

**SOCRATES D. CONSTANTINOU SON S.A.**  
PARENT FINANCIAL STATEMENTS as of DECEMBER 31st, 2004 (January 1st - December 31st 2004) Reg No. 8349/06/B/86/02

ASSETS	AMOUNTS UNTIL 12.31.2004	AMOUNTS UNTIL 12.31.2003	LIABILITIES AND EQUITY	AMOUNTS UNTIL 12.31.2004	AMOUNTS UNTIL 12.31.2003
<b>B. ESTABLISHMENT EXPENSES</b>	6.153,31	97.529,52	<b>A. CAPITAL AND RESERVES</b>		
<b>C. FIXED ASSETS</b>			I. Share Capital	8.178.804,40	8.178.804,40
II. Tangible assets	19.698.827,65	18.671.345,95	(13.191.620 shares x 0,62 Euro)		
Less: Accumulated Depreciation	9.019.168,22	7.963.622,49	II. Paid in Capital in Excess of par	12.150.233,31	12.150.233,31
	10.679.659,43	10.707.723,46	III. Revaluation- Investment grants differences	274.089,44	332.196,59
III. Participations & other long-term financial assets	9.073.641,27	9.070.576,53	IV. Reserves	3.270.027,93	2.947.165,92
			V. Retained Earnings	2.390.473,49	2.378.348,29
<b>Total Fixed Assets</b>	19.753.300,70	19.778.299,99	<b>Total Shareholders Equity (AI+II+III+IV+V)</b>	26.263.628,57	25.986.748,51
<b>D. CURRENT ASSETS</b>			Results 1/1-31/12/04	2.175.817,43	1.492.834,51
I. Inventories	10.478.116,04	9.704.399,11	<b>C. LIABILITIES</b>		
II. Customers	11.480.327,66	12.008.480,73	I. Long-term liabilities	17.185.041,16	13.636.685,78
Other Receivables	9.286.953,49	10.097.746,05	1. Long-term bank accounts liabilities		
III. Securities	244.979,20	28.031,33	II. Short-term liabilities	1.026.012,78	7.129.991,25
IV. Available Cash	1.290.336,85	3.447.123,60	1. Short-term bank accounts liabilities	4.627.391,18	5.460.113,62
<b>Total Current Assets (DI+DII+DIII+DIV)</b>	32.780.713,24	35.285.780,82	2. Other Short-term liabilities	5.653.403,96	12.590.104,87
<b>E. TRANSIT DEBIT ACCOUNTS</b>	21.022,00	49.674,33	<b>Total Liabilities (CI+CII)</b>	22.838.445,12	26.226.790,63
<b>TOTAL ASSETS (B+C+D+E)</b>	52.561.189,25	55.211.284,66	<b>D. TRANSIT CREDIT ACCOUNTS</b>	1.283.298,13	1.504.910,99
<b>ASSET MEMO ACCOUNTS</b>	11.647.523,39	11.930.654,42	<b>TOTAL LIABILITIES AND EQUITY (A+C+D)</b>	52.561.189,25	55.211.284,66
			<b>LIABILITIES MEMO ACCOUNTS</b>	11.647.523,39	11.930.654,42

**PROFIT AND LOSS ACCOUNT as of DECEMBER 31ST 2004(1.1 - 12.31.2004)**

	12.31.2004	12.31.2003
<b>I. OPERATING RESULTS</b>	12.31.2004	12.31.2003
Turnover (Sales)	37.826.919,87	38.755.667,30
Less: Cost of Goods Sold	24.268.771,01	24.941.467,80
<b>GROSS OPERATING PROFIT</b>	13.558.148,86	13.814.199,50
Plus: Other Operating Income	512.246,73	373.688,87
<b>Total</b>	14.070.395,59	14.187.888,37
Less: 1. Administrative Expenses	3.447.702,12	3.087.987,50
2. Selling Expenses	7.406.533,44	6.918.374,00
3. Financial Results	730.471,37	979.013,43
Total net operating income before extraordinary items and taxes	2.485.688,66	3.202.513,44
<b>II. Less: Extraordinary results</b>		
1. Extraordinary & Non-operating Income-Profits	153.173,05	557.594,83
2. Extraordinary & Non-operating Expenses-Losses	463.044,28	588.429,39
3. Provisions for extraordinary risks	...	309.871,23
Operating & extraordinary results	1.622.706,47	2.175.817,43
Less: Total depreciation recorded	1.622.706,47	1.707.903,92
Depreciation included in the operating cost	1.622.706,47	1.707.903,92
Results for period	...	...
<b>before holdings depreciation</b>	2.175.817,43	2.871.678,88
Less: Holdings Depreciation	...	1.378.844,37
<b>TOTAL NET INCOME before TAXES</b>	2.175.817,43	1.492.834,51

**NOTES**

- There are no pledges against fixed assets.
- There are no cases disputed in courts or under arbitration that may significantly affect the financial position or operations of the firm.
- The total number of employed personnel as of 31/12/2004 is 214.
- 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 fiscal year.
- The last revaluation of fixed assets took place during the fiscal year 2004, according to L. 2065/92, from which no goodwill came out.
- A tax audit has been conducted on the company until 2000 fiscal year.
- In the Assets Account "Securities" is included the acquisition value of shares amounted to Euro 244.979,20
- In accordance with the 4-digit STACOD-2003 classification the company's Net Turnover as of 31/12/2004 by category of economic activity is analyzed as follows:

	Amounts in Euro
287.9 Construction of other metallic products	4.140.099,95
514.2 Wholesale of clothing and footwear	150.408,82
514.3 Wholesale of electrical house appliances	3.253.911,80
514.4 Wholesale of china, glassware and cleaning products	26.194.864,69
514.9 Wholesale of other houseware	3.832.310,23
515.6 Wholesale of intermediate products	255.324,38
<b>TOTAL</b>	<b>37.826.919,87</b>

**THESSALONIKI, 02/15/2005**

THE  
CHAIRMAN AND C.E.O

THE  
VICE - CHAIRMAN

THE  
CHIEF FINANCIAL OFFICER

THE  
CHIEF ACCOUNTANT

**CONSTANTINOU D.**  
ID No. I 119476

**CONSTANTINOU K.**  
ID No. Z 905961

**MAKRIS G.**  
ID No. K 178403

FITILIS T  
ID No. I 164486- Reg No 15514 A Class

**CERTIFIED AUDITOR'S - ACCOUNTANT'S REPORT**

To the Board of Directors of "SOCRATES D. CONSTANTINOU & SON S.A."

We have audited the above financial statements, as it was anticipated by the provisions of article 6 of the presidential decree 360/1985, as modified with the article 90 of Law 2533/1997 by applying, within the framework of the rules and principles followed by the Institute of Certified Public Accountants of Greece appropriate auditing procedures, in order to ascertain that the summary financial statements of "SOCRATES D. CONSTANTINOU AND SON S.A.", covering the period from January 1st 2004 until December 31st 2004 do not contain any inaccuracies or omissions substantially affecting the asset structure and the financial position as well as the financial results presented. Within the framework of our audit we took into account the activities of the Company's outlets.

The Company provided us with all the appropriate information and explanations that we asked in order to conduct the audit. The Company followed correctly the General Accounting Principles. The inventory method has not been verified in relation with the previous year, and the production cost has been determined in accordance with the accepted principles of cost accounting.

Based on our audit, we can ascertain that:

- For the covering of contingencies that might arise from receivables and cheques overdue as well as for doubtful-contested trade and trade debtors amounting to Euro 1,200,000, the company's administration has set up a provision for doubtful receivables of Euro 300,000.
- In our opinion the Company should have format an additional provision for doubtful and disputed receivables amounting to approximately Euro 900,000.
- The company, based on the decision no. 205/1988 of the Plenary Session of the Administration Legal Advisors and article 10 of L. 2065/1992 has set up a provision for members of staff that is entitled to get a pension until the end of 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 had formed a provision in accordance with this method the cumulative amount would be Euro 736,800 approximately, from which Euro 73,100 would burden the current fiscal year while Euro 663,700 would have burden the previous fiscal years.
- The account "Participations in affiliated companies" includes the amount Euro 9,031,438.46 that represents the acquisition cost of the shares of non-listed companies. The company following the tax legislation ( article 28, par. 5 of P.D 186/1992) has evaluated these shares by their acquisition cost and not in their book value as it is stated by article 43, par.6 of Law 2190/1920, resulting in the occurrence of the surplus value amounting to Euro 7,864,559.87(2003 - Euro 7,871,782.63).
- A tax audit has not been performed on the company for the fiscal years 2001 until 2004, and for this reason the tax obligations for these fiscal years have not been finalized. 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 and the notes provided by the Company, do not contain any inconsistencies or omissions that can significantly affect both the appearing asset structure and financial position of the company on December 31st 2004, 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. It is noted that the current certification is issued for the purposes of article 90 of L. 2533/1997 and does not substitute the certification of the regular audit that is required in accordance with article 37 of C.L. 2190/1920. For this reason it is likely that some funds of the above summary financial statements to present differences with the full year financial statements which will be published with the aforementioned regular audit certification.

Athens 18/02/2005  
THE CERTIFIED AUDITOR - ACCOUNTANT  
EMMANOUEL A. FILIDIS  
REG.SOEL 12021