

SOCRATES D. CONSTANTINOU & SON S.A.
FINANCIAL STATEMENTS AS OF JUNE 30, 2002 R.S.A. 8349/06/B/86/02

| ASSETS | Amounts as of 30/ 06/ 02 | Amounts as of 30/06/01 |
|---|-----------------------------------|---------------------------------|
| | in EURO | in EURO |
| B. ESTABLISHMENT EXPENSES | 270.354,32 | -- |
| C. FIXED ASSETS | | |
| II. Tangible Assets | 17.940.142,81 | 7.425.313,24 |
| Less: Accumulated Depreciation | 5.557.461,31 | 3.267.078,51 |
| | 12.382.681,50 | 4.158.234,73 |
| III. Participations & other long term financial assets | 8.676.349,15 | 8.428.596,59 |
| Total Fixed Assets | 21.059.030,65 | 12.586.831,32 |
| D. CURRENT ASSETS | | |
| I. Stocks | 12.766.714,86 | 8.992.090,13 |
| II. Customers | 12.950.155,99 | 9.859.749,54 |
| Other Receivables | 16.263.809,89 | 10.391.898,30 |
| III. Securities | 43.433,60 | 40.205,43 |
| IV. Cash | 750.203,22 | 1.131.835,73 |
| Total Current Assets | 42.774.317,56 | 30.415.779,13 |
| E. TRANSIT DEBIT BALANCES | 35.108,34 | 26.389,90 |
| TOTAL ASSETS (B+C+D+E) | 64.138.810,87 | 43.029.000,35 |
| DEBIT MEMO ACCOUNTS | 11.133.349,85 | 2.370.261,57 |
| | | |
| CAPITAL & LIABILITIES | Amounts as of 30/ 06/ 2002 | Amounts as of 30/06/2001 |
| | in EURO | in EURO |
| A. SHAREHOLDERS' EQUITY | | |
| I. Share capital (13,191,620 shares X 0.62 EURO per share) | 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 | 2.922,96 | 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 |
| TOTAL SHAREHOLDERS' EQUITY | 25.649.831,02 | 22.003.149,67 |
| Results for the period 01/01-30/06/2002 before taxes | 18.625,45 | 1.847.475,26 |
| Tax audit differences | -- | (265.958,54) |
| | 18.625,45 | 1.581.516,72 |
| B. PROVISIONS FOR CONTINGENCIES & EXPENSES | 2.064.196,04 | 496.760,12 |
| C. LIABILITIES | | |
| I. Long term liabilities | 19.989.363,44 | -- |
| II. Short term liabilities | 13.934.831,67 | 16.407.442,98 |
| Total Liabilities | 33.924.195,11 | 16.407.442,98 |
| D. TRANSIT CREDIT BALANCES | 2.481.963,25 | 2.540.130,86 |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (A+B+C+D) | 64.138.810,87 | 43.029.000,35 |
| E. CREDIT MEMO ACCOUNTS | 11.133.349,85 | 2.370.261,57 |

SOCRATES D. CONSTANTINOU & SON S.A.
PROFIT & LOSS STATEMENT JANUARY 1 - JUNE 30 2002

| PROFIT AND LOSS STATEMENT | | | | |
|---|-----------------------------|--------------------------|----------------------|------------------------|
| | Amounts of Absorbed company | Amounts of Absorbing and | Total | Amounts as of 30/06/01 |
| | 01 / 09 - 31/12/2001 | Absorbed Company | in EURO | in EURO |
| | 01 / 09 - 31/12/2001 | 01 / 09 - 31/12/2002 | 01 / 09 - 30/06/2002 | |
| I. Operating results | | | | |
| Sales | 4.721.204,83 | 21.129.553,68 | 25.850.758,51 | 16.896.682,26 |
| Less: Cost of sales | 3.580.358,73 | 13.999.581,22 | 17.579.939,95 | 11.483.344,26 |
| Gross profit | 1.140.846,10 | 7.129.972,46 | 8.270.818,56 | 5.413.338,00 |
| Plus: Other Operating Income | 27.380,78 | 236.279,35 | 263.660,13 | 273.595,36 |
| Total | 1.168.226,88 | 7.366.251,81 | 8.534.478,69 | 5.686.933,36 |
| LESS: 1. Administrative expenses | 786.564,00 | 1.937.482,88 | 2.724.046,88 | 1.148.978,29 |
| 2. Selling expenses | 487.103,53 | 3.246.477,27 | 3.733.580,80 | 2.482.065,83 |
| 3. Financial results | 616.493,46 | 630.989,58 | 1.247.483,04 | 123.550,22 |
| Total net operating income before extraordinary items and taxes | -721.934,11 | 1.551.302,08 | 829.367,97 | 1.932.331,02 |
| II. LESS: Extraordinary results | | | | |
| Extraordinary & Non-operating Income-Profits | 47.013,38 | 66.040,65 | 113.054,03 | 23.227,89 |
| Extraordinary & Non-operating Expenses-Losses | 674.959,17 | 76.554,72 | 751.513,89 | 25.911,97 |
| Provisions for extraordinary risks | 42.282,66 | 130.000,00 | 172.282,66 | 82.171,68 |
| Operating & extraordinary results (profits) | -1.392.162,56 | 1.470.788,01 | 810.742,52 | 84.855,26 |
| LESS: Total depreciation recorded | 306.125,29 | 689.614,55 | 995.739,84 | 228.657,22 |
| Less: Depreciation included in the operating cost | 306.125,29 | 689.614,55 | 995.739,84 | 228.657,22 |
| NET INCOME (Profit or Loss) | -1.392.162,56 | 1.410.788,01 | 18.625,45 | 1.847.475,26 |

NOTES:

- There are no pledges against the fixed assets
- There are no cases disputed in courts or under arbitration that may significantly affect the financial position or operations of the firm.
- Employed personnel as of 30/06/2002 amounts to 229 people
- The basic accounting principles that were followed are the same with the ones 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
- By decision of the Ministry of Development 42 - 7346/06/21/2002, the merger through absorption of VELLIFEST S.A. by SOCRATES D. CONSTANTINOU & SON S.A. was approved. In the financial statements as of 30-06-2002 items of the asset and capital & liabilities of the absorbed VELLIFEST S.A. which is no longer a legal person. Specifically, the profit and loss account includes items of the period 01/09/2001-30/06/2002. For comparison reasons, Thessaloniki, July 31 2001 the company analysed income in two periods: 01/09-31/12/2002
- In accordance with the 4-digit STACOU-91 classification the company's Net Turnover as of 30/06/2002 by category of economic activity is analysed as follows activities of the company's branches:

| | |
|--|---------------|
| 287.9 Construction of other metallic products | 3.482.955,20 |
| 514.2 Wholesale of clothing and footwear | 92.647,87 |
| 514.3 wholesale of electrical house appliances | 2.137.821,50 |
| 514.4 wholesale of china, glass ware and cleaning products | 17.480.354,51 |
| 514.9 wholesale of other houseware | 2.484.736,19 |
| 515.6 wholesale of other intermediate products | 172.243,24 |
| Total | 25.850.758,51 |

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 @ 164486

CERTIFIED AUDITOR'S ACCOUNTANT'S REPORT
To the Board of Directors of "SOCRATES D. CONSTANTINOU & SON S.A."

We have conducted the audit on the above summary Financial Statements of "Socrates D. Constantinou and Son S.A." as of January 1, 2002 until June 30 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 didn't realize any inconsistencies or omissions that can significantly affect both the asset structure and the financial position of the company and their included results. Within the framework of this audit we took also into consideration the

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 calculated in accordance with the generally accepted cost accounting principles. From our audit the following arose: 1) In order to cover contingencies that might arise from receivables and cheques overdue as well as for doubtful-contested trade and trade debtors amounting to approximately 2.303.577 Euro, the company's management has set up a provision amounting to 1.796.636 approximately which is considered adequate. In our opinion, the provision for doubtful-contested receivables should have been larger by 566.941 euro. 2) The company has set up a provision for staff retirement benefits amounting to 343.944 euro. In our opinion the amount of the provision for staff's retirement benefits should have amounted to 685.951 Euro approximately. An amount of 61.648 Euro approximately, would burden income for the current year, while 253.929 euro approximately the income of the previous periods. 3) The account "Participations in affiliated companies" includes the acquisition cost of the shares of non-listed companies amounting to 8.561.270.3 euro, which according to the latest published balance sheet as of June 30 2002 will have a book value amounting 2.470.160.28 Euro. The company following the tax legislation (art. 28 par. 5 of P.D 186/1995) has valued these shares based on their acquisition value and not on book value as is provided for by art. 43 par. 6 of Law 2150/1920. Thus, a surplus value of 6.090.252.56 euro has resulted. 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, they do not contain any inconsistencies or omissions that can significantly affect both the appearing asset structure and financial position of the company as of June 30 2002, and the results for the period ended 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.

Athens, August 9, 2002
The Certified Auditor Accountant
Emmanuel A. Piliadis
A.M. SOEL 12021
DELOITTE & TOUCHE S.A.