

**SOCRATES D. CONSTANTINOU & SON S.A.**PARENT FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2002

<b>ASSETS</b>	<b>Amounts as of 31/12/02</b>	<b>Amounts as of 31/12/01</b>
<b>B. ESTABLISHMENT EXPENSES</b>	212.746,06	---
<b>C. FIXED ASSETS</b>		
II. Tangible Assets	18.362.020,61	7.940.813,33
Less: Accumulated Depreciation	6.376.180,10	3.606.600,48
	11.985.840,51	4.334.212,85
III. Participations & other long term receivables	9.763.685,81	8.574.161,38
<b>Total Fixed Assets</b>	<b>21.749.526,32</b>	<b>12.908.374,23</b>
<b>D. CURRENT ASSETS</b>		
I. Inventories	10.309.461,31	7.804.661,00
II. Customers	12.278.744,45	8.696.292,15
Other Receivables	11.736.024,00	8.782.515,51
III. Securities	43.433,60	40.205,43
IV. Cash at bank and in hand	634.475,64	549.830,99
<b>Total Current Assets</b>	<b>35.002.139,00</b>	<b>25.873.505,08</b>
<b>E. TRANSIT DEBIT BALANCES</b>	17.971,03	6.095,94
<b>TOTAL ASSETS (C+D+E)</b>	<b>56.982.382,41</b>	<b>38.787.975,25</b>
<b>ASSET MEMO ACCOUNTS</b>	11.346.112,56	1.730.454,00
<b>LIABILITIES &amp; EQUITY</b>	<b>Amounts as of 31/12/02</b>	<b>Amounts as of 31/12/01</b>
<b>A. SHAREHOLDERS EQUITY</b>		
I. Paid in share capital (13,191,620 shares OF 0.62 euro)	8.178.804,40	4.526.262,66
II. Share premium account	12.150.233,31	12.150.233,31
III. Revaluation -Investment grants differences	195.838,59	407.677,51
IV. Reserves	2.939.522,06	1.261.063,24
V. Prior periods' results	2.378.348,29	3.657.912,95
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>25.842.746,65</b>	<b>22.003.149,67</b>
Results 1/1/-12/31/2002	151.196,47	2.591.877,60
Tax audit differences	---	-265.958,54
	151.196,47	2.325.919,06
<b>B. PROVISIONS FOR LIABILITIES &amp; EXPENSES</b>	4.272,46	510.075,13
<b>C. LIABILITIES</b>		
I. Long term liabilities	20.061.457,00	---
II. Short term liabilities	9.197.442,06	12.100.267,06
<b>Total Liabilities</b>	<b>29.258.899,06</b>	<b>12.100.267,06</b>
<b>D. TRANSIT CREDIT BALANCES</b>	1.725.267,77	1.848.564,33
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY (A+B+C+D)</b>	<b>56.982.382,41</b>	<b>38.787.975,25</b>
<b>E. LIABILITIES MEMO ACCOUNTS</b>	11.346.112,56	1.730.454,00



**SOCRATES D. CONSTANTINOU & SON S.A.**  
PROFIT & LOSS STATEMENT JANUARY 1st - DECEMBER 31st 2002

PROFIT AND LOSS STATEMENT				
	Amounts of Absorbed company	Amounts of Absorbing and Absorbed Company	Total in EUROS	Amounts as of 31/12/01 in EUROS
	1/9 - 31/12/2001	01/01 - 31/12/2002	01/09/2001 - 31/12/2002	
<b>I. Operating results</b>				
Sales	4.721.204,83	39.597.728,64	44.318.933,47	30.386.947,60
Less: Cost of sales	3.580.358,73	26.691.167,86	30.271.526,59	20.309.968,05
Gross profit	1.140.846,10	12.906.560,78	14.047.406,88	10.076.979,55
Plus: Other Operating Income	27.380,78	445.528,01	472.908,79	449.915,77
Total	1.168.226,88	13.352.088,79	14.520.315,67	10.526.895,32
LESS: 1. Administrative expenses	786.564,00	3.673.691,03	4.460.255,03	2.463.013,10
2. Selling expenses	487.103,53	6.650.121,97	7.137.225,50	5.018.551,02
3. Financial results	616.493,46	1.890.160,99	1.301.595,54	333.533,43
Total net operating Income before extraordinary items and taxes	-721.934,11	1.726.680,25	1.004.746,14	2.711.797,77
<b>II. LESS: Extraordinary results</b>				
Extraordinary & Non-operating Income-Profits	47.013,38	545.517,32	592.530,70	134.999,45
Extraordinary & Non-operating Expenses-Losses	674.959,17	551.121,20	1.226.080,37	105.249,78
Provisions for extraordinary risks	42.282,66	177.717,34	183.321,22	149.669,84
Operating & extraordinary results (profits)	-1.392.162,56	1.543.359,03	151.196,47	2.591.877,60
LESS: Total depreciation recorded	306.125,29	1.640.055,94	1.946.181,23	741.444,05
Less: Depreciation included in the operating cost	306.125,29	1.640.055,94	1.946.181,23	741.444,05
<b>NET INCOME (Profit or Loss)</b>	<b>-1.392.162,56</b>	<b>1.543.359,03</b>	<b>151.196,47</b>	<b>2.591.877,60</b>

**NOTES:**

- There are no pledges against the fixed assets
- There are no significant cases disputed in courts or under arbitration differences and decisions of courts or arbitrators that may significantly affect the financial position or operations of the firm.
- Employed personnel as of 31/12/2002 amounts to 209 individuals
- The basic accounting principles that were followed are the same used for the preparation of the financial statements at the end of the fiscal year.
- The last revaluation of fixed assets took place in 2000 fiscal year, according to L. 2065/92
- A tax audit has been conducted on the company until the 2000 fiscal year.
- By decision of the Extraordinary General Meeting of the Company's Shareholders of 29/04/2002, the merger through absorption of VELLIFEST S.A. by SOCRATES D. CONSTANTINOU & SON S.A. was approved in accordance with the provisions of c.l. 2190/1920 and L. 2166/1993. The transformation balance sheet was drawn up as of 31/08/2001. The number K2-7348/21/06/2002 approval was issued by the Ministry of Development.
- Due to the absorption, the financial statements as of 31/12/2002 are not comparable with the respective statements of the previous period.
- For reasons of comparing the results, the company's administration analysed income in two periods: 01/09-31/12/2001 and 01/01-31/12/2002
- In accordance with the 4-digit STACOD-51 classification the company's Net Turnover as of 31/12/2002 by category of economic activity is analysed as follows

287.9 Construction of other metallic products 5.679.947,91 €

514.2 Wholesale of clothing and footwear 139.608,50 €

514.3 Wholesale of electrical house appliances 3.628.014,09 €

514.4 Wholesale of china, glass ware and cleaning products 30.330.171,19 €

514.9 Wholesale of other houseware 4.189.764,09 €

515.6 Wholesale of other intermediate products 352.427,69 €

Total 44.318.933,47 €

Thessaloniki, 17/2/2003

THE PRESIDENT & MANAGING DIRECTOR

THE VICE PRESIDENT

THE FINANCIAL DIRECTOR

THE DIRECTOR OF THE ACCOUNTING DEPARTMENT

D. CONSTANTINOU  
I.C. No L 119476

K. CONSTANTINOU  
I.C. No Z 905961

G. MAKRI S  
I.C. No K. 178403

T. FYTILIS  
I.C. No B 164486

**AUDITORS REPORT**

Towards the Board of Directors of "SOCRATES D. CONSTANTINOU & SON S.A."

We have conducted the audit on the above Financial Statements of "Socrates D. Constantinou and Son S.A." from January 1 2002 until December 31 2002 according to the provisions of article 6 of P.D. 360/1985 as amended by the article 90 of Law 2533/1997 by applying the standards and requirements accepted by the Institute of Certified Auditors-Accountants and the auditing procedures that we considered pertinent and we did not realize any inconsistencies or omissions that can significantly affect both the asset structure and the financial position of the company and the results appearing on them. Within the framework of this audit we took into account the financial statements of the Company's outlets. We have examined the books of account and records kept by the Company and we obtained all the information and explanations, which we needed for the purpose of our audit. The Company applied properly the General Accounting Plan. No change in the inventory valuation has been made as compared with that of the corresponding previous period, and the production cost was determined in accordance with the generally accepted cost accounting principles. From our audit the following arose: 1) For the covering of contingencies that might arise from receivables and cheques overdue as well as for doubtful-contested trade and trade debtors amounting to € 1.034.506, the company's administration has not set up a provision for doubtful receivables. In our opinion the Company should have formed a provision for doubtful and disputed receivables amounting to € 1.034.506. 2) The firm relying on option 205/1988 of the plenary session of the Administration Legal Advisors and on article 10 of L. 2065/1992 has set up a provision for members of staff that is entitled to get a pension until the end of the next period. In our opinion the amount of the provision for staff's retirement benefits should concern all the company's employees independently of the fact that they are entitled to get a pension. If the company had formed a provision in accordance with this method the cumulative amount would be € 630.375 approximately, from which € 91.648 approximately would burden the current fiscal year while € 538.727 approximately would have burdened the previous fiscal years. 3) The account "Participations in affiliated companies" includes the amount € 9.717.062,50 that represents the acquisition cost of the shares of non-listed companies which according to the latest published balance sheet ending on December 31st 2002 will have a book value amounting to € 2.365.755,53. The company following the tax legislation (article 28 par. 5 of P.D. 186/1995) has evaluated these shares by their acquisition cost and not in their book value as it is stipulated by article 43 par. 6 of Law 2190/1920, resulting in the occurrence of the surplus value amounting to € 7.351.306,97. According to the audit we have conducted, we have realized that the above Financial statements, result from the company's books and records and after taking into consideration our above mentioned remarks as well as the notes provided by the company, they do not contain any inconsistencies or omissions that can significantly affect both the appearing asset structure and financial position of the company for the fiscal year ending December 31 2002, as well as the results for the period ending on that date in conformity with legal requirements and the accounting principles which have been generally applied on a basis consistent with that of the previous fiscal year. It is noted that the present certification is issued for the purposes of article 90 of L. 2533/1997 and does not substitute the certification of the regular audit, which is required by article 37 of cod. L. 2190/1920 "regarding corporations". For this reason it is likely that some funds of the above summary financial statements to present differences with the full year financial statements which will be published with the aforementioned regular audit certification.

Athens, February 24, 2003  
The Auditor  
Emmanouil A. Pileidis  
A.M. SOEL 12021  
DELOITTE & TOUCHE S.A.