



SOCRATES D. CONSTANTINOÛ & SON S.A
 CONSOLIDATED FINANCIAL STATEMENTS as of JUNE 30th, 2004 (January 1st - June 30th 2004) Reg No. 8349/06/8/86/02

ASSETS	AMOUNTS UNTIL		AMOUNTS UNTIL		LIABILITIES AND EQUITY	
	30.06.2004	30.06.2003	30.06.2003	30.06.2004	AMOUNTS UNTIL	AMOUNTS UNTIL
B. ESTABLISHMENT EXPENSES	98.139,61	268.546,78				
C. FIXED ASSETS						
II. Tangible assets	20.511.170,15	19.873.833,67				
Less: Accumulated Depreciation	9.196.331,17	7.946.015,73				
	11.314.838,98	11.927.817,94				
III. Participations & other long-term financial assets	76.130,85	81.600,74				
Total Fixed Assets	11.390.969,83	12.009.418,68				
D. CURRENT ASSETS						
I. Inventories	15.030.297,97	13.183.016,73				
II. Customers	11.920.909,42	13.298.398,97				
Other Receivables	12.846.236,91	15.179.094,46				
III. Securities	187.807,28	43.433,60				
IV. Available Cash	1.439.036,04	1.523.595,09				
Total Current Assets	41.424.287,62	43.227.538,85				
E. TRANSIT DEBIT ACCOUNTS	191.044,00				
TOTAL ASSETS (B+C+D+E)	52.913.397,06	55.696.548,31				
ASSET MEMO ACCOUNTS	15.241.931,14	15.866.782,41				
			A. CAPITAL AND RESERVES			
			I. Share Capital	8.178.804,40	8.178.804,40	
			(13.191.620 shares x 0,62 Euro)			
			II. Paid in Capital in Excess of par	12.150.233,31	12.150.233,31	
			III. Revaluation- Investment grants differences	893.903,03	893.519,19	
			IV. Reserves	3.271.126,36	2.996.931,62	
			Less: Consolidation differences	6.264.367,63	7.217.390,96	
			V. Prior periods' results	-1.140.668,86	-1.346.284,52	
			VII. Currency Differences	817,98	
			IX. Minority rights	-140.824,27	-376.801,87	
			Total Shareholders Equity (AI+AII+AIII+AIV+AV+AVII+AVIII)	16.948.974,32	15.328.921,17	
			Results 1/1-30/06/04	1.479.353,79	1.546.635,81	
			Tax Audit Differences	-56.392,40	
				1.479.353,79	1.490.243,41	
			B. PROVISIONS FOR CONTINGENCIES AND EXPENSES	14.514,22	409.480,66	
			C. LIABILITIES			
			I. Long-term liabilities			
			1. Long term liabilities bank accounts	17.362.496,03	19.958.542,98	
			II. Short-term Liabilities			
			1. Short term liabilities bank accounts	5.160.690,85	6.876.323,47	
			2. Other short term obligations	10.974.782,86	10.295.560,91	
				16.135.473,81	17.171.884,38	
			Total Liabilities (CI+ CII)	33.497.969,84	37.130.427,36	
			D. TRANSIT CREDIT ACCOUNTS	972.584,89	1.337.475,71	
			TOTAL LIABILITIES AND EQUITY (A+B+C+D)	52.913.397,06	55.696.548,31	
			LIABILITIES MEMO ACCOUNTS	15.241.931,14	15.866.782,41	

PROFIT AND LOSS ACCOUNT as of JUNE 30TH 2004(1.1 - 06.30.2004)

	30.06.2004	30.06.2003		
I. OPERATING RESULTS			NOTES	
Turnover (Sales)	23.420.421,58	23.463.638,95	1. The above consolidated financial statements include the following Companies: 1)SOCRATES D. CONSTANTINOÛ & SON S.A. (parent)	
Less: Cost of Goods Sold	14.752.585,66	15.128.824,02	2)Excel S.A. 3) Rota Centre Logistics S.A. 4) Omnishop S.A. 5) Kormos Distribution S.A. 6) Velkon Service 7) Yalco Hungary KFT. The consolidation was made according with articles 90 to 109 of 2190/1920 Law regarding S.A.'s. For the asset conversion of Yalco Hungary KFT the final currency method.	
GROSS OPERATING PROFIT	8.667.835,92	8.334.814,93	2. There are no pledges against the fixed assets.	
Plus: Other Operating Income	297.653,24	296.779,41	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 the operations of the firm.	
Total	8.965.489,16	8.631.594,34	4. The total number of employed personnel as of 30/6/2004 is 272	
Less: 1. Administrative Expenses	2.262.186,65	1.898.675,71	5. The basic accounting principles that were followed are the same with the ones used for the preparation of the financial statement at the end of fiscal year.	
2. Selling Expenses	4.408.705,72	4.170.332,18	6. The last revaluation of fixed assets took place in 2000 fiscal year, according to L. 2065/92.	
3. Financial Results	535.893,49	717.908,76	7. The parent company is audited for 2000 fiscal year use, whereas the subsidiaries EXCEL S.A., Kormos Distribution, Velkon Service until the 1998 fiscal year use, Omnishop until 1999 and Rota Centre Logistics S.A. was not audited since its establishment, 2000 fiscal year use.	
Total net operating income before extraordinary items and taxes	1.758.703,30	1.844.677,69	8. In the Assets Account "Securities" is included the acquisition value of these securities amounted to Euro 178,709,70	
II. Less: Extraordinary results			9. In accordance with the 4-digit STACOD-2003 classification the company's Net Turnover as of 30/06/2004 by category of economic activity is analyzed as follows:	
Extraordinary & Non-operating Income-Profits	207.339,25	172.953,76	287.9 Construction of other metallic products	2.136.504,80
Extraordinary & Non-operating Expenses-Losses	386.910,90	225.896,17	514.2 Wholesale of clothing and footwear	76.775,45
Provisions for extraordinary risks	150.847,60	250.000,00	514.3 Wholesale of electrical house appliances	1.812.751,37
Operating & extraordinary results	1.428.284,05	1.541.735,28	514.4 Wholesale of china, glassware and cleaning products	13.588.864,26
Less: Total depreciation recorded	939.614,10	1.013.144,79	514.9 Wholesale of other householdware	2.294.933,18
Less:			515.6 Wholesale of intermediate products	143.007,33
Depreciation included in the operating cost	939.614,10	1.013.144,79	518.7 Wholesale of other machinery used in the industry, commerce and pilotage.	2.899.886,81
NET INCOME before TAXES	1.428.284,05	1.541.735,28	524.4 Retail of furniture,lamps and houseware products	331.220,26
Plus/Minus Minority shares proportion	51.069,74	4.900,53	528.2 Repairing of houseware electrical appliances and micro appliances	58.571,80
NET CONSOLIDATED INCOME FOR THE GROUP before taxes	1.479.353,79	1.546.635,81	631.2 Inventory	77.906,32
			TOTAL	23.420.421,58

	THESSALONIKI, 08/04/2004			
THE CHAIRMAN AND C.E.O	THE VICE - CHAIRMAN	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT	
CONSTANTINOÛ D. ID No. L 119476	CONSTANTINOÛ K. ID No. Z 905961	MAKRIS G. ID No. K 178403	FITILIS T ID No. I 164486- Reg No 15514 A Class	

AUDITORS REPORT
Towards the Board of Directors of "SOCRATES D. CONSTANTINOÛ & SON S.A."

We have carried out the audit required by the provisions of Article 6 of the P.D. 360/1985, as amended by Article 90 of Law 2533/1997, in accordance with the principles and auditing standards followed by the Institute of Certified Public Accountants in Greece and the audit procedures which we deemed necessary, in order to determine whether the above condensed consolidated financial statements of Socrates D. Constantinou & Son S.A. Group of Companies (the Group) covering the period January 1, 2004 to June 30, 2004, do not contain errors and/or omissions which materialize the consolidated financial position, asset structure and consolidated results of the parent company and its consolidated subsidiaries. The consolidation includes the unaudited financial statements of Companies which represent in total 8.30% and 7.42% of the consolidated assets and consolidated turnover respectively which due to the relative unimportance, we have not audited.

Our audit revealed the following:

- In order to cover possible losses from notes and cheques which are delayed as well as doubtful and disputed debts totalling € 1.621.800 the Group has made a provision amounting to € 464.580. In our opinion, the Group should have made an additional provision of € 1.157.220.
- The Group based on ruling 205/1988 at the Legal Council of State at Article 10 and Law 2065/1992 only provides for retirement benefits payable for those employees, reaching the retirement criteria within the following year. In our opinion, the Group should provide for retirement benefits for all staff irrespective of when they reach the retirement criteria. If the provision had been provided for by this method, this liability would amount to € 803.500 approximately, out of which € 65.270 would be charged to the result of the period (in the respective period of 2003 the comparative amount was approximately € 50.836).
- The Holding Company as well as the most significant subsidiaries have not been audited by the tax authorities for the years 2001 to 2003 and therefore, the tax liabilities for those years have not been finalised.

Based on the audit performed, we have ascertained that the above consolidated financial statements have been compiled in accordance with the relevant provisions of Law 2190/1920 and, except for the matters noted above and the Group's notes below the Balance Sheet, do not contain errors and/or omissions which materially affect the consolidated financial position and asset structure of the Group as of June 30, 2004, and the consolidated results of operations for the period then ended, in accordance with the prevailing legislation and the accounting principles followed by the parent company which are generally accepted and do not differ from those applied in the respective period of the previous year.

Athens, August 6, 2004

The Certified Public Accountant
Emmanuel Peldis
Reg. No (ICPA (GR)): 12021

DELOITTE & TOUCHE S.A