



Socrates D. Constantinou & Son S.A.

PARENT FINANCIAL STATEMENTS
AS OF JUNE 30, 1998

In GrD

ASSETS	6 / 30 / 1998	6 / 30 / 1997
C. FIXED ASSETS		
II. Tangible Assets	1.288.177.177	1.178.873.349
Less: Accumulated Depreciation	683.037.757	592.774.381
	605.139.420	586.098.968
III. Participations & other long term receivables	836.559.108	538.830.828
Total Fixed Assets	1.441.698.528	1.124.929.796
D. CURRENT ASSETS		
I. Inventories	2.385.349.688	2.027.005.115
II. Customers	1.840.789.950	1.939.594.384
Other Receivables	1.911.730.834	1.872.790.549
III. Securities	13.500.000	2.000.000
IV. Cash at bank and in hand	50.181.677	198.342.934
Total Current Assets	6.201.552.149	6.039.732.982
E. TRANSIT DEBIT BALANCES	15.307.209	14.351.530
TOTAL ASSETS (C+D+E)	7.658.557.886	7.179.014.308
ASSET MEMO ACCOUNTS	308.222.285	378.890.815

LIABILITIES & EQUITY	6 / 30 / 1998	6 / 30 / 1997
A. SHAREHOLDERS EQUITY		
I. Paid in share capital (2,562,000 shares X 200 GrD per share)	512.400.000	512.400.000
II. Share premium account	462.000.000	462.000.000
III. Revaluation differences-Investment grants	10.970.422	10.970.422
IV. Reserves	386.707.300	361.707.300
V. Prior periods' results	1.031.233.301	758.535.695
TOTAL SHAREHOLDERS' EQUITY	2.403.311.023	2.105.613.417
Results 1/1/-06/31/1998	178.770.904	313.823.712
B. PROVISIONS FOR LIABILITIES & EXPENSES	168.118.633	154.703.549
C. LIABILITIES		
I. Short term liabilities	4.582.151.647	4.321.753.758
Total Liabilities	4.582.151.647	4.321.753.758
D. TRANSIT CREDIT BALANCES	326.205.679	283.119.872
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (A+B+C+D)	7.658.557.886	7.179.014.308
E. LIABILITIES MEMO ACCOUNTS	308.222.285	378.890.815

**Socrates D. Constantinou & Son S.A.**PROFIT & LOSS STATEMENT
(1/1/1998 -6/30/1998)

In GrD

PROFIT AND LOSS STATEMENT		6 / 30 / 1998	6 / 30 / 1997
I. Operating results			
Sales		3.593.482.582	3.943.218.358
Less: Cost of sales		2.418.885.276	2.762.341.311
Gross Margin		1.174.597.306	1.180.877.047
Plus: Other Operating Income		18.562.465	19.776.188
Total		1.193.159.771	1.200.653.235
LESS: 1. Administrative expenses	195.699.640		185.630.489
2. Selling expenses	565.265.245		533.003.972
3. Financial results	151.876.891	912.841.776	71.033.652
Total operating results		280.317.995	410.985.122
II. LESS: Extraordinary results			
Extraordinary & Non-operating Income-Profits	75.438.573		-
Extraordinary & Non-operating Expenses-Losses	159.485.664		72.792.519
Provisions for extraordinary risks	17.500.000	101.547.091	18.000.000
Operating & extraordinary results (profits)		178.770.904	320.192.603
LESS: Total depreciation of fixed assets	36.265.060		48.973.045
Less: Depreciation included in the operating cost	36.265.060	--	48.973.045
NET RESULTS (PROFIT) BEFORE TAXES		178.770.904	320.192.603
NOTES:			
1. There are no pledges against the fixed assets			
2. There are neither disputes pending nor referred to arbitration nor any court judgements or pronouncements of arbitrators that could significantly affect the financial position of the Company.			
3. Employed personnel : 115 people.			
4. These financial statements are composed on the basis of the same accounting principles which are used to prepare the financial statements at the end of the fiscal year			
		SALONIKA, August 14 1998	
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. MAKRIS I.C. No K. 178403	T. FYTILIS I.C. No TH 164486

AUDITORS REPORT

To the Shareholders 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 1998 until June 30 1998 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 the results appearing on them. 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 GrD 274 million approximately, the company's management has set up a provision amounting to GrD 150million approximately which is considered adequate. 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 till 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 GrD 70 million from which GrD 10 million will burden the current fiscal year and GrD 60 million will burden the previous fiscal years. 3) The account "Participations in affiliated companies" includes the acquisition cost of the shares of non-listed companies amounting to GrD 833.765.420 which according to the latest published balance sheet on June 30, 1998 will have a book value amounting to GrD 336.577.443. The company following the tax legislation (art. 28 par. 5 of P.D 186/1995) and judging that the difference amounting to GrD 497.187.977 stems from intangible assets that have not been evaluated (representation agreements of foreign houses) has evaluated these shares in their acquisition cost and not in their book value as it stated by art. 43 par. 6 of Law 2190/1920. According to the audit we have conducted, we have realised that the above Financial Statements, result from the company's books and records and after taking into consideration our-above mentioned remarks, do not contain any inconsistencies or omissions that can significantly affect both the appearing asset structure and financial position of the company on June 30 1998, and 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.

Athens, August 21 1998
The Auditor
Michalis K. Hatzipavlou
A.M. SOEL 12511
DELOITTE & TOUCHE S.A.