



Socrates D. Constantinou and Son S.A.
BALANCE SHEET AT DECEMBER 31, 1999
27th FISCAL YEAR (JANUARY 1, 1999 - DECEMBER 31, 1999)
AMOUNTS IN GrD

ASSETS

	Year ended 1999			Year ended 1998		
	Acquisition Value	Accumulated Depreciation	Net Value	Acquisition Value	Accumulated Depreciation	Net Value
C. FIXED ASSETS						
II. Tangible Assets						
1.Fields-Lots	178.317.781	-	178.317.781	178.317.781	-	178.317.781
3.Buildings & Technical works	796.507.590	516.213.287	280.294.303	764.478.370	474.719.983	289.758.387
4.Machinery-technical installations-other mechanical equipment	94.851.212	51.308.373	43.542.839	72.151.694	42.416.891	29.734.803
5.Transportation means	92.350.383	49.778.463	42.571.920	84.122.708	39.988.442	44.134.266
6.Furniture & other equipment	370.464.789	242.081.762	128.383.027	323.295.173	192.088.464	131.206.709
Total Tangible Assets (CII)	<u>1.532.491.755</u>	<u>859.381.885</u>	<u>673.109.870</u>	<u>1.422.365.726</u>	<u>749.213.780</u>	<u>673.151.946</u>
III. Participations and other long term financial receivables						
1.Investments in subsidiaries			1.356.972.395			834.397.395
7.Other long term receivables			<u>7.074.594</u>			<u>2.687.188</u>
			<u>1.364.046.989</u>			<u>837.084.583</u>
Total Fixed Assets (CI +CII +CIII)			<u>2.037.156.859</u>			<u>1.510.236.529</u>
D. CURRENT ASSETS						
I. Inventories						
1.Merchandise			2.068.103.787			1.790.771.807
5.Down payment for inventory purchases			<u>37.833.448</u>			<u>14.639.832</u>
			<u>2.105.937.235</u>			<u>1.805.411.639</u>
II. Receivables						
1.Receivables from clients			1.941.083.567			1.789.664.711
2.Bills receivable						
Bills receivable on hand		3.543.660			2.240.000	
Bills receivable on banks for collection		<u>105.899.150</u>	109.442.810		<u>135.825.918</u>	138.065.918
3.Bill receivable overdue			143.948.045			87.856.706
3a.Cheques receivable			1.469.227.365			1.416.658.201
3b.Cheques receivables overdue			188.702.621			143.561.003
4. Capital receivable within the following period			4.657.716.000			-
5. Short term receivables from subsidiaries			-			143.248
10.Doubtful-disputed customers and debtors			86.715.484			49.673.608
11.Sundry Debtors			112.686.902			149.046.677
12.Advances and credits control account			4.791.516			10.829.931
			<u>8.714.314.310</u>			<u>3.785.500.003</u>
III. Securities						
1.Shares			13.500.000			13.500.000
IV. Cash and banks						
1.Cash			36.335.965			17.624.074
3.Sight & time deposits			<u>23.993.712</u>			<u>25.013.673</u>
			<u>60.329.677</u>			<u>42.637.747</u>
Total Current Assets (DI +DII +DIII +DIV)			<u>10.894.081.222</u>			<u>5.647.049.389</u>
E. TRANSITORY ACCOUNTS						
2.Noncurrent receivables from currently earned income			874.228			13.801.405
3. Other transitory accounts			-			2.168.784
			<u>874.228</u>			<u>15.970.189</u>
TOTAL ASSETS (B+C+D+E)			<u>12.932.112.309</u>			<u>7.173.256.107</u>
ASSET MEMO ACCOUNTS						
2.Debit accounts of guarantees and collateral security			278.088.527			84.716.322

AUDITORS REPORT

To the Shareholders of "SOKRATES D. CONSTANTINOI & SON S.A."

We have conducted the audit on the consolidated balance sheet, the consolidated profit & loss statement and the Annex of "Socrates D. Constantinou and Son S.A." and its subsidiary for the fiscal year ending December 31st 1999 according to the provisions of article 37 of Law 2190/1920. We have applied the standards and requirements accepted by the Institute of Certified Auditors-Accountants and the auditing procedures that we considered pertinent. 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. We have verified that the Directors' Report is consistent with the related Financial Statements. The Annex includes the information required by the Companies' Act of Greece (art. 43 a of Code 2190/1920). 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 445.000.000 GrD approximately, the company's management has set up a provision amounting to 176.000.000 GrD approximately which is considered adequate. 2) the firm relying on opinion 205/88 of the plenary session of the Administration Legal Advisors and on article 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 89 million GrD from which 13 million GrD will burden the current fiscal year and 76 million GrD will burden the previous fiscal years. 3) In the account "Participations in affiliated companies" includes the acquisition cost of the shares of non-listed companies amounting to 1.356.972.395 GrD which according to the latest published balance sheet ending on December 31st 1999 will have a book value amounting to 840.077.441 GrD. The company following the tax legislation (art. 28 par. 5 of P.D 186/1995) and judging that the difference amounting to 516.894.954 GrD 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.

In our opinion the above financial statements that have resulted from the company's books and records reflect together with the Annex and after taking into consideration our-above mentioned remarks the assets, financial position and the results of the company for the fiscal year ending December 31st 1999, 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 18th 2000
The auditor
Michalis K. Hatzipavlou
A.M. SOEL 12511

LIABILITIES & SHARE CAPITAL

	Year ended 1999	Year ended 1998
A. OWNERS EQUITY		
I. Share Capital (7,771,620 shares x 200 GrD per share)		
1. Paid up capital	1.024.800.000	512.400.000
2. Capital subscribed	517.524.000	-
	<u>1.542.324.000</u>	<u>512.400.000</u>
II. Paid in capital in excess of par	<u>4.140.192.000</u>	<u>462.000.000</u>
III. Revaluation reserves - Investment grants and subsidies		
1. Securities and participations value adjustments	996.000	996.000
2. Other assets value adjustments	9.974.422	9.974.422
	<u>10.970.422</u>	<u>10.970.422</u>
IV. Reserves		
1. Statutory reserve	127.000.000	120.000.000
4. Extraordinary reserves	281.707.300	281.707.300
	<u>408.707.300</u>	<u>401.707.300</u>
V. Retained earnings		
Retained earnings for the period	<u>1.172.886.255</u>	<u>1.181.524.510</u>
Total capital and reserves (AI+AII+AIII+AIV+AV)	<u>7.275.079.977</u>	<u>2.568.602.232</u>
B. PROVISIONS		
2. Other provisions	<u>175.837.245</u>	<u>151.901.752</u>
C. LIABILITIES		
I. Long term liabilities		
Debenture Loans	<u>1.426.327.849</u>	<u>703.143.962</u>
II. Current liabilities		
1. Suppliers	592.113.139	545.652.227
2. Bills payable	1.008.036.252	537.642.081
2a. Checks payable	117.225.250	40.000.000
3. Short term bank loans	1.954.715.063	2.148.047.969
4. Clients down payments	30.464.600	28.518.017
5. Taxes and duties payable	60.323.115	182.950.854
6. Dues to insurance organizations	39.069.459	35.243.739
10. Dividends payable	78.170.200	204.729.450
11. Syndry creditors	142.584.900	17.805.977
Total liabilities (CII)	<u>4.022.701.978</u>	<u>3.740.590.314</u>
Total liabilities (CI+CII)	<u>5.449.029.827</u>	<u>4.443.734.276</u>
D. TRANSITORY ACCOUNTS		
2. Accrued expenses	16.970.939	8.687.910
3. Other transitory liability accounts	15.194.321	329.937
Total (D)	<u>32.165.260</u>	<u>9.017.847</u>
TOTAL LIABILITIES & SHAREHOLDERS EQUITY (A+B+C+D)	<u>12.932.112.309</u>	<u>7.173.256.107</u>
LIABILITY MEMO ACCOUNTS		
2. Credit accounts of guarantees and collateral security	<u>278.088.527</u>	<u>84.716.322</u>

INCOME STATEMENT AS OF DECEMBER 31, 1999

	Year ended 1999		Year ended 1998	
I. OPERATING RESULTS				
Company's turnover		7.398.288.096		7.328.039.941
LESS: Cost of sales		<u>4.903.296.922</u>		<u>4.840.062.007</u>
GROSS INCOME		2.494.991.174		2.487.977.934
PLUS: Other operating income		<u>51.845.379</u>		<u>38.129.427</u>
Total		2.546.836.553		2.526.107.361
LESS: 1.Administrative expenses	545.742.737		413.224.675	
3.Selling expenses	<u>1.306.506.750</u>	<u>1.852.249.487</u>	<u>1.231.831.546</u>	<u>1.645.056.221</u>
OPERATING RESULTS BEFORE FINANCIAL TRANSACTIONS		694.587.066		881.051.140
LESS: 2.Income from securities	550.000		291.972	
4.Interest & related income	<u>4.500.169</u>		<u>5.974.849</u>	
		5.050.169		6.266.821
LESS:				
3.Interest & related expenses	<u>205.126.771</u>	<u>200.076.602</u>	<u>318.792.194</u>	<u>312.525.373</u>
TOTAL OPERATING PROFIT		<u>494.510.464</u>		<u>568.525.767</u>
II.LESS : EXTRAORDINARY RESULTS				
1.Extraordinary income	42.265.958		117.674.528	
2.Extraordinary profits	99.999		1.143.134	
3.Previous years income	<u>10.439.862</u>		<u>9.585</u>	
	52.805.819		118.827.247	
LESS:				
1.Extraordinary expenses	309.667.779		232.615.970	
2.Extraordinary losses	1.579.875		256.162	
3.Prior period expenses	1.909.273		1.694.550	
4. Provisions for Extraordinary risks	<u>35.000.000</u>	<u>348.156.927</u>	<u>35.000.000</u>	<u>269.566.682</u>
OPERATING AND EXTRAORDINARY RESULTS		199.159.356		417.786.332
LESS: Total depreciation	128.951.605		103.386.267	
LESS: Depreciation incorporated in operating cost	128.951.605		103.386.267	
NET PROFITS BEFORE TAXES		<u>199.159.356</u>		<u>417.786.332</u>

NOTES:

1.The last revaluation on the the company's fixed assets was done in the 1996 according to Law 2065/92

APPROPRIATION OF INCOME

	Year ended 1999	Year ended 1998
Net income before taxes	199.159.356	417.786.332
(+) Balance broufht forward (profit)	<u>1.131.124.510</u>	<u>1.031.233.301</u>
Total	1.330.283.866	1.449.019.633
LESS:		
1. Income tax	70.322.022	146.799.534
2. Other non-operating taxes	<u>3.215.589</u> <u>73.537.611</u>	<u>3.215.589</u> <u>150.015.123</u>
Profit available for distribution	<u>1.256.746.255</u>	<u>1.299.004.510</u>

PROFITS APPROPRIATION

1. Statutory Reserves	7.000.000	15.000.000
2. First dividend	76.860.000	102.480.000
8. Profit carried forward	<u>1.172.886.255</u>	<u>1.181.524.510</u>
	<u>1.256.746.255</u>	<u>1.299.004.510</u>