



SOCRATES D. CONSTANTINOU & SON S.A.

PARENT FINANCIAL STATEMENTS

AS OF JUNE 30, 2003

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

ASSETS	06 / 30 / 2003	06 / 30 / 2002
B. ESTABLISHMENT EXPENSES	155.137,72	270.354,32
C. FIXED ASSETS		
II. Tangible Assets	18.487.429,96	17.940.142,81
Less: Accumulated Depreciation	7.169.638,21	5.557.461,31
	11.317.791,75	12.382.681,50
III. Participations & other long term receivables	1.967.098,65	8.676.349,15
Total Fixed Assets	13.284.890,40	21.059.030,65
D. CURRENT ASSETS		
I. Inventories	10.582.121,64	12.766.714,86
II. Customers	14.170.286,73	12.950.155,99
Other Receivables	11.818.962,46	16.263.809,89
III. Securities	43.433,60	43.433,60
IV. Cash at bank and in hand	443.912,35	750.203,22
Total Current Assets	37.058.716,78	42.774.317,56
E. TRANSIT DEBIT BALANCES	---	35.108,34
TOTAL ASSETS (B+C+D+E)	50.498.744,90	64.138.810,87
ASSET MEMO ACCOUNTS	12.745.241,61	11.133.349,85

LIABILITIES & SHAREHOLDERS' EQUITY	06/ 30/ 2003	06/ 30 / 2002
A. SHAREHOLDERS EQUITY		
I. Paid in share capital (13.191.620 shares X EURO 0,62 per share)	8.178.804,40	8.178.804,40
II. Share premium account	12.150.233,31	12.150.233,31
III. Revaluation differences-Investment grants	195.838,59	2.922,96
IV. Reserves	2.947.165,92	2.939.522,06
Less: Value adjustments from the devaluation of participations and securities for offsetting	8.882.622,16	---
V. Prior periods' results	2.378.348,29	2.378.348,29
TOTAL SHAREHOLDERS' EQUITY	16.967.768,35	25.649.831,02
Results 1/1/-06/30/2003	1.582.802,65	18.625,45
B. PROVISIONS FOR LIABILITIES & EXPENSES	550.582,77	2.064.196,04
C. LIABILITIES		
I. Long term liabilities	19.767.657,00	19.989.363,44
II. Short term liabilities	8.913.458,28	13.934.831,67
Total Liabilities	28.681.115,28	33.924.195,11
D. TRANSIT CREDIT BALANCES	2.716.475,85	2.481.963,25
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (A+B+C+D)	50.498.744,90	64.138.810,87
LIABILITIES MEMO ACCOUNTS	12.745.241,61	11.133.349,85

SOCRATES D. CONSTANTINOU & SON S.A.

PROFIT & LOSS STATEMENT
JANUARY 1 - JUNE 30 2003

PROFIT AND LOSS STATEMENT	06 / 30 / 2003	06 / 30 / 2002
I. Operating results		
Sales	19.476.252,66	25.850.758,51
LESS: Cost of sales	12.451.179,46	17.579.939,95
Gross Margin	7.025.073,20	8.270.818,56
Plus: Other Operating Income	201.309,16	263.660,13
Total	7.226.382,36	8.534.478,69
LESS: 1. Administrative expenses	1.497.116,59	2.724.046,88
2. Selling expenses	3.304.600,97	3.733.580,80
3. Financial results	527.948,30	5.329.665,86
		1.247.483,04
Total operating results	1.896.716,50	7.705.110,72
II. LESS: Extraordinary results		
Extraordinary & Non-operating Income-Profits	97.165,27	113.054,03
Extraordinary & Non-operating Expenses-Losses	161.079,12	751.513,89
Provisions for extraordinary risks	250.000,00	172.282,66
Operating & extraordinary results (profits)	313.913,85	172.282,66
LESS: Total depreciation of fixed assets	1.582.802,65	995.739,84
LESS: Depreciation of fixed assets	854.605,65	995.739,84
Total Depreciation included in the operating cost	854.605,65	995.739,84
NET RESULTS (PROFIT)	1.582.802,65	18.625,45

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.
- Employment personnel as of 06/30/2003: 205 people.
- 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
- The latest revaluation of the fixed assets value took place during the fiscal year 2000 according to L. 2065/92
- A tax audit has been performed on the company until the 2000 fiscal year.
- As of 06/21/2002 the merger through absorption of VELLFEST 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).
- The company's sales as of 06/30/2003 were analysed by category of financial activity according to the 4digit STACOD 2003.

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	2.050.718,49 €
514.4 Wholesale of china, glassware and cleaning products	12.533.916,99 €
514.9 Wholesale of other houseware	2.199.981,06 €
515. Wholesale of other intermediate products	124.468,33 €
TOTAL	19.476.352,66 €

Thessaloniki, 23/07/2003

THE PRESIDENT & MANAGING DIRECTOR	THE VICE PRESIDENT	THE FINANCIAL DIRECTOR	THE DIRECTOR OF THE ACCOUNTING DEPARTMENT
D. CONSTANTINOU I.C. No 2.119476	K. CONSTANTINOU I.C. No 2.905991	G. MAKRIS I.C. No k. 178403	T. FYTILIS I.C. No Th 104648

**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. 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 760.685 Euro approximately, the company's Management has set up a provision amounting to 250.685 Euro approximately, which is considered sufficient. In our opinion, the parent company should set up a supplementary provision for doubtful-contested receivables amounting 510.000 Euro approximately. 2). According to the provisions of article 205/1988 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 676.691 Euro approximately according to our prediction and would burden income for the current year at the amount of 46.316 Euro approximately, while 630.375 Euro approximately the income of the previous end of use. 3). The company following the tax legislation (art. 28 par. 5 of P.D 186/1995) has valued its participations, for a first time in the internal book value of the shares of the subsidiaries in which it participates taking into account the net position of those at the 31.12.02 due to the change of PD, resulting to an undervalue of 8.882.622,16 Euro, resulting a burden of owners equity, because the undervalue has resulted in previous fiscal years, instead of the financial results.

4). The company has not been audited from the Tax Authorities for the use of 2001 until 2002 and therefore the tax obligations for those uses have not been specified as final According to the audit we conducted we have realized that the above Financial statements, resulting from the company's books & records 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 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 corresponding period of the previous fiscal year, after taking into consideration the note num.3.

Athens, 25 July 2003

Certified Auditor

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