		<u>5.316.496</u>	
		6.266.821		
<b>LESS:</b>				
3. Interest & related expenses	<u>318.792.194</u>	<u>312.525.373</u>	<u>218.973.109</u>	<u>213.656.613</u>
<b>TOTAL OPERATING PROFIT</b>		<u><u>568.525.767</u></u>		<u><u>819.026.015</u></u>
<b>II. LESS : EXTRAORDINARY RESULTS</b>				
1. Extraordinary income	117.674.528		64.474.100	
2. Extraordinary profits	1.143.134		500.998	
3. Previous years income	<u>9.585</u>		<u>8.252.448</u>	
	118.827.247		73.227.546	
<b>LESS:</b>				
1. Extraordinary expenses	232.615.970		95.709.851	
2. Extraordinary losses	256.162		374.852	
3. Prior period expenses	1.694.550		2.804.383	
4. Provisions for Extraordinary risks	<u>35.000.000</u>	<u>269.566.682</u>	<u>39.000.000</u>	<u>137.889.086</u>
		150.739.435		64.661.540
<b>OPERATING AND EXTRAORDINARY RESULTS</b>		<b>417.786.332</b>		<b>754.364.475</b>
LESS: Total depreciation	103.386.267		105.882.400	
LESS: Depreciation incorporated in operating cost	103.386.267	0	105.882.400	0
<b>NET PROFITS BEFORE TAXES</b>		<u><u>417.786.332</u></u>		<u><u>754.364.475</u></u>

**NOTES:**

1. The last revaluation on the the company's fixed assets was done in the 1996 according to Law 2065/92