



# SOCRATES D. CONSTANTINOU & SON S.A.

## CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2003

Reg No. 8349/06/B/86/02

ASSETS	06 / 30 / 2003	06 / 30 / 2002
<b>B. ESTABLISHMENT EXPENSES</b>	268.546,78	494.450,59
<b>C. FIXED ASSETS</b>		
<b>II. Tangible Assets</b>	19.873.833,67	19.502.492,95
<b>Less: Accumulated Depreciation</b>	7.946.015,73	6.324.975,92
	11.927.817,94	13.177.517,03
<b>III. Participations &amp; other long term receivables</b>	81.600,74	164.990,60
<b>Total Fixed Assets</b>	<b>12.009.418,68</b>	<b>13.342.507,63</b>
<b>D. CURRENT ASSETS</b>		
<b>I. Inventories</b>	13.183.016,73	16.582.888,11
<b>II. Customers</b>	13.598.470,60	13.906.472,40
Other Receivables	15.179.094,46	26.339.700,31
<b>III. Securities</b>	43.433,60	43.433,60
<b>IV. Cash at bank and in hand</b>	1.523.595,09	1.007.600,40
<b>Total Current Assets</b>	<b>43.527.610,48</b>	<b>57.880.094,82</b>
<b>E. TRANSIT DEBIT BALANCES</b>	<b>191.044,00</b>	<b>35.108,34</b>
<b>TOTAL ASSETS (B+C+D+E)</b>	<b>55.996.619,94</b>	<b>71.752.161,38</b>
<b>ASSET MEMO ACCOUNTS</b>	15.886.782,41	11.446.393,27
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>06 / 30 / 2003</b>	<b>06 / 30 / 2002</b>
<b>A. SHAREHOLDERS EQUITY</b>		
<b>I. Paid in share capital</b> (13.192.620 shares X EURO 0,62 per share)	8.178.804,40	8.178.804,40
<b>II. Share premium account</b>	12.150.233,31	12.150.233,31
<b>III. Revaluation differences-Investment grants</b>	893.519,19	829.745,05
<b>IV. Reserves</b>	2.996.931,62	2.967.905,34
Less: Value adjustments from the devaluation of participations and securities for offsetting	7.217.390,96	6.753.884,68
<b>V. Prior periods' results</b>	-1.346.284,52	1.031.208,72
<b>IX. Minority rights</b>	-326.891,87	-1.314.033,37
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>15.328.921,17</b>	<b>17.089.978,77</b>
<b>Results 1/1/-06/30/2003</b>	1.546.635,81	-793.166,99
<b>Tax audit differences</b>	-56.392,40	--
<b>B. PROVISIONS FOR LIABILITIES &amp; EXPENSES</b>	709.552,29	2.137.314,55
<b>C. LIABILITIES</b>		
<b>I. Long term liabilities</b>	19.958.542,98	20.255.464,26
<b>II. Short term liabilities</b>	17.171.884,38	31.908.694,97
<b>Total Liabilities</b>	<b>37.130.427,36</b>	<b>52.164.159,23</b>
<b>D. TRANSIT CREDIT BALANCES</b>	<b>1.337.475,71</b>	<b>1.153.875,82</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY ( A+B+C+D)</b>	<b>55.996.619,94</b>	<b>71.752.161,38</b>
<b>LIABILITIES MEMO ACCOUNTS</b>	15.886.782,41	11.446.393,27

**SOCRATES D. CONSTANTINOU &****SON S.A.****PROFIT & LOSS STATEMENT  
JANUARY 1 - JUNE 30 2003**

<b>PROFIT AND LOSS STATEMENT</b>		<b>06 / 30 / 2003</b>	<b>06 / 30 / 2002</b>
<b>I. Operating results</b>			
Sales		23,463,638,95	29,905,093,91
Less: Cost of sales		15,128,824,02	21,241,850,41
<b>Gross Margin</b>		<b>8,334,814,93</b>	<b>8,663,243,50</b>
Plus: Other Operating Income		296,779,41	141,838,44
<b>Total</b>		<b>8,631,594,34</b>	<b>8,805,081,94</b>
LESS: 1. Administrative expenses	1,898,675,71		3,209,318,86
2. Selling expenses	4,170,332,18		4,484,555,88
3. Financial results	717,908,76	6,786,916,65	1,645,191,55
<b>Total operating results (profits or losses)</b>		<b>1,844,677,69</b>	<b>-9,339,066,29</b>
<b>II. LESS: Extraordinary results</b>			
Extraordinary & Non-operating			
Income-Profits	172,953,76		239,756,45
Extraordinary & Non-operating Expenses-Losses	225,896,17		797,113,22
Provisions for extraordinary risks	250,000,00	302,942,41	191,008,10
Operating & extraordinary results (profits)		1,541,735,28	748,364,87
LESS: Total depreciation of fixed assets	1,013,144,79		1,228,019,90
Less: Depreciation included in the operating cost	1,013,144,79	--	1,149,483,90
<b>NET RESULTS (profits or losses)</b>		<b>528,590,49</b>	<b>-479,655,03</b>
<b>BEFORE TAXES</b>		<b>1,541,735,28</b>	<b>-1,360,885,22</b>
Plus: Proportion of Minority Shares		4,900,53	567,718,23
<b>NET CONSOLIDATED GROUP (profits or losses)</b>		<b>1,546,635,81</b>	<b>-793,166,99</b>

1. The above consolidated financial statements include the companies: 1) SOCRATES D. CONSTANTINOU & SON S.A. (parent) and 2) EXCEL S.A.  
3) KOTA KENTRO LOGISTICS S.A. 4) OMNISHOP S.A. 5) KORINOS O.E. 6) KORINOS DIANOMIES O.E. 7) VELCON SERVICES O.E. 8) VELCON O.E. 9) AMALCO S.A.  
The consolidation was performed according to the full consolidation method in accordance with provisions of articles 90 until 209 of C.L. 2190/1920 concerning S.A.

2. There are no pledges against the fixed assets  
3. 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.  
4. Employed personnel as of 06/30/2003: 248 people.  
5. 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.  
6. The latest re-evaluation of the fixed assets value took place during the fiscal year 2000 according to L. 2065/92.  
7. After the share capital increase of the subsidiary company EXCEL the parent company's equity stake increased from 51% to 89,57%.  
8. As of 06/21/2002 the merger through absorption of VELLIFEST S.A. by SOCRATES D. CONSTANTINOU & SON S.A. was completed, and for this reason the financial statements of 06/30/2003 are not comparable to the corresponding financial statements of 06/30/2002 (where the figures of the period 09/01/2001-06/30/2002 are included).  
9. The company's sales as of 06/30/2003 were analysed by category of financial activity according to the 4digit STACOD 2003.
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|--|------------------------|
| 287.9 Construction of other metallic products                                    | 2.462.681,06 €         |
| 514.2 Wholesale of clothing and footwear   | 104.486,73 €           |
| 514.3 Wholesale of electrical house appliances                                   | 1.773.446,07 €         |
| 514.4 Wholesale of china, glassware and cleaning products                        | 12.751.004,91 €        |
| 514.9 Wholesale of other houseware   | 2.199.981,06 €         |
| 515.5 Wholesale of other intermediate products                                   | 124.468,33 €           |
| 518.7 Wholesale of other machinery are used in industry, commerce and navigation | 3.660.741,06 €         |
| 524.4 Retail of furniture, lights and houseware                                  | 276.685,87 €           |
| 528.2 Repair of electrical house and small appliances                            | 60.564,90 €            |
| 631.0 Storage  | 49.578,95 €            |
| <b>TOTAL</b>   | <b>23.463.638,95 €</b> |

Thessaloniki, 23/07/2003

THE PRESIDENT &amp; MANAGING DIRECTOR

THE VICE PRESIDENT

THE FINANCIAL DIRECTOR

THE DIRECTOR OF THE ACCOUNTING DEPARTMENT

**D. CONSTANTINOU**  
I.C. No L 159476**K. CONSTANTINOU**  
I.C. No K 2059561**G. MAKRIS**  
I.C. No K 178403**T. FYTILIS**  
I.C. No TH 164488**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 consolidated Financial Statements of "Socrates D. Constantinou and Son S.A." and its subsidiaries as of January 1 2003 until June 30 2003 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 consolidated asset structure and the financial position as well as the consolidated results, of the above parent company and the subsidiaries included in the consolidation. Also included in the consolidation are the financial statements that are not accompanied by a Certified Auditor's Accountants Report, which totally represent 9,37% and 6,03% of the consolidated total turnover and total assets and due to their minor importance no audit was conducted 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 debts amounting to approximately 1.567.405 Euro approximately, the company's Management has set up a provision amounting to 251.845 Euro approximately, which is considered sufficient. In our opinion, the provision for doubtful-contested receivables should have been larger by 1.315.760 Euro approximately. 2). According to the provisions of article 205/1985 as amended by the Legal Advisors of the Management and according to the article 10 of Law 2065/1992, the group companies have set up a provision for staff retirement benefits until the end of use. In our opinion, the amount of the provision for staff's retirement benefits should refer to the personnel of the company as a whole independently from the right of retirement resulting from the time of presence in the company. An amount of 780.791 Euro approximately according to our prediction and would burden income for the current year at the amount of 50.636 Euro approximately, while 730.155 Euro approximately the income of the previous periods. 3). The parent company has not been audited from the tax authorities for the use of 2001 & 2002 while the subsidiaries have not been audited for the use of 1993 until 2002 end of use and therefore tax obligations for those uses have not been specified as final. According to the audit we conducted we have realized that the above Financial Parent & Consolidated statements, resulting from the relative provisions of Code N:2190/1920 "regarding corporations" and after taking into consideration our above mentioned remarks as well as the company's notes, they do not contain any inconsistencies or omissions that can significantly affect both the appearing consolidated asset structure and financial position of the total companies include in the consolidation as of June 30 2003 and the consolidated results for the period ended on that date in conformity with the legal requirements and the accounting principles which have been generally applied on a basis consistent with that of the corresponding period last year.

Athens, 25 July 2003

Certified Auditor

Emmanuel A. Pellidis  
A.M. SOEL /12021  
Deloitte & Touche A.E.