



SOCRATES D. CONSTANTINOU & SON S.A.

PARENT FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2002

ASSETS	Amounts for the 2002 fiscal year in euros			Amounts for the 2001 fiscal year in euros		
	Acquisition Cost	Value Adjustments	Written-Down Value	Acquisition Cost	Value Adjustments	Written-Down Value
B. ESTABLISHMENT EXPENSES						
4. Other foundation expenses	610.220,95	397.474,89	212.746,06	11.856,20	11.856,20	---
C. FIXED ASSETS						
I. Intangible Assets						
3. Goodwill	161.408,66	161.408,66	---	161.408,66	161.408,66	---
II. Tangible assets						
1. Fields - lots	2.242.487,95	---	2.242.487,95	732.633,58	---	732.633,58
3. Buildings and technical works	9.079.765,31	3.279.490,58	5.800.274,73	4.932.401,23	2.137.714,98	2.794.686,25
4. Machinery-technical installations and other mechanical equipment	4.045.789,97	1.139.916,03	2.905.873,94	342.261,26	219.905,77	122.355,49
5. Transportation equipment	435.207,23	228.073,52	207.133,71	301.880,81	172.450,40	129.430,41
6. Furniture and other equipment	2.558.770,15	1.728.699,97	830.070,18	1.600.822,06	1.076.529,32	524.292,74
7. Fixed assets under construction and down payments	---	---	---	30.814,38	---	30.814,38
Total (CI+CII)	<u>18.362.020,61</u>	<u>6.376.180,10</u>	<u>11.985.840,51</u>	<u>7.940.813,32</u>	<u>3.606.600,47</u>	<u>4.334.212,85</u>
18.523.429,27	6.537.588,76	11.985.840,51	8.102.221,98	3.768.009,13	4.334.212,85	---
III. Participations and Other Long-term Financial Assets						
1. Participations in subsidiaries			9.717.052,50			8.555.481,72
7. Other long-term claims			46.633,31			18.679,66
			<u>9.763.685,81</u>			<u>8.574.161,38</u>
Total Fixed Assets (CI+CII+CIII)			<u>21.749.526,32</u>			<u>12.908.374,23</u>
D. CURRENT ASSETS						
I. Stocks						
1. Merchandise			8.070.202,69			6.931.457,11
2. Finished and semifinished products			768.803,01			---
4. Raw direct and indirect material - Consumable material-spare parts and containers			870.568,69			---
5. Down payment for stocks			599.886,92			873.203,89
			<u>10.309.461,31</u>			<u>7.804.661,00</u>
II. Receivables						
1. Customers			12.445.812,31			8.696.292,15
2. Bills receivable on hand						
- On hand		6.000,00			352,16	
- In banks for collection		315.577,07	321.577,07	195.808,02		196.160,18
3. Bills overdue			335.119,31			203.703,50
3a. Cheques receivable			8.808.415,46			6.473.623,15
3b. Cheques receivable overdue			226.884,79			431.350,72
8. Blocked deposits			795.798,37			768.702,59
10. Doubtful-disputed customers and debtors			93.226,71			274.383,75
11. Sundry debtors			1.141.442,72			540.597,22
12. Advances and credit control account			12.743,43			3.502,93
			<u>24.181.020,17</u>			<u>17.588.316,19</u>
III. Securities						
1. Shares			<u>43.433,60</u>			<u>40.205,43</u>
IV. Cash						
1. Cash on hand			55.399,84			58.877,52
3. Sight and time deposits			579.075,80			490.953,47
			<u>634.475,64</u>			<u>549.830,99</u>
Total Current Assets (DI+DII+DIII+DIV)			<u>35.168.390,72</u>			<u>25.983.013,61</u>
E. TRANSIT DEBIT BALANCES						
1. Prepaid expenses			17.658,00			1.496,70
2. Noncurrent receivables from currently earned income			---			4.428,58
3. Other transit debit balances			313,03			170,66
			<u>17.971,03</u>			<u>6.095,94</u>
GRAND TOTAL ASSETS (B+C+D+E)			<u>57.148.634,00</u>			<u>38.897.483,78</u>
DEBIT MEMO ACCOUNTS						
1. Assets belonging to third parties			92.059,22			---
2. Debit accounts of guarantees and collateral security			11.254.811,99			1.730.454,00
4. Other memo accounts			<u>4.507.811,99</u>			---
			<u>15.853.924,55</u>			<u>1.730.454,00</u>

CAPITAL AND LIABILITIES	Amounts for the 2002 fiscal year in euros	Amounts for the 2001 fiscal year in euros
A. SHAREHOLDERS EQUITY		
I. Share Capital (13.191.620 shares of € 0,62)		
1. Paid in capital	8.178.804,40	4.562.262,66
II. Premium on Capital Stock		
	12.150.233,31	12.150.233,31
III. Revaluation -Investment grants differences		
1. Revaluation differences from participations and securities	2.922,96	2.922,96
2. Revaluation differences from other assets	---	404.754,54
3. Fixed Assets investment grants	192.915,63	---
	195.838,59	407.677,50
IV. Reserves		
1. Statutory reserve	795.131,97	3.234.054,65
3. Special reserves	586.941,00	
4. Extraordinary reserves	239.786,22	1.056.277,83
5. Special law untaxed reserves	1.325.306,73	
	2.947.165,92	27.539.326,50
V. Results carried forward		
Period's profit carried forward	2.378.348,29	4.315.741,59
Total Shareholders' Equity (AI+AII+AIII+AIV+AV)		
	25.850.390,51	22.749.019,39
B. PROVISIONS FOR CONTINGENCIES AND EXPENSES		
2. Other provisions	4.272,46	510.075,13
C. LIABILITIES		
I. Long-term liabilities		
1. Debentures	4.475.250,00	---
2. Bank loans	15.586.207,00	---
	20.061.457,00	---
II. Short-term liabilities		
1. Suppliers	2.215.580,08	1.764.872,31
2. Bills and promissory notes payable	2.419.265,11	2.266.718,30
2a. Outstanding cheques	26.372,76	---
3. Banks	3.899.035,62	5.045.674,18
4. Customers down payments	181.245,41	108.661,57
5. Tax and duties payable	280.179,79	1.386.399,49
6. Insurance and pension funds due	211.795,36	152.445,97
7. Current instalments of long-term liabilities	---	2.360.240,07
10. Dividends payable	172.869,06	662.794,94
11. Sundry creditors	100.903,20	42.018,10
	9.507.246,39	13.789.824,93
Total Liabilities (CI+CII)		
	29.568.703,39	13.789.824,93
D. TRANSIT CREDIT BALANCES		
1. Unearned and deferred income	1.479.882,22	1.547.175,66
2. Accrued expenses	238.120,18	59.570,97
3. Other credit transit balances	7.265,37	241.817,70
	1.725.267,77	1.848.564,33
TOTAL OWNERS EQUITY AND LIABILITIES (A+B+C+D)		
	57.148.634,13	38.897.483,78
CREDIT MEMO ACCOUNTS		
1. Assets belonging to third parties	92.059,22	---
2. Credit accounts of guarantees and collateral security	11.254.053,34	1.730.454,00
4. Other memo accounts	4.507.811,99	---
	15.853.924,55	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	Amounts as of 31/12/01	
	1/9 - 31/12/2001		01/01 - 31/12/2002		in EUROS	in EUROS	
I. Operating results							
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		449.528,01		476.908,79	449.915,77
Total		1.168.226,88		13.356.088,79		14.524.315,67	10.526.895,32
Less: 1. Administrative expenses	786.564,00		3.669.297,84		4.455.861,84		2.439.254,21
3. Selling expenses	487.103,53	1.273.667,53	6.652.566,76	10.321.864,60	7.139.670,29	11.595.532,13	5.024.962,39
Operating results before financial transactions		-105.440,65		3.034.224,19		2.928.783,54	7.464.216,60
Less: 2. Income from securities		---	1.800,00		1.800,00		1.907,56
4. Interest and related income	5.168,29		34.112,78		39.281,07		87.456,25
	5.168,29		35.912,78		41.081,07		89.363,81
Less: 3. Interest charges and related expenses	621.661,75	616.493,46	1.337.508,32	1.301.595,54	1.959.170,07	1.918.089,00	422.897,24
Total net operating income before extraordinary items and taxes		-721.934,11		1.732.628,65		1.010.694,54	2.729.145,29
II. LESS: Extraordinary results							
1. Extraordinary income	17.731,94		58.376,62		76.108,56		113.187,57
2. Extraordinary profits	204,88		9.343,52		9.548,40		9.351,67
3. Prior period income	29.076,56		36.213,58		65.290,14		12.460,21
4. Income from prior period provisions	---		441.583,60		441.583,60		---
	47.013,38		545.517,32		592.530,70		134.999,45
Less: 1. Extraordinary and nonoperating expenses	632.596,42		150.139,18		782.735,60		104.099,55
2. Extraordinary losses	17.768,84		376.731,20		394.500,04		70,43
3. Prior period expenses	24.593,91		24.250,82		48.844,73		1.079,80
4. Provisions for extraordinary contingencies	42.282,66	717.241,83	728.838,54	183.321,22	220.000,00	1.446.080,37	149.669,84
Net Income after extraordinary items and before taxes and extra depreciation		670.228,45		183.321,22		853.549,67	254.919,62
Less: Total depreciation recorded	306.125,29	-1.392.162,56	1.640.055,94	1.549.307,43	1.946.181,23	157.144,87	741.444,05
Less: Depreciation included in the operating cost	306.125,29	---	1.640.055,94	---	1.946.181,23	---	741.444,05
NET INCOME FOR THE YEAR BEFORE TAX (Profit or Loss)		-1.392.162,56		1.549.307,43		157.144,87	2.609.225,12
APPROPRIATION ACCOUNT							
	Amounts for the 2002 fiscal year	Amounts for the 2001 fiscal year	NOTES:				
	in euros	in euros	1. There are no pledges against the fixed assets				
Net income for the period (profit - loss)	157.144,87	2.609.255,12	2. 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.				
Plus: Balance brought forward (profit)	2.378.348,29	3.657.912,95	3. Employed personnel as of 31/12/2002 amounts to 209 individuals				
Prior period tax audit adjustment	---	-265.958,54	4. The last revaluation of fixed assets took place in 2000 fiscal year, according to L. 2065/92				
TOTAL	2.535.493,16	6.001.179,53	5. A tax audit has been conducted on the company until the 2000 fiscal year.				
Less: 1. Income tax	---	914.056,97	6. By decision of the 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.				
2. Other nonoperating taxes and levies	4.393,19	4.393,19	7. Due to the absorption, the financial statements as of 31/12/2002 are not comparable with the respective statements of the previous period.				
Profit available for distribution	2.531.099,97	5.063.363,67	8. 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				
Profit distribution:			9. In accordance with the 4-digit STACOD-91 classification the company's Net Turnover as of 31/12/2002 by category of economic activity is analysed as follows				
1. Statutory reserve	7.643,86	88.041,08	287.9 Construction of other metallic products				
2. First dividend	145.107,82	659.581,00	514.2 Wholesale of clothing and footwear				
8. Profit carried forward	2.378.348,29	4.315.741,59	514.3 Wholesale of electrical house appliances				
	2.531.099,97	5.063.363,67	514.4 Wholesale of china, glass ware and cleaning products				
			514.9 Wholesale of other houseware				
			515.6 Wholesale of other intermediate products				
			Total				
			44.318.933,47 €				
Thessaloniki, 10/4/2003							
THE PRESIDENT & MANAGING DIRECTOR	THE VICE PRESIDENT	THE FINANCIAL DIRECTOR	THE DIRECTOR OF THE ACCOUNTING DEPARTMENT				
D. CONSTANTINOU	K. CONSTANTINOU	G. MAKRIS	T. FYTILIS				
I.C. No L 119476	I.C. No Z 905961	I.C. No K. 178403	I.C. No Θ 164486				

AUDITORS REPORT
Towards the Shareholders of "SOCRATES D. CONSTANTINOU & SON S.A."

We have conducted the audit on the above Financial Statements and the relevant Annex of "Socrates D. Constantinou and Son S.A." for the fiscal year that ended on December 31st 2002. The audit, within the framework of which we took into account the financial statements of the Company's outlets, took place in accordance with article 37 of c.l. 2190/1920 "regarding corporations", by applying the auditing procedures that we deemed pertinent, on the basis of the standards and requirements followed by the Institute of Certified Auditors-Accountants, which are in accordance to the principles of the International Auditing Standards. 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 Greek 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. We verified the contents of the agreement of the Board of Directors' Administration Report towards the Shareholders' Regular General Assembly with the relevant Financial Statements. The annex contains information according to the provisions of paragraph 1 article 43a of C.L. 2190/1920. 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 opinion 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 € 9.717.052,50 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 €2.353.133,90. 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 stated by article 43 par. 6 of Law 2190/1920, resulting in the occurrence of the surplus value amounting to € 7.794.822,16. 4) A tax audit has not been performed on the Company for the fiscal years 2001 and 2002. Therefore the Company's tax obligations concerning the aforementioned fiscal periods have not been finalized. According to the audit we have conducted, the above Financial statements which result from the company's books and records, after taking into consideration our-above mentioned remarks, reflect together with the Annex represent the Company's asset structure and financial position on December 31st 2002, as well as the results for the period ending on that date, are 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.

Athens, April 14, 2003
The Auditor
Emmanouil A. Pileiadis
A.M. SOEL 12021
DELOITTE & TOUCHE S.A.