

"YALCO"
SOCRATES D.CONSTANTINOU & SON S.A.
 Prefecture No: 8349/06/08/02
 CONSOLIDATED FINANCIAL STATEMENT AS AT 31 DECEMBER 2003
 10TH Accounting Year (1 JANUARY - 31 DECEMBER 2003)

ASSETS		31/12/2003			31/12/2002			LIABILITIES		31/12/2003	31/12/2002
	Cost	Depreciation	Net book value	Cost	Depreciation	Net book value					
I. INSTALLATION COSTS											
1. Formation expenses	60,318.08	48,254.47	12,063.61	60,318.08	36,190.85	24,127.23	2. Share Capital (3191620* 0.62 %)		8,178,804.40	8,178,804.40	
2. Foreign exchange differences of loans used for fixed assets	4,303.08	—	4,303.08	6,454.62	—	6,454.62	1. Share capital paid up		—	—	
3. Loan interest of construction period	28,023.91	22,899.13	5,124.78	28,023.91	17,174.38	10,849.56	7. Share premium account		12,150,233.31	12,150,233.31	
4. Other foundation expenses	741,317.12	591,969.54	149,347.58	1,230,461.24	955,356.31	275,104.93	1. Paid up		12,150,233.31	12,150,233.31	
	814,562.19	663,123.14	151,439.05	1,325,878.85	1,008,721.51	317,156.34	II. Revaluation reserves		2,922,396	—	
C. FIXED ASSETS											
1. Intangible assets	—	—	—	—	—	—	2. Participations re-adjustments differences		978,192.25	957,902.51	
3. Goodwill	19,075.57	5,918.32	13,157.25	180,484.21	167,326.98	13,157.25	3. Fixed assets investments		846,098.43	844,897.67	
IV. Tangible assets											
1. Buildings	2,242,487.95	—	2,242,487.95	2,242,487.95	—	2,242,487.95	1. Statutory reserves		586,941.00	586,941.00	
2. Buildings, technical installations	9,460,404.40	3,980,890.82	5,479,513.58	9,365,009.10	3,393,763.24	5,971,245.86	2. Special reserves		239,786.22	239,786.22	
3. Machinery, technical installations	4,254,466.32	1,811,590.32	2,442,876.00	4,244,072.37	1,926,619.69	2,317,452.68	3. Retained Earnings		—	—	
4. Other equipment	5,200,665.43	3,258,986.26	1,941,679.17	5,249,074.00	2,849,542.00	2,399,532.00	Period's losses carried forward		-1,140,698.86	-429,186.49	
5. Motor vehicles	3,580,202.01	2,644,950.59	935,251.42	3,299,683.98	2,206,963.07	1,092,720.91	VI. Minority rights		—	—	
6. Furniture and fittings	36,073.90	—	36,073.90	—	—	—		—	—		
7. Work in progress	—	—	—	—	—	—	Less: Consolidation differences		6,264,367.63	6,753,884.08	
	20,958,301.23	8,730,551.59	12,227,749.64 #	19,676,859.44	7,088,698.92	12,588,160.52	V. Retained Earnings		-2,993,241.27	-7,569,053.06	
Total Tangible and Intangible assets (CI+CII)	20,143,736.80	8,776,471.91	11,367,264.89	19,859,434.67	7,257,825.90	12,601,608.77	VI. Total owners equity (AI+AII+AIII+AV+AVI)		17,039,873.10	15,486,436.51	
III. Participations & long-term receivables											
1. Participations in related companies			8,482.75			8,482.75	7. PROVISIONS		24,682.28	19,747.98	
2. Other long-term receivables			74,939.73			74,939.73		24,682.28	19,747.98		
Total Fixed Assets (CI+CII+CIII)			11,421,326.37			12,601,608.71	C. LIABILITIES		—	—	
II. CURRENT ASSETS											
I. Inventories											
1. Merchandise			9,252,139.36			10,397,308.36	1. Debentures		5,135,117.78	4,475,250.00	
2. Finished goods and by-products			853,410.87			78,299.25	2. Bank loans		6,633,356.60	15,813,889.60	
3. Raw materials			718,428.08			870,588.69	3. Long term Liabilities		—	—	
4. Consumables			407,578.16			12,654,211.69	1. Debtors		580.60	—	
5. Payments on account			11,281,558.47			11,809,037.85	2. Creditors		13,789,054.38	20,289,139.00	
6. Payments on account			—			—	7. Short term Liabilities		—	—	
7. Prepaid expenses	114,850,801.25	—	114,850,801.25	11,063,007.85	—	11,063,007.85	1. Suppliers		2,641,071.01	2,382,332.31	
8. Bills Receivable	2,838.78	—	2,838.78	6,000.00	—	6,000.00	2. Notes payable		3,238,626.29	2,463,964.39	
9. Inventsible	252,941.11	—	252,941.11	315,577.07	—	315,577.07	2a. Outstanding cheques		135,297.60	326,624.16	
10. Bills for collection	306,380.99	—	306,380.99	351,031.59	—	351,031.59	3. Short term bank loans		4,953,064.84	10,235,385.39	
11. Cheques Receivable (non-dtd)	11,210,044.75	—	11,210,044.75	12,591,811.66	—	12,591,811.66	4. Customer advances		820,300.44	2,188,658.17	
12. Cheques Receivable (stampd)	281,998.38	—	281,998.38	358,692.04	—	358,692.04	5. Taxes and duties		1,396,976.42	333,191.15	
13. Blocked deposits	184,604.65	—	184,604.65	1,407,995.06	—	1,407,995.06	6. Social securities		302,249.57	257,298.02	
14. Bank & doubtful debts	67,222.34	—	67,222.34	167,811.88	—	167,811.88	7. Current instalments of long term obligations		7,160,333.00	78,984.00	
15. Previsions	65,486.32	—	65,486.32	2,241.52	—	2,241.52	10. Dividends payable		537,345.80	172,849.06	
11. Other debts	1,321,492.37	—	1,321,492.37	1,381,747.24	—	1,381,747.24	11. Syndry creditors		83,097.55	105,314.14	
12. Advances given	26,219.49	—	26,219.49	17,383.69	—	17,383.69		20,393,512.61	18,241,311.01		
Total	24,790,582.36	—	24,790,582.36	27,658,699.45	—	27,658,699.45	Total Liabilities (C1-C7)		34,367,546.99	38,530,370.83	
II. Securities											
1. Shares			28,031.33			43,433.60					
IV. Cash											
1. Cash			12,892.56			94,281.43					
2. Current and time deposits			3,766,680.80			762,210.11					
			3,995,034.36 #			846,891.54					
Total Current Assets (D1 + D2 + D3 + D4 + D5)	39,995,286.52	—	39,995,286.52	41,282,798.31	—	41,282,798.31					
V. Transit debt balances											
1. Prepaid expenses	23,707.50	—	23,707.50	18,360.25	—	18,360.25	D. TRANSIT CREDIT BALANCES		324.67	295.16	
2. Accrued income	1,427.30	—	1,427.30	—	—	—	1. Uncrued and deferred income		208,646.73	254,900.91	
3. Other transaction accounts	53,123.83	—	53,123.83	11,705.20	—	11,705.20	3. Other credit transit balances		—	7,265.37	
	78,258.63	—	78,258.63	29,065.45	—	29,065.45		208,971.40	262,361.44		
Total Assets (* + C + D + E)	51,641,093.77 #	—	51,641,093.77 #	54,219,315.96	—	54,219,315.96					
MEMO ACCOUNTS											
1. Third party assets	16,197.14	—	16,197.14	92,099.22	—	92,099.22					
2. Guarantees and collateral	9,227,099.47	—	9,227,099.47	11,848,255.79	—	11,848,255.79	1. Assets belonging to third parties		16,197.14	92,099.22	
3. Other memo accounts	4,507,812.99	—	4,507,812.99	4,507,812.99	—	4,507,812.99	2. Credit balances of guarantees		9,272,099.47	11,848,255.79	
	13,791,144.60	—	13,791,144.60	16,448,133.00	—	16,448,133.00	4. Other memo accounts		4,307,812.99	4,307,812.99	
			—			—			13,791,144.60	16,448,133.00	
SHAREHOLDERS' EQUITY AND LIABILITIES (* + C+D)											
									51,641,093.77	54,219,315.96	

Note: 1) The above consolidated financial statements include the following companies: 1)Socrates D. Constantinou & Son S.A. (parent) and the subsidiaries 2) Excel S.A. 3) Beta centre Logistics S.A. 4) Omnicash S.A. (Kormos Distribution S.A.) 5)Kikos Service S.A. The consolidation was made according to the article 90 190 of 2190/1920 Law. 2) In the consolidated financial statements are not included the Velkos S.A. and the Kormos S.A.. The result of those companies dissolution displayed in the "Participation depreciation" account. 3) There are no pledges against fixed assets. 4) 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 of the firm. 5) The personnel of the company on 31/12/2003 is 257 persons. 6) The parent company has been audited until the 2003 year fiscal year whereas the subsidiaries Excel S.A., Kormos Distribution S.A. and Velkos Service S.A. until the 1999 fiscal year and the Beta Centre Logistics S.A. has not been audited from its foundation year, 1999. 7) The last revaluation of fixed assets took place in 2000 fiscal year, according to 2096/02 Law. 8) After the share capital increase of the subsidiary Excel S.A., the percentage of the parent company increased from 51% to 84.97%. 9) On 30/12/2002 was completed the merger of the parent company Socrates D. Constantinou & Son S.A. through absorption of the Velkos S.A. company. On 12/10/2003 the company was revised according to corresponding 2003 fiscal year's results that are not compared with corresponding 2002 fiscal year's results because the results of the period 09/10/2001-06/30/2002 are included. 10) The analysis of the company's turnover according to the Standard 2003 is the following:

3873 Construction of other metallic products	4,392,881.96
5142 Wholesale of clothing and footwear	172,469.60
5143 Wholesale of electrical house appliances	1,096,500.61
5144 Wholesale of drugs, glass, steel and cleaning products	26,906,003.50
5145 Wholesale of other household products	3,883,908.98
5146 Wholesale of other intermediate products	303,946.55
5187 Wholesale of machinery that are used in the industry, commerce and navigation	6,714,266.68
5184 Retail of furniture, brags and household equipment	78,378,187.89
582 Repair of household electric appliances	114,662.94
6312 Storing	113,962.86
Total	48,888,104.62

CONSOLIDATED INCOME STATEMENT FOR THE YEAR (1/1/2003-31/12/2003)

	31/12/2003	31/12/2002
I. Operating Results		
Turnover (Sales)	46,886,104.47	51,728,941.92
Less: Cost of projects	30,503,757.11	38,826,638.30
Gross operating profit	16,382,347.36	14,902,303.63
Plus: 1. Other operating income	625,223.85	428,084.78
Total	16,907,571.31	15,330,388.31
Less: 1. Administrative expenses	3,851,371.46	5,361,948.69
3. Selling and distribution expenses	8,313,708.38	8,490,708.32
Operating results (profits)	4,742,491.47	1,477,733.30
Plus: 2. Income from securities	—	1,800.00
3. Profits from securities and participations sales	12,993.38	—
4. Interest and related income	26,993.54	45,184.00
Less:	42,944.92	46,984.90
Total operating profit	4,829,573.47	2,377,049.41
77. Plus: Extraordinary Items		
1. Extraordinary & non-operating income	681,780.38	279,064.56
2. Extraordinary gains	464.14	14,792.42
3. Prior year's income	27,262.20	65,711.60
4. Profit from provisions carried forward	754,406.72	800,812.18
Less:	—	—
1. Extraordinary & non-operating expenses	605,065.28	891,844.55
2. Extraordinary losses	86,203.63	476,474.18
3. Prior year's expenses	4,241.84	48,919.18
4. Provisions for extraordinary contingencies	300,090.00	995,809.75
Net Income after Extraordinary results	3,181,435.44	-847,287.69
Less: 101 Depreciation of fixed assets	1,876,243.65	2,413,252.72
Less: Depreciation included in operating results	1,876,243.65	2,256,178.87
NET INCOME FOR THE PERIOD BEFORE TAX AND PARTICIPATIONS	3,181,435.44	-2,216,691.05
Less: Provisions for contingencies	—	—
NET INCOME FOR THE PERIOD BEFORE TAX	3,181,435.44	-2,216,691.05
Less:	—	—
Adding Differences	21,657.60	—
Income taxes	631,694.44	12,730.32
Other taxes not included in the operating cost	3,691.50	4,393.49
NET INCOME FOR THE PERIOD AFTER TAX	2,527,097.50	-2,233,944.36
Plus: Minority Income	—	487,546.45
Group's Net Income	2,527,097.50	-1,746,397.91

Thessaloniki, 04/06/2004

THE PRESIDENT OF THE BOARD

THE VICE PRESIDENT

THE FINANCIAL DIRECTOR

THE DIRECTOR OF ACCOUNTING DEPT

D. CONSTANTINOU
ID No.: L 119476

K. CONSTANTINOU
ID No.: T 905961

G. MAKRIAS
ID No.: K 178403

T. FYTILIS
ID No.: T 164486

AUDITORS REPORT
Towards the Shareholders of "SOCRATES D. CONSTANTINOU & SON S.A."

We have audited, in accordance to the provisions of article 168 of 2190/1920 Law, the tenth consolidated financial statements, as well as the Annex of "Socrates D. Constantinou & Son S.A." and its subsidiaries for the fiscal year ending December 31st 2003. We applied the procedures that we deemed pertinent for the purpose of our audit, which are in accordance to the standards and requirements accepted by the Institute of Certified Auditors and Accountants and we verified the contents of the consolidated Administration report. We did not extend our audit to the financial statements of the subsidiary companies included in the consolidation, representing 8.40% and 6.38% of the consolidated total assets and turnover. From our audit the following arise: 1) For the covering of contingencies that might arise from receivables and cheques overdue as well as for doubtful-indebted trade and trade debtors amounting to Euro 1,172,000.00; 2) From the company's administration has set up a provision amounting to Euro 315,000.00. In our opinion the provision for doubtful and disputed receivables should be greater by Euro 857,000.00 approximately; 2) The companies relying on option 205/1988 of the plenary session of the Administration Legal Advisors and on article 10 of 2065/1992 Law has set up a provision for members of staff that is entitled to get a pension until the end of the next period. In our opinion the amount of the provision for staff's retirement benefits should concern at the company's employees independent 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 Euro 733,141 approximately, from which Euro 121,499 would burden the current fiscal year while Euro 611,642 would have burden the previous fiscal years. 3) The financial statements of the parent company and the most important subsidiaries ones had not been audited for the fiscal years from 2001 to 2003, therefore tax obligations concerning the aforementioned fiscal periods have not been finalized. In our opinion, after taking into account our above mentioned remarks, the consolidated financial statements have been drawn up in accordance to the provisions of 2190/1920 Law and reflect in conformity with legal requirements and the accounting principles which have been generally applied on a basis consistent with that of previous fiscal year, the asset structure, the financial position of the companies included in the consolidation as of 12.31.2003

Athens, April 14, 2004
The auditor

Emmanouil A. Pidas
A.M. SOEL 12021